



# CITY OF NEWPORT NEWS

ADOPTED OPERATING BUDGET

**FISCAL YEAR 2007**

(July 1, 2006 to June 30, 2007)

JOE S. FRANK  
*MAYOR*

CHARLES C. ALLEN  
*VICE MAYOR*

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*COUNCILMAN*

WILLIAM F. HASKINS, JR.  
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*COUNCILMAN*

RANDY W. HILDEBRANDT  
*CITY MANAGER*

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

# CITY OF NEWPORT NEWS

## *Office of the City Manager*

May 2, 2006

**TO:** The Honorable City Council

**FROM:** City Manager

**SUBJECT:** Adjustment to Recommended FY 2007 Operating Budget

As requested at your April 25 Budget Work Session, I have formulated a proposed package of revenue and expenditure adjustments with the input received from City Council. The objectives of these Budget modifications are:

- 1) Reducing the real estate tax rate,
- 2) Providing more funding for schools, and
- 3) Allocating additional funding to several areas that warranted consideration.

Subsequent to the work session, the Office of Budget and Evaluation did one final review of revenues to see if any further changes in next year's revenue projections could be justified based upon updated collections for the first three quarters of FY 2006. This process yielded a net increase in General Fund revenues for FY 2007 of \$6,219,000 as shown in Table B. The primary source of this additional revenue is the recalculation of property tax revenues using the City Assessor's final estimate of the tax levy upon completion on April 25 of the reassessment process. As illustrated in Table A, the real estate levy has increased \$472,097,100 over the amount estimated in my Recommended Budget. After taking into account the additional tax relief adopted for qualified elderly and disabled tax payers (\$150,000) and the delinquencies projected in current year tax collections (\$1,524,470), the new forecast for real estate tax revenue for FY 2007 is \$146,482,303 or \$4,178,534 more than estimated previously in my Recommended Budget.

In an effort to fully account for all expected revenues for FY2007, I have included a \$2.0 million revenue item representing the collection of prior year taxes, i.e. FY 2006 and before. Prior year tax collections (after the accounting write-off for un-collectable delinquencies) have never been explicitly included in the previous Budget revenue estimates. Based upon the collection experience in the past four years, I am comfortable in including this in the FY 2007 revenues. By doing so, City Council must understand that there is no cushion built into the FY 2007 revenue estimates. The estimates for all of the major revenue sources are aggressive and, as a result, there should not be significant surpluses at the end of FY 2007 due to revenues. Since our local and regional economy remains strong, I believe that the risk of a revenue shortfall in FY 2007 is small. The only concern would be if state aid for schools and municipal purposes in the final FY 2007-08 Biennium Budget for the Commonwealth deviated significantly from our current estimates.

Given the City Council's interest in increasing the funding for schools in FY 2007 and in addressing several areas in the municipal budget, which may be under funded, I am recommending a real estate tax reduction of \$.04. This will drop our tax rate to \$1.20/\$100.00 for FY 2007. A four-cent tax rate reduction will reduce General Fund revenue by \$4,774,412, an amount which is \$600,000 more than the increase in revenue generated through the completion of the reassessment process. This means that all of the revenue growth from the updated reassessment, plus another \$600,000 has been committed to achieving a \$.04 tax rate reduction.

I refer you to the attached Table C, which lists my recommended adjustments to the expenditure side of the General Fund Operating Budget. The Office of Budget and Evaluation was able to use new information to reduce the appropriation for employee health insurance by \$278,000. The other reduction, as suggested by City Council, involved dropping \$353,000 for the Jamestown Festival from the Budget and instead, funding this one-time expense out of the remaining balance generated by the FY 2005 surplus.

Based upon the discussion during your last work sessions, I am recommending the addition of two new Park Ranger positions (\$103,625), additional operating monies for the City Jail (\$250,000), the two Assistant Commonwealth Attorney positions (\$130,000) and the full funding of the Community Services Board request (\$37,781). These expenditure adjustments in the departmental budgets represent a net increase of \$246,224. Also shown in Table C are the net

adjustments to the Community Support Budget, which I am recommending based upon what I believe was the consensus of City Council during the last work session.

After including my recommended revenue changes and expenditure adjustments, the FY 2007 Operating Budget has a positive variance of \$188,072. This money can be used to further address those Community Support items, which were not fully funded and are listed in Table C, or to create a small contingency account to use to fund items which may arise after the beginning of the new fiscal year.

The \$1,175,000 in additional School Funding, which I am recommending, reduces the gap between the amount requested by the School Board and the recommended local funding increase to only \$1,206,200. After taking into account the revenue adjustments and the \$.04 decrease in the tax rate, the City, after funding debt service, will have \$23,598,000 in discretionary new revenue for FY2007; this represents a 7.73% increase over the adjusted FY 2006 Operating Budget. Of this revenue growth, \$4,148,000 is committed to increasing local School Funding and \$19,450,000 is left for municipal spending requirements, a 9.49% increase over FY 2006.

As you will note in Table E, when \$4,148,000 is added to the \$20,522,000 in new State Aid to the education projected for FY 2007, the School Division, after covering its school related debt service, will have \$24,659,000 in discretionary revenue available. This amount also represents a 9.49% increase over FY 2006. This analysis is important because it illustrates that while the City has increased its local funding to Schools by only 4.1% for FY 2007, the Division will also end up with a 9.49% in new monies to meet its spending priorities. Given the urgent matters that needed to be addressed in the municipal budget, i.e. retirement contributions, vehicle and equipment replacement, corrections costs and public transportation, I believe that my recommended division of new revenue between school and municipal purposes is responsible and fair.

The Honorable City Council

May 2, 2006

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In closing, I want to draw your attention to Table F, which represents a recalculation of existing and projected General Fund surplus to be available to address one-time funding requirements. After appropriating monies for the one-time contribution to the Jamestown 2007 Events (\$353,000), this available balance in FY 2006 will be down to \$787,576. Based on the updated third quarter analysis for FY 2006, the Office of Budget and Evaluation projects a current year General Fund Operating surplus of \$6.4 million. In my Budget message and during a previous briefing on the status of the City's Information Technology, I have recommended that the Police and Jail record management system project be funded in FY 2007 from this available surplus. This project will require an appropriation of \$2.4 million, thus leaving only \$4.8 million of the surplus available during FY 2007 to address unanticipated expenses or to begin to invest in the costly replacement of our taxation and Enterprise Resource Planning (ERP) software that must begin in FY 2008. These two critical software systems must be implemented by FY 2010 and could cost as much as \$22 million combined. Also looming in the foreseeable future is the requirement to invest \$9 million in replacing our entire public safety radio communication system; this must be accomplished by no later than 2011. I mention these pending information technology and communication investment needs to illustrate that having \$4.8 million in available working capital going into FY 2007 is by no means a luxury.

I believe that my Recommended Operating Budget for FY 2007, with the adjustments being proposed, remains a very sound financial plan for FY2007 and positions the City to meet its infrastructure obligations over the next three to four years.

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Randy W. Hildebrandt

RWH:klbAttachmentsG:/kirstyn/memo

**CITY OF NEWPORT NEWS**  
*Office of the City Manager*

May 2, 2006

**TO:** The Honorable City Council  
**FROM:** City Manager  
**SUBJECT:** Recommended FY 2007 Operating Budget

The Fiscal Year 2007 Operating Budget ordinance before you for consideration reflects the recommendations I made to you in my May 2, 2006 memorandum (which is attached), with the following modifications in the Community Support Section:

	<u>Recommended</u>
St. Mary's Home for Disabled	\$ 25,000
Peninsula Community Foundation	\$ 50,000
Peninsula Pre-School Partners	\$ 0
Community Support Contingency	\$ 125,000

The real estate tax rate for FY 2007 will be set at \$1.20/\$100 as discussed, and the City's contribution to the School Division has been increased by \$1,175,000 over my initial recommendation, bringing the total funding to \$104,735,146.

I want to thank City Council for their thoughtful consideration of my recommendations for the FY 2007 Operating Budget. I pledge to you on behalf of the City's Executive Staff and Management Team that the financial resources which are provided in this Budget will be used prudently, and that we are committed to continually looking for ways to deliver services at the least possible cost.

