

THE CITY OF
PORTSMOUTH

City Manager's Report
Submitted by Betty J. Burrell, CFO
Item Number: 11-188
May 10, 2011

Issue:

- **Adoption of the following ordinances recommending the proposed Operating Budget for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.**

Background:

- On March 29, 2011 the City Manager presented to City Council and the public the Proposed FY 2012/FY2013 Biennial Operating Budget. Several budget discussions were held by City Council at public work sessions on April 5, April 11, April 12, April 19, April 25, and April 26. A budget public hearing was held on April 12 and another public hearing is scheduled for May 10, 2011 for Council to receive public comments.

Discussion:

- The FY2011-12 Operating Budget is balanced by increasing the City's real estate tax rate by three cents (3¢) from \$1.24 to \$1.27 per \$100 of assessed value.
- \$553,631,327 is required for the operation of City Government during the fiscal year beginning July 1, 2011 and ending June 30, 2012.
- The new Classification and Pay Plan for City employees encompasses a one-time 2% bonus for general employees and a one-time 1% bonus for the Portsmouth Supplemental Retirement System and the Fire and Police Retirement System, as defined in the Classification and Pay Plan effective July 1, 2011.
- Sec. 31.1-5 and Appendix A relating to stormwater utility fees are amended by increasing the equivalent residential unit (ERU) rate for residential and non-residential accounts from \$7.00 to \$8.25 per ERU. This shall be applicable to all bills rendered after July 1, 2011.
- Sec. 38-83 and Appendix A of the City Code are amended to increase meter rates for water in the following manner:
 - Rates for water supplied to customers within corporate limits of the City are increased from \$4.24 to \$4.49 per one thousand gallons or from \$3.1715 to \$3.3590 per one hundred cubic feet of water supplied.
- Sec. 38-117 and Appendix A of the City Code are amended to increase sewage disposal rates in the following manner:
 - Charges for the disposal of sewage discharged into the city system are increased from \$3.31 to \$3.51 per one thousand gallons or from \$2.4790 to \$2.6250 per one hundred cubic feet. The minimum charge for such service is increased from \$2.86 to \$3.03 per month.
 - Charges for sewer service for dwelling units in premises with unmetered water connections are increased from \$16.57 to \$17.55 per month.

- Sec. 9.1-12(c)(1) and 40.1-2.2(c) and Appendix A relating to certain **Planning Fees** and Chesapeake Bay Preservation Area Overlay District fees.
- Sec. 25-91.1 and Appendix A establishing fees for **Pokey Smokey II**.
- Sec. 25-91.2 and Appendix A establishing fees for the Neighborhood Facility **Splash Park**.
- Sec. 25-148 and Appendix A amending the months to which **Golf Seasonal Fees** are applicable.
- Sec. 19-150 and Appendix A relating to **museums admission fees** are amended by establishing new rates effective upon adoption for all City-owned museums.
- Sec. 22-603 and 22-637 and Appendix A are amended by establishing new **parking rates** for Crawford Street and Civic Center parking lot meters.

Financial Impact:

- By Virginia law, the operating budget must be balanced with estimated revenues and other funding sources equaling appropriations. The Proposed Operating Budget for fiscal year 2012 complies with this law.

Staff Recommends:

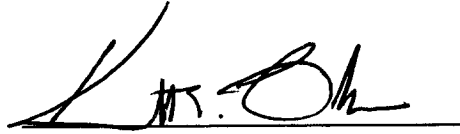
- Adoption of the following proposed ordinances. *Vision Principles: Bold New Directions, World Class Maritime Center, Thriving Neighborhoods and a Sense of Community, A Robust and Prospering Economy, Lifelong Learning, and Pride of the Past, Promise of Future:*
 - a. Adoption of an ordinance imposing and levying taxes for each Fiscal Year beginning July 1st and ending June 30th, unless otherwise changed by City Council, on real estate at a rate of \$1.27 per \$100 of assessed valuation, and on tangible assessed value, privately-owned camping trailers and motor homes, and machinery and tools with the City of Portsmouth, for the purpose of raising revenue for the support of governmental operations, the public free schools, and to pay principal and interest on the public debt.
 - b. Adoption of an ordinance adopting the FY 2011-2012 Classification and Pay Plan for Employees of the City of Portsmouth, Virginia.
 - c. Adoption of an ordinance to amend Chapter 31.1 of the City Code pertaining to stormwater utility fees.
 - d. Adoption of an ordinance to amend Chapter 38 and Appendix A of the City Code pertaining to rates for water and sewage disposal services.
 - e. Adoption of an ordinance to amend Chapter 19 and Appendix A of the City code pertain to the period applicable to Museum admission fees.
 - f. Adoption of an ordinance to amend Chapter 25 and Appendix A of the City Code pertaining to rates for Pokey Smokey II and Splash Park Fees.
 - g. Adoption of an ordinance to amend Chapter 25 and Appendix A of the City code pertain to the period applicable to Golf seasonal fees.
 - h. Adoption of an ordinance to amend Chapters 9.1 and 40 and Appendix A of the City Code by establishing and amending certain fees for services provided by the Department of Planning.
 - i. Adoption of an ordinance to amend Chapter 22 and Appendix A of the City code pertain to the period applicable to certain Parking fees.
 - j. Adoption of an ordinance to appropriate \$553,631,327 for the operation of City Government during the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Next Steps Following Council Action:

- The City Manager has ultimate responsibility and authority for implementation of the Annual Operating Budget. The Chief Financial Officer has day-to-day responsibility for ensuring the budget is spent as appropriated by the City Council.

Attachments:

- Real Estate and Personal Property Tax Ordinance (a)
- Classification and Pay Plan Ordinance (b)
- Stormwater Utility Fees Ordinance (c)
- Water and Sewage Disposal Services Ordinance (d)
- Museums Ordinance (e)
- Pokey Smokey II and Splash Park Fees Ordinance (f)
- Golf Seasonal Fees Ordinance (g)
- Planning Fees Ordinance (h)
- Parking Ordinance (i)
- Operating Budget Appropriation Ordinance (j)


City Manager