

THE CITY OF
PORTSMOUTH

City Manager's Report
Submitted by Betty J. Burrell, Chief Financial Officer
Item Number: 10-226
May 11, 2010

Issue:

- **Adoption of the following ordinances supporting the proposed operating budget for the fiscal year beginning July 1, 2010 and ending June 30, 2011.**

Background:

- On March 30, 2010 the City Manager presented the amended Proposed FY 2011 Biennial Operating Budget to City Council. Through the process of several City Council work sessions and public hearings held on April 6, April 12, April 13, April 27, May 10 and 11, 2010.

Discussion:

- \$547,938,307 is required for the operation of City Government during the fiscal year beginning July 1, 2010 and ending June 30, 2011.
- The new **Classification and Pay Plan** continues funding of the Public Safety Retention Plan including a one-step increase effective on their continuous service date following July 1, 2010.
- 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 \$6.50 to \$7.00 per ERU. This shall be applicable to all bills rendered after July 1, 2010.
- Sec 38-83 and Appendix A of the City Code are amended to increase **Meter rates for water** in the following manner:
 - Water supplied to customers within corporate limits of City are increased from \$4.03 to \$4.24 per one thousand gallons or from \$3.0148 to \$3.1715 per one hundred cubic feet of water supplied.
 - Rates for water passing through meters, customers of the City of Chesapeake who are served by Portsmouth and whose rates are not set by contract are increased from \$6.045 to \$6.36 per one thousand gallons or from \$4.5223 to 4.7572 per one hundred cubic feet of water supplied.
 - For the first three million gallons of water per day supplied during a billing period for all water through meters to the City of Chesapeake pursuant to contract, fees charged to the City of Chesapeake are increased from \$6.045 to \$6.36 per one thousand gallons or from \$4.5223 to \$4.7572 per one hundred cubic feet of water supplied. For the amount of water supplied in excess of three million gallons of water per day, fees charged are increased from \$4.836 to \$5.088 per one thousand gallons or from \$3.6178 to \$3.8058 per one hundred cubic feet of water supplied.
 - For all water passing through the meters of Suffolk pursuant to contract, the fee paid by the City of Suffolk is increased from \$3.7018 to \$3.8943 per one thousand gallons or from \$2.7694 to \$2.9134 per one hundred cubic feet of water supplied.
- Section 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 \$3.15 to \$3.31 per one thousand gallons or from \$2.3565 to \$2.4790 per one hundred cubic feet. The minimum charge for such service is increased from \$2.72 to \$2.86 per month.
- Charges for sewer service for dwelling units in premises with unmetered water connections are increased from \$15.75 to \$16.57 per month.
- Increase in the golf rates will be deferred to June, 2010.
- Proposed amendments to Summer Galaxy Fees do not require a specific ordinance change because activity fees are set by the City Manager under Section 25-92 of the City Code.
- Proposed increase in the bulk pick-up fees in excess of 13 free pick-ups per year has been deferred indefinitely.
- Re-enactment of ordinance No. 2009-37 imposing and levying taxes for each fiscal year beginning July 1st and ending June 30th on real estate, tangible personal property, privately-owned pleasure boats, privately-owned camping trailers and motor homes, and machinery and tools within the City of Portsmouth, Virginia, for the purpose of raising revenue for the support of governmental operations and the public free schools and to pay principal and interest on the public debt.

These actions will contribute to all six of City Council's Vision Principles for the City of Portsmouth: *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 Past, Promise of Future.*

Financial Impact:

- By law, the operating budget must be balanced with estimated revenues and other funding sources equaling appropriations. The Proposed Operating Budget for fiscal year 2011 complies with this law.

Staff Recommends:

- Adoption of the following proposed ordinances.
 - a. Adoption of an ordinance to appropriate \$547,938,307 for the operation of City Government during the Fiscal Year beginning July 1, 2010 and ending June 30, 2011.
 - b. Adoption of an ordinance adopting the FY 2010-2011 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 by increasing the equivalent residential unit (ERU) monthly rate for residential and non-residential accounts from \$6.50 to \$7.00 per ERU.
 - 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 re-enact Ordinance No. 2009-37 imposing and levying taxes for each fiscal year beginning July 1st and ending June 30th, on real estate, tangible personal property, privately-owned pleasure boats, privately-owned camping trailers and motor homes, and machinery and tools within the City of Portsmouth, Virginia, for the purpose of raising revenue for the support of governmental operations and the public free schools and to pay principal and interest on the public debt.

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:

- Operating Budget Appropriation Ordinance (a)
- Classification and Pay Plan Ordinance (b)
- Stormwater Utility Fees Ordinance (c)
- Water and Sewage Disposal Services Ordinance (d)
- Real Estate and Personal Property Tax Ordinance (e)



City Manager