\_\_\_\_\_  
Randy W. Hildebrandt

RWH:bc  
Attachment  
Pcdoc(9.0) recommendedfy2007budget

# CITY OF NEWPORT NEWS

## Office of the City Manager

April 4, 2006

**TO:** The Honorable City Council  
**FROM:** City Manager  
**SUBJECT:** Proposed Budget for Fiscal Year 2006-2007

I am pleased to transmit for your consideration, my recommended Operating Budget for the City's fiscal year that begins July 1, 2006, and ends June 30, 2007 (FY 2007). This is, of course, the first operating budget I have submitted as your City Manager. The guiding principal in developing this budget is to keep City government in a position where it can continue to provide effective, efficient and accessible services to the citizens of Newport News at the lowest possible cost. To accomplish this, my proposed budget provides for significant investments for our organizational infrastructure needs and addresses several long-term issues such as retirement funding and a sustainable vehicle replacement program. There are modest increases in spending on information technology and other operational equipment, but these particular infrastructure requirements could only be partially addressed with the resources available.

The \$388.2 million General Fund Budget is up 7.3% over the adopted FY 2006 budget. I believe this represents an important step forward in putting our City government on a more solid financial foundation for the next fiscal year and well into the future. Although the City's General Fund will realize the most significant annual increase in revenues in more than a decade, the development of this operating budget still proved to be a challenging process given the number and magnitude of some of the long term funding issues that the City must now begin to address. The financial strategies underlying this recommended Operating Budget will have profound implications for City government over the next several fiscal years.

### Retirement Fund

Foremost among the long-term funding issues facing the City is the need to address the eroding financial situation of the Newport News Employees' Retirement Fund. The City began FY2006 with an unfunded actuarial accrued liability of \$208.6 million and has been budgeting for a contribution rate that is a fraction of what has been recommended in the Fund's annual actuarial study. Although the Employee Retirement Fund remains financially sound with \$742 million in assets as of February 2006, the recent pattern of under-funding the contribution rate and a steady growth in the unfunded liabilities over the past three years represent trends which have to be reversed. To begin this reversal, I am recommending that the composite contribution rate be increased substantially, i.e. from 1.46% to 4.05%; this will increase contributions to the retirement fund by \$7.6 million in FY2007. Of this amount, \$6.4 million must come from the City's General Fund with another \$900,000 coming from the Schools' Operating Budget.

### Vehicle Replacement

Much like the retirement situation, the City has failed to routinely budget for a reasonable amount of annual vehicle replacement and has instead depended upon prior year surpluses to meet this annual funding requirement. The last fiscal year in which General Fund monies were included in the recommended operating budget for vehicle replacement was FY2002. While my recommendation for FY2007 includes \$1.7 million for this purpose, this still falls short of the \$3.2 million required annually to replace fleet vehicles on the desired schedule. This recommended \$1.7 million appropriation is a major step in the right direction and resumes the practice of regularly funding for vehicle replacement as a basic Operating Budget requirement.

### Information Technology

An essential component of the Operating Budget must be to provide our employees with the tools and resources that they need to perform their jobs effectively and efficiently. This will not occur without a continuous investment in our information and communication technology. Without this investment, City government will, over time, be unable to provide the quality services that our citizens expect and deserve.

For the last 25 - 30 years, our mission critical mainframe information systems have been running on custom-built Cobol/XE software. While that technology has served us well for many years, the software industry has migrated away from these types of software and processing systems, and towards a less expensive and more flexible environment based on servers, desktops and the Internet.

The City recognized in 2002, that given this change in the IT environment, it was inevitable that all existing Cobol/XE mainframe software applications would have to be replaced. The bulk of these applications can be replaced by implementing these four major information systems:



1. Permitting at a cost of \$.4 million
2. Police and Jail Records Management System (RMS) at a cost of \$2.4 million
3. Enterprise Resource Planning (ERP) at a cost of \$10 million
4. Taxation at a cost of \$12.4 million

The two most costly systems, ERP and taxation, will require implementation over multiple years and because of the complexities of the procurement process, actual implementation cannot reasonably start until FY2008. Both the Permitting System and Records Management System can, however, be moved into the implementation phase during FY2007. I am accordingly recommending that \$400,000 be appropriated in the FY2007 budget to undertake the Permitting System project. When operational, this system will serve several departments which are responsible for issuing various permits and provide them with an integrated, web-based system. This system will benefit our citizens with a more convenient and accessible way to obtain City permits and most importantly, it will improve the efficiency of our basic permitting operations by eliminating duplication and facilitating better management of these functions.

Additionally, I will be recommending that at least \$3 million of the forecasted \$7 million surplus for the current fiscal year be earmarked for a new Information Technology Investment Fund. This Fund will be used to address those technology requirements crucial to sustaining municipal government operations. The priority for spending from this Fund in FY2007 will be financing the cost of the Records Management System for the Police Department, along with associated components for the Sheriff and Adult Corrections Departments.

Furthermore, I am also including a sum of \$315,000 in the Operating Budget for transfer to the Information Technology Investment Fund, to begin the normal replacement of aging personal computers and servers within our organization. While this is far less than what will be needed on an annual basis to sustain a reasonable replacement program, it represents a first step in budgeting for these customary replacement costs.

#### Debt Service

One of the most significant new spending requirements driving the General Fund in FY2007 is debt service, which will increase by \$3.5 million or 12.6%. The growth in debt service far exceeds the General Fund revenue increase of 7.3%. This increase is driven by both development activities and by major capital spending items, such as the new Police Headquarters, the Downing Gross Cultural Arts Center, the Doris Miller Aquatic Center, and Thimble Shoals Boulevard improvements.

Although debt service costs have out paced our revenue growth, my recommended Operating Budget has been able to absorb this cost in FY2007 without negatively impacting other municipal priorities. As a cautionary note, however, the forecast for debt service that will come due in the FY2008 budget will entail about a \$10 million or 30% increase over the FY2007 level. For this reason, I have not recommended using any of the City's \$6.4 million in reserves for debt service in the next fiscal year. I am instead maintaining these reserves to help mitigate the much greater increase in debt service expected in FY2008.

### Employee Compensation

Keeping employee compensation competitive is one of my priorities and it continues to represent a major component of the new spending in the City's Operating Budget for the next fiscal year. Over the last several years, the local labor market has experienced a considerable rise in compensation levels and has seen growing competition among employers for the limited pool of highly skilled workers. My recommendation for FY2007 represents a comprehensive salary package that should keep our City government in a competitive position, so that the City is able to retain the highly motivated and skilled workforce it must have to continue to provide quality services to our citizens.

The recommended budget provides \$5.6 million in funding for a compensation package for FY2007. Of this amount, approximately \$4.6 million is for salaries and \$1 million for associated benefit increases. This represents a 2% across the board salary adjustment for all City employees effective July 1, 2006, and a corresponding adjustment in most salary ranges of 2%. Most importantly, in keeping with my philosophy to emphasize funding for the performance-based aspects of our compensation system, I am recommending sufficient funding for an average additional 2% increase tied to individual job performance in relation to an employee's current position within the salary range; these performance increases will range from 0% to 5%. The overall salary increase for City employees will average 4% for FY2007.

### New Positions

A total of 137 new positions were requested by the General Fund operating departments, but I was able to authorize only 37 new positions. By eliminating seven Counselor positions in Juvenile Services, which are vacant and not required in the next fiscal year, there will be a net increase of 30 new General Fund supported positions. These additional positions represent a 1% increase in full-time General Fund positions. Through a variety of funding adjustments and savings, I was able to hold down the net cost of these 37 positions to \$1.1 million. Most of the new positions will enhance direct citizen service delivery in critical areas. Only three of the new positions address administrative support or organizational capacity needs.

### Jail Operations

Another critical area that is being addressed through the FY2007 budget is channeling more funding to corrections operations at the City Jail and for purchasing additional beds at the Hampton Roads Regional Jail. As you are aware, we have been experiencing severe overcrowding in our City Jail for more than a year. This has led to significant operational and safety challenges for the Sheriff's Department. My recommended budget includes a \$250,000 increase in funding for the Sheriff's Department for such costs as inmate health services, medical supplies, and utilities to operate the jail. Although this is a significant increase, it does not resolve all of the immediate funding challenges in the view of the new Sheriff.

As you are aware, to address jail overcrowding the City is pursuing the conversion of the former Juvenile Secure Detention facility to an annex to be operated by the Sheriff's Department. This \$2 million project will provide 90 additional beds upon completion near the end of FY2007. Until then, I have proposed budgeting for the purchase of 50 additional beds at the regional jail. To fund the \$1.00 per diem rate adjustment for the City's basic 200-bed allotment at that facility and these 50 supplemental beds will cost an additional \$500,000, and brings the total budgeted expense for the regional jail to \$3.1 million.

