

FY 2008-09  
Operating & Capital Budget  
City of Suffolk



**Suffolk**  
VIRGINIA





# FY 2008-2009 Operating and Capital Budget

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# City Manager's Message







# CITY OF SUFFOLK

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CITY MANAGER

July 16, 2008

The Honorable Council  
City of Suffolk, Virginia

Dear Council Members:

I am pleased to present the FY 08-09 Operating and Capital Budget as adopted by Council at the May 21, 2008 meeting. As shared with you during the budget development process, the current economic environment of our state and national economy continues to require the City of Suffolk to exercise fiscal restraint and discipline to continue delivering high quality services to the citizens of our great city. While this is not an easy task, the City is well positioned to confront this challenge. Over the last year, Council amended its financial policies to ensure fiscal responsibility and safeguard taxpayer money. This action has provided a strong foundation which has served us well with the development of this budget.

The adopted budget addresses the operational and capital needs of the 16 various funds required for the operation of City services in the amount of \$498,557,439. The General Operating Budget of \$170,647,514 represents an \$10,358,095 increase or 6.5% over the previous fiscal year in order to maintain existing service levels and address new mandated requirements and budgetary needs.

The FY 09 Operating Budget includes several recommendations to enhance service delivery for citizens, improve the overall efficiency and effectiveness of operations, and promote a lean and responsible city government. A thorough review of all services was conducted to identify potential cost savings through the reduction or elimination of nonessential services and duplication of efforts to streamline operations. As a result of this analysis, the adopted FY 09 budget includes:

- **Compliance with Debt and Financial Policies** – The budget complies with debt and financial policy requirements and makes strides to achieve recommended levels of fund balance and annual capital cash funding as provided in the policy statements.
- **A Reassessment Adjustment of Three Cents** – The budget lowers the real estate tax rate from \$.94 to \$.91 per \$100 of real estate assessed value. This represents a return of \$.03 of the \$.04 reassessment impact to the citizens retaining \$.01 to provide for School retiree post employment benefit funding.

- **Reorganization of Department Functions** – Eliminates vacancies, consolidates functions and reorganizes the City's organizational structure resulting in a total cost savings of nearly \$1 million annually.
- **Business License Fee Update** – Revises the business license fees of the City with an updated ordinance to bring fees in line with neighboring jurisdictions in the Hampton Roads region.
- **Creation of a Police Weights & Measures Enforcement Unit** – Establishes a new unit in the Suffolk Police Department to enforce truck weight regulations and prevent roadway deterioration and enhance traffic safety. Proceeds of fines for overweight vehicles will benefit transportation construction and safety requirements.
- **Franchise of Citywide Recycling** – Outsources this service to the private sector to provide direct service billing to customers.
- **Outsourcing Transit Service to Hampton Roads Transit (HRT)** – Provides for transit service through a contract with HRT, the regional transit service provider, beginning January 1, 2009 resulting in \$105,000 savings annually to the City.
- **Increased Funding for Public Schools** – Provides \$1.5 million for 23 new teachers and other operating expenses at the new Hillpoint Elementary School and \$857,750 to address new funding requirements for retiree post employment benefits. Additionally, state support for the schools budget provides an additional \$7 million or 7% over the prior year.

Notwithstanding the recommendations noted above, the growth of the General Fund Operating Budget is 6.5% above last year's budget. This increase is necessary to maintain core services and address new requirements which include:

- Funding to address GASB 45 Other Post Employment Benefits (OPEB) Annual Required Contributions to Retiree Benefit Costs.
- Funding to provide a 3% cost of living adjustment for City employees.
- Funding to staff the new Kings Fork Public Safety Center.
- Funding to staff and operate the new East Suffolk Recreation Center.

Additional challenges exist for our growing city in the area of Public Utilities given recent impacts of the national economy. As such, the adopted utility fund budget includes reduced capital funding for planned Capital Improvements per the adopted CIP to assist in addressing the economic impact on future water and sewer rates.