Another initiative that will benefit the Sheriff's Department is the financing of the \$500,000 Jail Records Management System, to be implemented as a component of the Police Records Management System in FY2007.

### Hampton Roads Transit

Hampton Roads Transit has requested nearly \$3.6 million for FY2007, which is \$890,000 more than the current fiscal year allocation. This funding is required to maintain the current level of service on all existing bus routes in the City, to enable HRT to meet its increased operating expenses, and to begin to implement its bus replacement program. A major part of this increase in spending through HRT is the cost associated with the Mall-Hall Loop. This route was previously funded by a federal CMAQ grant that expires in FY2006. The Mall-Hall Loop provides essential service on the Jefferson Avenue-Warwick Boulevard corridor between Patrick Henry Mall and the Lee Hall area, and will cost \$375,000 to maintain in FY2007.

### School Funding

Determining the level of funding for public education is always an important part of the annual budget process. State policy requires local governments to contribute a minimum level of funding to schools, which is determined by a Composite Index based on a jurisdiction's ability to pay. For FY2006, the City of Newport News would have been required to contribute \$38 million in local funding to the school division under this Index, but actually contributed over \$100 million. This \$62 million in funding beyond the minimum requirement is a reflection of our City Government's commitment to providing quality educational services for the community. My recommendation for FY2007 is to increase this funding support another \$2.9 million.

Because of the challenges of funding debt service, City employee compensation, Retirement Fund contributions and other pressing organizational infrastructure needs, I was able to recommend only an additional \$2.9 million in FY2007 for the School Division above the base funding for FY2006. However, when combined with approximately \$20 million in new state funding, the School Division will have \$22.9 million in new monies for FY2007, which is an 8.8% increase over FY2006. While this falls short of fully funding the School Board's request by \$2.5 million, I believe this recommended amount represents an equitable and responsible distribution of our available resources for FY2007 between the two major functions of local government – schools and municipal services.

#### Real Estate Assessments and Fees

Newport News, like many localities across Hampton Roads, has experienced a significant rise in housing prices. This has meant that real estate assessments are expected to grow at a level in FY2007 that has not been approached since the 1980s. As I present my recommended budget, the City's Real Estate Assessment Department has completed only 70% of its reassessment process. Based on the revenue generated so far, and an estimate for the remainder, it is anticipated that the City's property tax revenue, at the current tax rate, will increase by \$15.7 million in FY2007. The revenue growth from property taxes represents 60% of the new revenues for the General Fund in the next fiscal year.

It is recognized that residential property owners are bearing the greatest burden of the property tax revenue increases in the next fiscal year, due to the escalation in housing values. Of the \$1.268 billion growth in total assessments, all but \$250 million will come from single-family residential properties. The increase in this category is 17% over FY2006 assessments. The FY2007 increase is on top of a 16% increase in residential reassessments experienced in FY2006. This two-year period is not typical, however, of the long-term trend. For example, from FY1996 through last year, the annual assessment increases for single-family neighborhoods have averaged a more modest 5.1%. The real estate tax rate has remained relatively stable during this period starting at \$1.20 per \$100 of assessed value in FY1996, increasing to \$1.24 in FY2000, and reaching \$1.27 in FY2003, before being dropped back to \$1.24 last year. Although I would have liked to reduce the real estate tax rate in FY2007 to mitigate for what will be a second year of double digit assessment increases in the single-family residential category, this was not possible given the needs for more spending for public education, debt service, and existing municipal services.

What is recommended is a very substantial increase in the level of tax relief available to qualifying elderly and disabled homeowners. With City Council's support, property taxes will be fully exempted for qualified homeowners with less than \$30,000 in annual income. Meanwhile, for those with income levels between \$30,000 and \$50,000, the maximum partial exemption which can be received has been increased from \$600 to \$1,000 per year, or by 67%.

To further mitigate for the rise in residential real estate taxes, my recommended Operating Budget maintains most user fees at their current levels. Only minimal increases are being recommended for the sewer user fee, the water rates, and the stormwater management fee. The average cost of these three increases will amount to only about \$20.40 per year for the average homeowner; this is far less than the cost of fee adjustments in recent years.

### Conclusion

Although I have had only two months to influence and guide the development of the recommended Operating Budget for FY2007, I believe that this document represents a blueprint for moving our City government to a more stable and sustainable financial posture. It is increasingly important for City government to be looking at least two to three years ahead when formulating its fiscal plans. Within this context, each Operating Budget will represent an opportunity to make adjustments to our long-range strategy, to reflect either changing economic circumstances or to address changing organizational and community needs.

Many of the financial issues confronting the City in the development of an annual Operating Budget for the next fiscal year have longer-term implications. It is clear that addressing the funding requirements of the Retirement Fund, the post-retirement health benefits, vehicle replacement and information technology demand multi-year financing strategies. Likewise, City Government's desire to positively influence the economic development of the community, whether at City Center, Lee Hall or the Southeast Community waterfront, requires multi-year commitments. These development commitments must fit within the financial resources, which City government can reasonably expect to have. This demands that the City embark on a more structured and analytical approach to its capital improvement planning; this is one of my priorities for the next fiscal year.

I appreciate City Council's support for my suggestions for enhancing and compressing the governing body review of the recommended Operating Budget. Your willingness to commit to more work sessions on the Budget during the month of April will hopefully enable City Council to adopt both the City and the School budgets before the May 15<sup>th</sup> deadline for approval of a school budget. Having both budget public hearings during the same week in late April will also give City Council more time to reflect on the public input, before making decisions on both Budgets. I trust that you will find the series of Budget Position papers, which are being furnished with this transmittal, to be useful in understanding the key issues that are driving the overall budget and will facilitate your decision-making process.

In closing, I want to acknowledge the staff in the Office of Budget and Evaluation and my Executive Staff who have worked diligently to produce an Operating Budget, which is responsive to our organizational and community needs. Through their exceptional efforts and with assistance from many members of my Management Team, an extensive number of position papers have been developed to provide background for your deliberation.

As you work through your budget review, I welcome your suggestions on how we can make the process more meaningful and productive. My staff and I are eager to work with Council, as we move into this next phase of the budget process.

Adoption of the Operating Budget is a significant step, since it enables City Council to establish a direction and priorities for City government, not only in the next fiscal year, but for several years beyond.

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Randy W. Hildebrandt

RWH:CAJ

G:Final Budget Transmittal Memo 4.3.06

**CITY OF NEWPORT NEWS**  
**Components of the Adopted Total Financial Plan**  
**Fiscal Year 2007**

**TOTAL BUDGET**  
**OPERATING and Capital**  
**\$795,210,124**

This chart represents tCHART ONEhe local funding available for FY 2007 that has been Adopted for the Operating Budgets and the FY 2007 Capital Funds. All funds are shown in their entirety. This was done to eliminate any duplicate counting of funds.

**OPERATING BUDGET EXPENSES**  
**All Funds\***  
**\$746,259,424**

**CAPITAL IMPROVEMENTS PLAN\* EXPENSES**  
**All Funding Sources**  
**\$48,950,700**

**GENERAL OPERATING FUND**  
**\$389,430,000**

**SEPARATE OPERATING FUNDS**  
**\$385,000,029**

**SPECIAL REVENUE AND TRUST FUNDS**  
**\$201,319,919**

**GENERAL FUND SUPPORTED CAPITAL PROJECTS**  
**\$29,598,000**

**SELF-SUPPORTING FUNDS CAPITAL PROJECTS**  
**\$19,352,700**

**Legislative**  
City Council - \$321,595  
City Clerk - \$328,300

**General Administration**  
City Manager - \$2,203,716  
Human Resources - \$1,481,584  
City Attorney - \$1,725,205

**Financial**  
Internal Auditor - \$498,462  
Comm of Revenue - \$2,663,847  
Real Estate Assessor - \$1,880,870  
City Treasurer - \$2,069,052  
Finance - \$1,271,505  
Budget & Evaluation - \$581,896  
Purchasing - \$1,257,215

**Information Technology**  
Information Technology - \$7,815,937

**Board of Elections**  
Voter Registrar - \$406,443

**Judicial Administration**  
Judiciary - \$3,080,370  
Commonwealth's Attorney - \$2,994,139

**Public Safety**  
Police - \$41,272,639  
Emergency Management - \$370,317  
Fire - \$29,427,328

**Corrections and Detention**  
Sheriff - \$11,410,667  
Adult Corrections - \$4,928,933  
Juvenile Services - \$9,327,499

**Inspections**  
Codes Compliance - \$2,762,423

**Engineering**  
Engineering - \$7,649,835

**Public Works**  
Public Works - \$22,854,685

**Health and Welfare**  
Health Department - \$2,065,647  
Mental Health (CSB) - \$1,334,915  
Human Services - \$39,987,807  
Office on Children, Youth & Families - \$705,436

**Parks, Recreation, Culture**  
Parks & Recreation - \$13,134,748  
Libraries & Information Services - \$4,996,150

**Community Development**  
Development - \$1,841,022  
Planning - \$1,229,100

**Nondepartmental**  
Appointed Boards - \$150,110  
Nondepartmental - \$9,246,151  
Community Support - \$7,343,319  
Payments to Other Funds - \$147,161,243

**Public Education Fund**  
\$297,983,272

**Public Utilities Fund**  
\$74,818,000

**Vehicle & Equipment Services Fund**  
\$9,861,500

**Parking Facilities Fund**  
\$281,500

**Community Development Block Grant**  
\$2,055,757

**Auto-Self Insurance Fund**  
\$1,202,800

**General Liability Insurance Fund**  
\$1,202,600

**Worker's Compensation Fund**  
\$3,399,600

**Recreation Revolving Fund**  
\$3,698,200

**Historical Services Fund**  
\$1,276,000

**Golf Course Revolving Fund**  
\$1,885,000

**Leeward Marina Revolving Fund**  
\$237,000

**Tourism, Promotions, and Development Fund**  
\$1,658,000

**School's Worker Compensation Fund**  
\$1,045,325

**School's Textbook Fund**  
\$3,296,838

**Stormwater Management Fund**  
\$8,761,500

**Solid Waste Revolving Fund**  
\$11,243,300

**Wastewater Fund**  
\$9,438,400

**Law Library Fund**  
\$123,900

**Street/Highway Maintenance Fund**  
\$12,568,005

**Debt Service Fund**  
\$53,945,051

**Economic Development Fund**  
\$143,500

**Economic/Industrial Development Fund**  
\$24,197,900

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

**Applied Research Center Fund**  
\$1,799,000

**Pension Trust Fund**  
\$45,815,000

**City Retirement Post Retirement Fund**  
\$12,583,000

**Schools Category Projects**  
\$10,000,000

**Development Category Projects**  
\$5,550,000

**Parks and Recreation Category Projects**  
\$1,960,000

**Sanitary Sewers Extension Category Projects**  
\$650,000

**Streets and Bridges Category Projects**  
\$7,323,000

**Public Buildings Category Projects**  
\$3,315,000

**Capital Equipment Category Projects**  
\$800,000

**Sanitary Sewer Rehabilitation Projects**  
\$3,200,000

**Stormwater Drainage Projects**  
\$0

**Public Utilities Projects**  
\$15,152,700

**Golf Course Projects**  
\$1,000,000

Capital Improvement Plan amounts represent City Manager Recommended Plan of October 2005.

\* Adjusted Amount - reflects total amount less inter- and intra-fund transfers of \$229,490,524.

**TOTAL CITY OPERATING BUDGET**  
**Summary of General, School, Utilities, Parking Authority,**  
**and Vehicle and Equipment Service Funds**  
**REVENUES AND EXPENDITURES**  
**FISCAL YEAR 2006 - 2007**

<u>REVENUES</u>	<u>Adopted Budget FY 2007</u>	<u>EXPENDITURES</u>	<u>Adopted Budget FY 2007</u>
<b>MAJOR FUNDS</b>		<b>MAJOR FUNDS</b>	
<b>General Fund*</b>		<b>General Fund*</b>	
General Revenues	\$376,486,948	City Operations	\$251,854,744
Payment from Public Utilities Fund	12,399,841	Debt Service	32,840,110
Payment from School Operating Fund	526,926	School Operating Fund Expenditures	104,135,146
Payment from Vehicle & Equipment Services Fund	<u>16,285</u>	Other General Fund Support to Schools	<u>600,000</u>
Total General Fund Revenues	\$389,430,000	Total General Fund Expenditures	\$388,212,000
<b>Public Utilities Fund</b>		<b>Public Utilities Fund</b>	
Use of Money and Property	\$ 3,000,610	Public Utilities Operations and Debt Service	\$57,009,003
Charges for Services	70,463,033	Capital Projects and Equipment	5,409,156
Administrative Charges	314,357	Payment to General Fund	<u>12,399,841</u>
Recovered Costs	<u>1,040,000</u>	Total Public Utilities Fund Expenditures	\$74,818,000
Total Public Utilities Fund Revenues	\$74,818,000		
<b>School Operating Fund</b>		<b>School Operating Fund</b>	
Federal Revenue and Other Appropriations	\$ 4,706,088	School Operations	\$284,117,214
Revenue from the Commonwealth	187,707,284	School Debt Service	13,339,132
City Support from the General Fund	104,735,146	Payment to General Fund	<u>526,926</u>
Other Local Revenue	<u>834,754</u>	Total School Fund Expenditures	\$297,983,272
Total School Fund Revenues	\$297,983,272		

\*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 2006 - 2007, Continued**

<u>REVENUES</u>	<u>Adopted Budget FY 2007</u>	<u>EXPENDITURES</u>	<u>Adopted Budget FY 2007</u>
<b>Vehicle and Equipment Service Fund</b>		<b>Vehicle and Equipment Service Fund</b>	
Charges for Services and Repair	\$4,779,589	Vehicle and Equipment Services Operations	\$7,204,223
Charges for Replacement	2,640,992	Equipment Replacement	2,640,992
Charges for Fuel	<u>2,440,919</u>	Payment to the General Fund	<u>16,285</u>
Total Vehicle and Equipment Fund Revenues	\$9,861,500	Total Vehicle and Equipment Fund Expenditures	\$9,861,500
<b>LESS - Payments from Other Funds</b>	(\$129,335,707)	<b>LESS - Payments to Other Funds</b>	(\$129,335,707)
<b>SUBTOTAL - Major Funds Revenue</b>	<b><u>\$642,757,065</u></b>	<b>SUBTOTAL - Major Funds Expenditures</b>	<b><u>\$642,757,065</u></b>
<b>SPECIAL REVENUE AND TRUST FUNDS**</b>	\$201,601,419	<b>SPECIAL REVENUE AND TRUST FUNDS**</b>	\$201,601,419
<b>LESS - Payments from Other Funds</b>	(\$100,154,817)	<b>LESS - Payments to Other Funds</b>	(\$100,154,817)
<b>SUBTOTAL - Special Funds Revenue</b>	<b><u>\$101,446,602</u></b>	<b>SUBTOTAL - Special Funds Expenditures</b>	<b><u>\$101,446,602</u></b>
<b>Community Development Block Grant</b>	<b><u>\$2,055,757</u></b>	<b>Community Development Block Grant</b>	<b><u>\$2,055,757</u></b>
<b>TOTAL CITY REVENUES</b>	<b><u>\$746,259,424</u></b>	<b>TOTAL CITY EXPENDITURES</b>	<b><u>\$746,259,424</u></b>

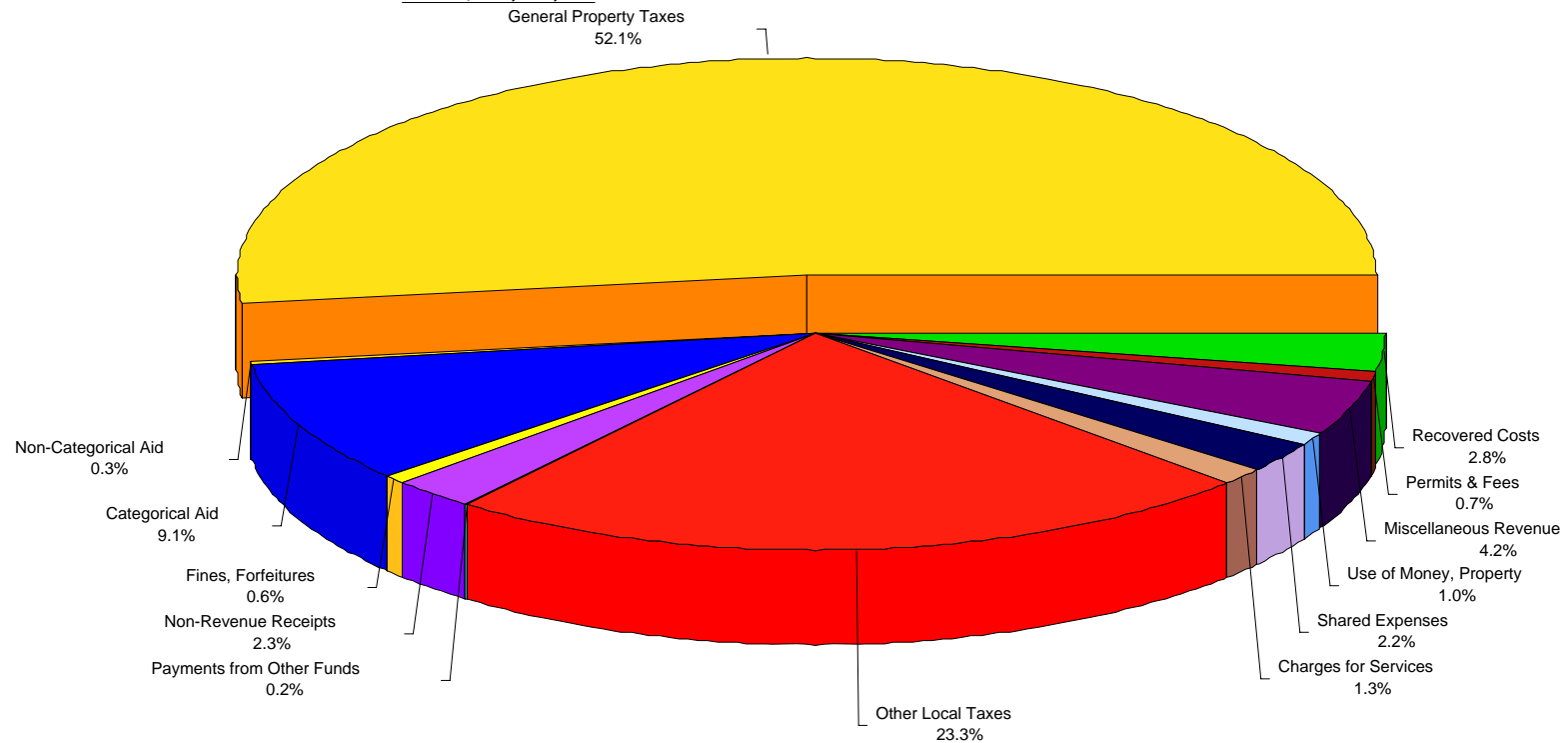
\*\*Detailed in Table Three, *Special Revenue and Trust Funds*

## FY 2007 ADOPTED GENERAL FUND BUDGET Revenue Sources

General Property Taxes	\$202,853,151
Non-Categorical Aid	1,181,919
Categorical Aid	35,400,141
Fines, Forfeitures	2,289,900
Non-Revenue Receipts	9,134,000
Payments from Other Funds	618,613
Other Local Taxes	90,573,311
Charges for Services	5,080,246
Shared Expenses	8,677,679
Use of Money, Property	3,709,809
Miscellaneous Revenue	16,166,628
Permits & Fees	2,759,313
Recovered Costs	<u>10,985,290</u>

Over 75% of General Fund revenues come from taxes - 52% from property taxes and 23% 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.

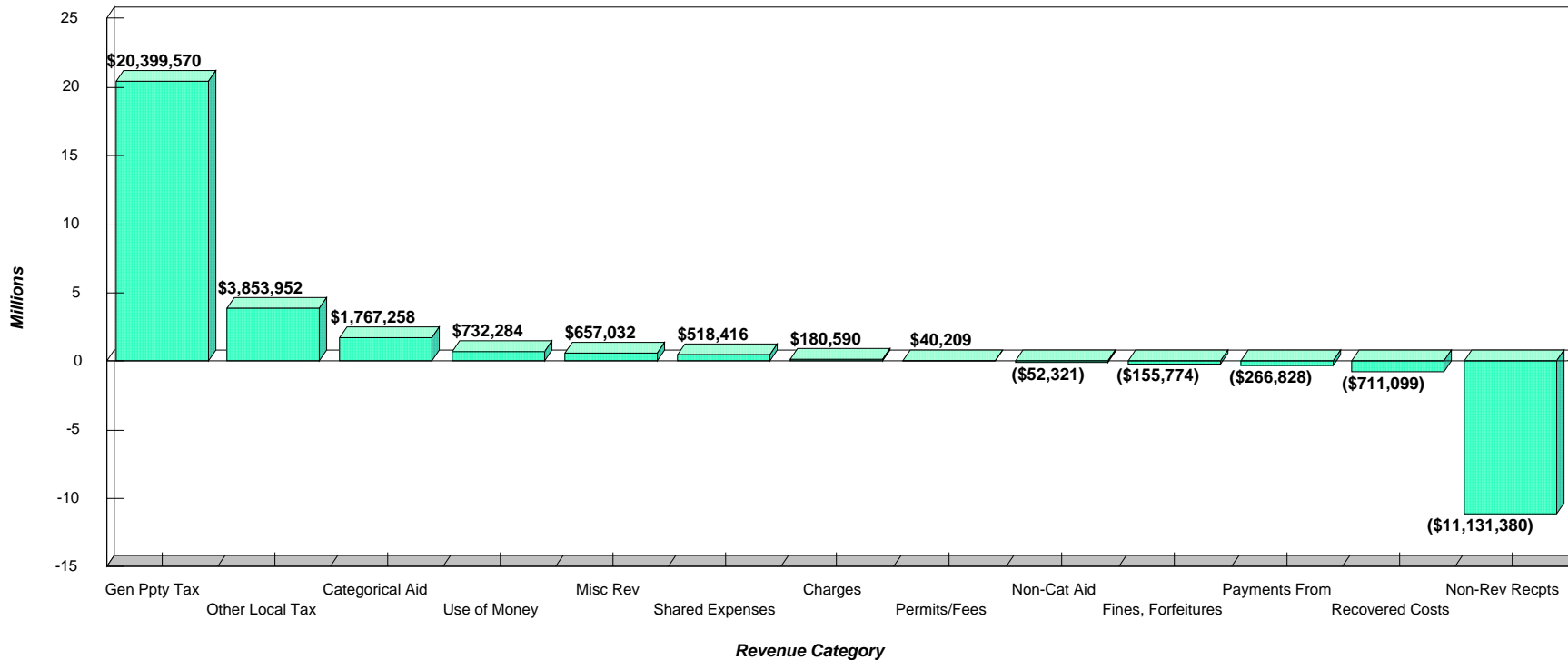
**Total: \$389,430,000**



## FY 2007 ADOPTED GENERAL FUND CHANGES IN REVENUE SOURCES

	<i>Revised</i> <u>FY 2006</u>	<i>Adopted</i> <u>FY 2007</u>	<i>Amount</i> <u>Change</u>	<i>Percent</i> <u>Change</u>
General Property Taxes	\$182,453,581	\$202,853,151	\$20,399,570	11.2%
Other Local Taxes	86,719,359	90,573,311	\$3,853,952	4.4%
Categorical Aid	33,632,883	35,400,141	\$1,767,258	5.3%
Use of Money, Property	2,977,525	3,709,809	\$732,284	24.6%
Miscellaneous Revenue	15,509,596	16,166,628	\$657,032	4.2%
Shared Expenses	8,159,263	8,677,679	\$518,416	6.4%
Charges for Services	4,899,656	5,080,246	\$180,590	3.7%
Permits & Fees	2,719,104	2,759,313	\$40,209	1.5%
Non-Categorical Aid	1,234,240	1,181,919	(\$52,321)	-4.2%
Fines, Forfeitures	2,445,674	2,289,900	(\$155,774)	-6.4%
Payments from Other Funds	885,441	618,613	(\$266,828)	-30.1%
Recovered Costs	11,696,389	10,985,290	(\$711,099)	-6.1%
Non-Revenue Receipts	<u>20,265,380</u>	<u>9,134,000</u>	<u>(\$11,131,380)</u>	<u>-54.9%</u>
	<b><u>\$373,598,091</u></b>	<b><u>\$389,430,000</u></b>	<b><u>\$15,831,909</u></b>	<b><u>4.2%</u></b>

\*Revised FY 2006 General Fund Operating Budget reflects the use of \$11,096,380 Fund Balance Reserves during the fiscal year. The FY 2006 Adopted General Fund Budget was \$361,830,000. The change from Adopted FY 2006 to Adopted FY 2007 is \$27,600,000 or 7.6%.



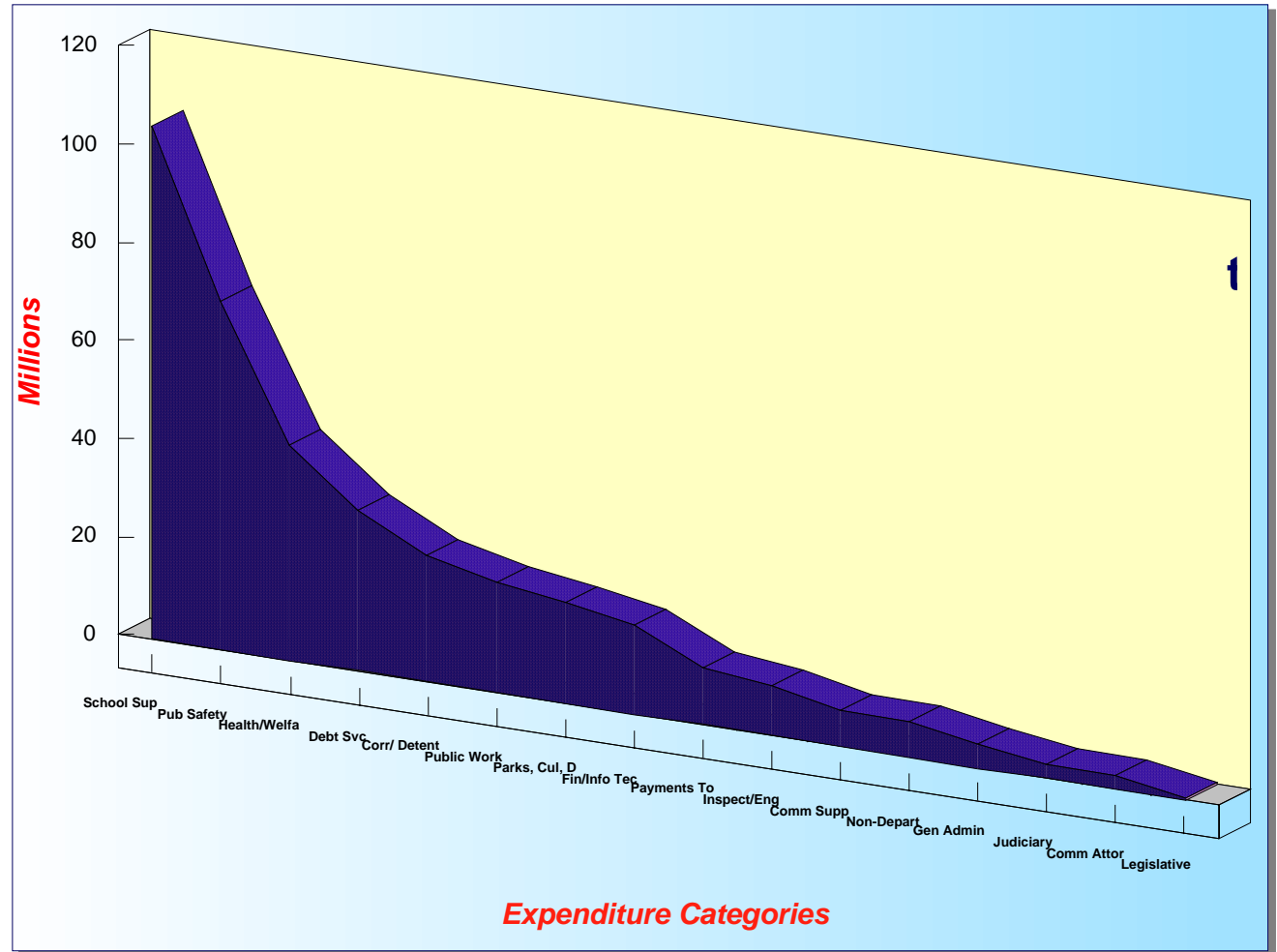
**GENERAL FUND SUMMARY**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2006 - 2007**

<u>REVENUES</u>	<u>Revised*</u> <u>Budget</u> <u>FY 2006</u>	<u>Adopted</u> <u>Budget</u> <u>FY 2007</u>	<u>Percent</u> <u>Change</u>	<u>EXPENDITURES</u>	<u>Revised*</u> <u>Budget</u> <u>FY 2006</u>	<u>Adopted</u> <u>Budget</u> <u>FY 2007</u>	<u>Percent</u> <u>Change</u>
General Property Taxes	\$182,453,581	\$202,853,151	11.2%	Legislative	\$ 631,166	\$ 649,895	3.0%
Other Local Taxes	86,719,359	90,573,311	4.4%	General Administration	4,631,572	5,410,505	16.8%
Permits, Fees and Regulatory				Financial	10,002,305	10,222,847	2.2%
Licenses	2,719,104	2,759,313	1.5%	Information Technology	7,310,757	7,815,937	6.9%
Fines and Forfeitures	2,445,674	2,289,900	(6.4%)	Board of Elections	466,349	406,443	(12.8%)
Revenue from Use of Money				Judicial Administration	3,165,043	3,080,370	(2.7%)
and Property	2,977,525	3,709,809	24.6%	Commonwealth Attorney	2,681,829	2,994,139	11.6%
Charges for Services	4,899,656	5,080,246	3.7%	Public Safety	65,857,146	71,070,284	7.9%
Miscellaneous Revenue	15,509,596	16,166,628	4.2%	Corrections and Detention	23,520,467	25,667,099	9.1%
Recovered Costs	11,696,389	10,985,290	(6.1%)	Inspections	2,648,811	2,762,423	4.3%
Non-Categorical Aid	1,234,240	1,181,919	(4.2%)	Engineering	6,733,433	7,649,835	9.3%
Shared Expenses	8,159,263	8,677,679	6.4%	Public Works	20,157,826	22,854,685	13.4%
Categorical Aid	33,632,883	35,400,141	5.3%	Health and Welfare	41,861,084	44,093,805	5.3%
Non-Revenue Receipts	20,265,380	9,134,000	(54.9%)	Parks, Recreation			
Payments From Other Funds	<u>885,441</u>	<u>618,613</u>	<u>(30.1%)</u>	and Cultural	16,334,581	18,130,898	11.0%
<b>TOTAL</b>	<b><u>\$373,598,091</u></b>	<b><u>\$389,430,000</u></b>	<b><u>4.2%</u></b>	Community Development	2,473,380	2,870,122	16.0%
				Nondepartmental	29,368,128	18,832,138	(35.9%)
				Community Support	5,867,207	7,343,319	25.2%
				Local Support to Schools	100,586,564	104,735,146	4.1%
				Debt Service	28,181,645	31,728,218	12.6%
				Airport Debt Service	<u>1,118,798</u>	<u>1,111,892</u>	<u>(0.6%)</u>
				<b>TOTAL</b>	<b><u>\$373,598,091</u></b>	<b><u>\$389,430,000</u></b>	<b><u>4.2%</u></b>

\*Revised FY 2006 General Fund Operating Budget reflects the use of \$11,096,380 Fund Balance Reserves during the fiscal year. The FY 2006 Adopted General Fund Budget was \$361,830,000. The change from Adopted FY 2006 to Adopted FY 2007 is \$27,600,000 or 7.6%.

# FY 2007 Adopted General Fund Expenditures

<u>Category</u>	<u>Amount</u>	<u>% of Budget</u>
School Support	\$104,735,146	26.9%
Public Safety	71,070,284	18.2%
Health & Welfare	44,093,805	11.3%
Debt Service	32,840,110	8.4%
Corrections & Detention	25,667,099	6.6%
Public Works	22,854,685	5.9%
Parks, Cultural, Development	21,001,020	5.4%
Financial/Inform Technology	18,445,227	4.7%
Payments to Other Funds	11,458,819	2.9%
Inspections/Engineering	10,412,258	2.7%
Community Support	7,373,319	1.9%
Non-Departmental	7,343,319	1.9%
General Administration	5,410,505	1.4%
Judiciary	3,080,370	0.8%
Commonwealth's Attorney	2,994,139	0.8%
Legislative	649,895	0.2%
<b>General Fund Total:</b>	<b>\$389,430,000</b>	<b>100%</b>



Components of the Adopted FY 2007 General Fund Budget are as follows: 26.9% of funding is for School Operations and School Debt Service (\$104,735,146), and 18.29% is for Public Safety (Police, Fire, Emergency Management - \$71,070,284). The next largest share is for Health and Welfare programs, at 11.3% (\$44,093,805). City Debt Service accounts for 8.4% (which includes General Obligation Bonds and Airport -\$32,840,110). The amount of 6.6% of the budget is dedicated to Corrections and Detention (Sheriff, City Farm, and Juvenile Services - \$25,667,099), with 5.9% for Public Works activities (\$22,854,685). These six programs comprise 77% (or \$301,261,129) of the total Adopted General Fund Budget for FY 2007.

**SUMMARY of SPECIAL REVENUE AND TRUST FUNDS  
FISCAL YEAR 2006 - 2007**

	<b>Revised Budget FY 2006</b>	<b>Adopted Budget FY 2007</b>	<b>Percent Change</b>
Auto Self Insurance Fund . . . . .	\$ 1,677,700	\$ 1,202,800	(28.3%)
General Liability Insurance Fund . . . . .	1,142,700	1,202,600	5.2%
Worker's Compensation Fund . . . . .	2,927,600	3,399,600	16.1%
Recreation Revolving Fund . . . . .	3,338,700	3,698,200	10.8%
Historical Services Fund . . . . .	1,166,100	1,276,000	9.4%
Golf Course Revolving Fund . . . . .	1,934,500	1,885,000	(2.6%)
Leeward Marina Revolving Fund . . . . .	230,800	237,000	2.7%
Tourism, Promotion and Development Fund . . . . .	1,626,545	1,658,000	1.9%
School Worker's Compensation Fund . . . . .	1,089,240	1,045,325	(4.0%)
School Textbook Fund . . . . .	1,959,561	3,296,838	68.2%
Stormwater Management Fund . . . . .	7,945,000	8,761,500	10.3%
Solid Waste Revolving Fund . . . . .	11,024,100	11,243,300	2.0%
Wastewater Fund . . . . .	8,907,400	9,438,400	6.0%
Law Library Fund . . . . .	111,000	123,900	11.6%
Street/Highway Maintenance Fund . . . . .	12,073,525	12,568,005	4.1%
Debt Service Fund . . . . .	51,509,155	53,945,051	4.7%
Economic Development Fund . . . . .	153,000	143,500	(6.2%)
Economic/Industrial Development Fund . . . . .	15,553,100	24,197,900	55.6%
Industrial Development Authority . . . . .	1,750,000	1,800,000	2.9%
Applied Research Center Fund . . . . .	1,822,500	1,799,000	(1.3%)
Parking Facilities Fund* . . . . .	260,000	281,500	8.3%
Pension Trust Fund . . . . .	42,114,000	45,815,000	8.8%
City Retirement-Post Retirement Fund . . . . .	<u>9,316,000</u>	<u>12,583,000</u>	<u>35.1%</u>
<b>Subtotal</b>	<b>\$179,632,226</b>	<b>\$201,601,419</b>	<b>12.2%</b>
<b>LESS: Interfund Payments</b> . . . . .	<b>(\$108,626,655)</b>	<b>(\$100,154,817)</b>	
<b>Total-Special Revenue and Trust Funds</b> . . . . .	<b><u>\$71,005,571</u></b>	<b><u>\$101,446,602</u></b>	<b>42.9%</b>

\*Beginning in FY 2007, the Parking Authority Fund will cease being an enterprise fund and become a special revenue and trust fund, as the Parking Facilities Fund. The FY 2006 amounts are included here for comparison purposes.

**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2006 - 2007**

**REVENUES**

**Auto Self Insurance Fund**

Premiums Paid	\$1,127,796	
Return on Investments	25,004	
Subrogation	<u>50,000</u>	\$1,202,800

**General Liability Insurance Fund**

Premiums Paid	\$1,162,320	
Return on Investment	20,000	
Subrogation	<u>20,280</u>	\$1,202,600

**Worker's Compensation Fund**

General Fund Premium	\$2,684,476	
Utilities Fund Premium	121,876	
Other Funds Premiums	591,285	
Return on Investment	<u>1,963</u>	\$3,399,600

**Recreation Revolving Fund**

User Fees	<u>\$3,698,200</u>	\$3,698,200
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**Historical Services Fund**

Programs and Admissions	\$203,937	
Margin on Sales	15,000	
General Fund Payment	878,063	
Additional General Fund Support	<u>179,000</u>	\$1,276,000

**EXPENDITURES**

**Auto Self Insurance Fund**

Payment to General Liability Fund	\$242,886	
Reserve for Claims	<u>959,914</u>	\$1,202,800

**General Liability Insurance Fund**

Administration	\$1,010,600	
Reserve for Claims	<u>192,000</u>	\$1,202,600

**Worker's Compensation Fund**

Administration	\$ 126,429	
Worker's Compensation	<u>3,273,171</u>	\$3,399,600

**Recreation Revolving Fund**

Recreation Programs	\$3,583,047	
Payment to the General Fund	<u>115,153</u>	\$3,698,200

**Historical Services Fund**

Historical Programs	<u>\$1,276,000</u>	\$1,276,000
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**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2006 - 2007, Continued**

**REVENUES**

**Golf Course Revolving Fund**

User Fees	\$1,598,511	
Margin on Sales	82,300	
Concession Sales	43,328	
From Debt Service Reserves	<u>160,861</u>	\$1,885,000

**Leeward Marina Revolving Fund**

Slip Rentals	\$217,260	
Margin on Fuel Sales	18,900	
Margin on Sales	<u>840</u>	\$237,000

**Tourism, Promotion, and Development Fund**

Lodging Tax Share	\$1,270,598	
General Fund Payment	310,233	
Margin on Sales	2,169	
Retained Earnings	<u>75,000</u>	\$1,658,000

**School Worker's Compensation Fund**

	<u>\$1,045,325</u>	\$1,045,325
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**School Textbook Fund**

	<u>\$3,296,838</u>	\$3,296,838
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**Stormwater Management Fund**

Stormwater Management Fee	\$7,546,778	
Other Revenue Sources	86,177	
Retained Earnings	<u>1,128,545</u>	\$8,761,500

**EXPENDITURES**

**Golf Course Revolving Fund**

Administration	\$1,652,373	
To Debt Service	160,861	
To General Fund	<u>71,766</u>	\$1,885,000

**Leeward Marina Revolving Fund**

Administration	\$184,388	
To Debt Service	31,208	
To General Fund	<u>21,404</u>	\$237,000

**Tourism, Promotion, and Development Fund**

Administration	\$1,621,405	
To General Fund	<u>36,955</u>	\$1,658,000

**School Worker's Compensation Fund**

	<u>\$1,045,325</u>	\$1,045,325
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**School Textbook Fund**

	<u>\$3,296,838</u>	\$3,296,838
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**Stormwater Management Fund**

Administration	\$6,902,861	
To Debt Service	1,719,129	
To General Fund	<u>139,510</u>	\$8,761,500



**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2006 - 2007, Continued**

**REVENUES**

**Solid Waste Revolving Fund**

Solid Waste User Fee	\$10,171,680	
Other Solid Waste Service Fees	416,000	
Revenue from Other Sources	234,473	
General Fund Support	107,069	
Retained Earnings	<u>314,078</u>	\$11,243,300

**Wastewater Fund**

Sewer User Charges	\$9,248,000	
Retained Earnings	115,207	
Debt Service Reserve	65,191	
Lateral Installation Fees	<u>10,002</u>	\$9,438,400

**Law Library Fund**

Court Fees	\$110,000	
Copier Fees	1,000	
Retained Earnings	<u>12,900</u>	\$123,900

**Street Maintenance Fund**

\$12,568,005	\$12,568,005
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**Debt Service Fund**

General Fund Support	\$32,076,183	
Airport Improvement Debt	1,111,892	
Other Funds Support	4,354,427	
School Fund Support	<u>16,402,549</u>	\$53,945,051

**EXPENDITURES**

**Solid Waste Revolving Fund**

Administration	\$11,153,129	
To Debt Service	38,543	
To the General Fund	<u>51,628</u>	\$11,243,300

**Wastewater Fund**

Administration	\$6,722,553	
To Debt Service	2,565,547	
To General Fund	<u>150,300</u>	\$9,438,400

**Law Library Fund**

\$123,900	\$123,900
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**Street Maintenance Fund**

\$12,568,005	\$12,568,005
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**Debt Service Fund**

General Fund Debt	\$31,796,601	
School Fund Debt	15,461,047	
Other Debt	5,575,511	
Airport Improvement Debt	<u>1,111,892</u>	\$53,945,051

**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2006 - 2007, Continued**

**REVENUES**

<b>Economic Development Fund</b>	<u>\$143,500</u>	
		\$143,500
<b>Economic/Industrial Development Fund</b>	<u>\$24,197,900</u>	\$24,197,900
<b>Industrial Development Authority Fund</b>	<u>\$1,800,000</u>	\$1,800,000
<b>Applied Research Center Fund</b>		
Revenue from Leases	\$1,770,749	
Other Revenue Sources	<u>28,251</u>	\$1,799,000
<b>Parking Facilities Fund</b>		
Revenue from Leases	\$261,499	
Return on Investment	<u>20,001</u>	\$281,500
<b>Pension Trust Fund</b>		
Employer Contributions	\$ 8,635,000	
Income from Manager	35,000,000	
Investment Interest/Comm	155,000	
Retirement Purchases	<u>2,025,000</u>	\$45,818,000

**EXPENDITURES**

<b>Economic Development Fund</b>		
Administration	\$125,500	
Property Appraisals	<u>18,000</u>	\$143,500
<b>Economic/Industrial Development Fund</b>	<u>\$24,197,900</u>	\$24,197,900
<b>Industrial Development Authority Fund</b>	<u>\$1,800,000</u>	\$1,800,000
<b>Applied Research Center Fund</b>		
Administration	\$ 884,571	
To the General Fund	<u>914,429</u>	\$1,799,000
<b>Parking Facilities Fund</b>		
Operations	<u>\$281,500</u>	\$281,500
<b>Pension Trust Fund</b>		
Administration	\$ 458,201	
Payment to Retirees and Beneficiaries	41,534,066	
To Fiduciaries	3,808,007	
To the School Fund	<u>14,726</u>	\$45,818,000

**SPECIAL REVENUE and TRUST FUNDS**  
**REVENUES and EXPENDITURES**  
**FISCAL YEAR 2006 - 2007, Continued**

**REVENUES**

**City Retirement-Post Retire Fund**

Employer Contributions	\$ 8,500,000	
Income from Manager	4,067,000	
Investment Interest/Comm	<u>16,000</u>	\$12,583,000

**SUBTOTAL - SPECIAL FUNDS            \$201,601,419**

**LESS**

Payments from Other Funds	(\$93,880,772)
Payments to Other Funds	<u>(\$6,274,045)</u>

**Subtotal - Less Payments            (\$100,154,817)**

**TOTAL REVENUES -  
Special Revenue and Trust Funds    \$101,446,602**

**EXPENDITURES**

**City Retirement-Post Retire Fund**

Retirees Benefits	\$12,300,000	
To Fiduciaries/Administration	<u>283,000</u>	
		\$12,583,000

**SUBTOTAL - SPECIAL FUNDS            \$201,601,419**

**LESS**

Payments from Other Funds	(\$93,880,772)
Payments to Other Funds	<u>(\$6,274,045)</u>

**Subtotal - Less Payments            (\$100,154,817)**

**TOTAL EXPENDITURES -  
Special Revenue and Trust Funds    \$101,446,602**

## TAX RATES and FEE SCHEDULES

Adopted increases or decreases in Taxes, Rates, or Fees are shown in **BOLD** in the FY 2007 column. Unless otherwise noted, rates are effective July 1, 2006.

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

	<u>FY 2006</u>	<u>FY 2007</u>
<b>REAL ESTATE</b> (Per \$100 of assessed value)		
General	\$1.24	<b>\$1.20</b>
Public Service Corporations	\$1.24	<b>\$1.20</b>
<b>PERSONAL PROPERTY</b> (Per \$100 of assessed value)		
General	\$4.25	\$4.25
Machinery and Tools	\$3.50	\$3.50
Mobile Homes	\$1.24	<b>\$1.20</b>
Public Service Corporations (Personal Property)	\$4.25	\$4.25
Public Service Corporations (Machinery and Tools)	\$1.24	<b>\$1.20</b>
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>	\$2.58/month/line	\$2.58/month/line
<b>RIGHT-OF-WAY-USE FEE</b>	\$0.61/month/line	<b>\$0.64/month/line</b>
(This rate is set by the State Department of Transportation, under State Code §56-468.1)		
<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 2006</u>	<u>FY 2007</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>FY 2006</u>	<u>FY 2007</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-supporting funds.

<b>SOLID WASTE USER FEE</b>	<u>Container Size</u>	<u>Per Week</u>	<u>Container Size</u>	<u>Per Week</u>
	Medium	\$3.82	Medium	\$3.82
	Standard	\$4.78	Standard	\$4.78
	Medium & Standard	\$8.60	Medium & Standard	\$8.60
	Two Standards	\$9.56	Two Standards	\$9.56
 <b>STORMWATER MANAGEMENT FEE</b>		 \$4.00/ERU		 <b>\$4.35/ERU</b>
 <b>SEWER USER FEE</b>				
Rate/100 cubic feet		\$1.26		<b>\$1.36</b>
 <b>WATER RATES</b>				
Per 100 cubic feet (HCF) consumed		\$2.74		<b>\$2.78</b>
Summer Conservation Rate (per HCF)		\$0.55		<b>\$0.56</b>

**SUMMARY of TOTAL CITY POSITIONS  
GENERAL FUND and ALL OPERATING FUNDS  
Fiscal Years 2005 to 2007**

	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</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 2006 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*	12	12	12	22	22	0
Human Resources	17	17	17	17	19	+2
City Attorney	18	18	18	18	19	+1
Management Services	10	10	10	0	0	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	64	64	66	+2
Registrar	5	5	5	5	5	0
Judiciary	42	42	42	42	42	0
Commonwealth Attorney	41	41	41	41	43	+2
Police	535	539	564	564	578	+14
Emergency Management	4	4	4	4	4	0
Fire	374	374	374	374	377	+3
Sheriff	187	187	187	193	193	0
Adult Corrections	69	69	71	72	72	0

## Notes:

-Departmental counts are shown in individual position allotments. FTE (full time equivalents) counts are not used.

\*Includes partial funding and allotments for two positions each in both departments and Funds for FY 2005 and 2006; partial funding for Finance only in FY 2007.

**SUMMARY of TOTAL CITY POSITIONS  
GENERAL FUND and ALL OPERATING FUNDS  
Fiscal Years 2005 to 2007, Continued**

	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</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 2006 Revised Budget</u>
<b>GENERAL FUND, CONTINUED</b>						
Juvenile Services	178	178	178	178	171	-7
Codes Compliance	42	42	42	42	41	-1
Engineering	94	95	96	98	98	0
Public Works	151	151	158	160	167	+7
Human Services	390	390	393	394	394	0
Office on Children, Youth, & Families	9	9	9	9	9	0
Parks and Recreation	103	103	111	116	120	+4
Public Libraries	60	62	62	63	67	+4
Development	17	18	18	18	20	+2
Planning	14	14	14	14	15	+1
Animal Control	8	9	0	0	0	0
<b>Subtotal - GENERAL FUND</b>	<b><u>2,611</u></b>	<b><u>2,620</u></b>	<b><u>2,656</u></b>	<b><u>2,674</u></b>	<b><u>2,708</u></b>	<b><u>+34</u></b>
<b>OTHER OPERATING FUNDS</b>						
PARKS AND RECREATION REVOLVING FUNDS	75	75	75	89	91	+2
STORMWATER MANAGEMENT FUND	60	61	83	83	83	0
SOLID WASTE REVOLVING FUND	65	66	69	69	67	-2
WASTEWATER FUND	77	77	78	78	75	-3
PUBLIC UTILITIES FUND*	374	374	374	374	372	-2
PARKING AUTHORITY/FACILITIES FUND	1	1	1	1	1	0
VEHICLE & EQUIPMENT SERVICES FUND	45	45	45	45	40	-5
SCHOOLS OPERATING FUND	4,330	4,388	4,412	4,445	4,462	+17
ALL OTHER FUNDS*	23	23	23	23	22	-1
<b>Subtotal - OTHER FUNDS</b>	<b><u>5,050</u></b>	<b><u>5,110</u></b>	<b><u>5,160</u></b>	<b><u>5,207</u></b>	<b><u>5,213</u></b>	<b><u>+6</u></b>
<b>TOTAL CITY POSITIONS</b>	<b><u>7,661</u></b>	<b><u>7,730</u></b>	<b><u>7,816</u></b>	<b><u>7,881</u></b>	<b><u>7,921</u></b>	<b><u>+40</u></b>