



City of Suffolk

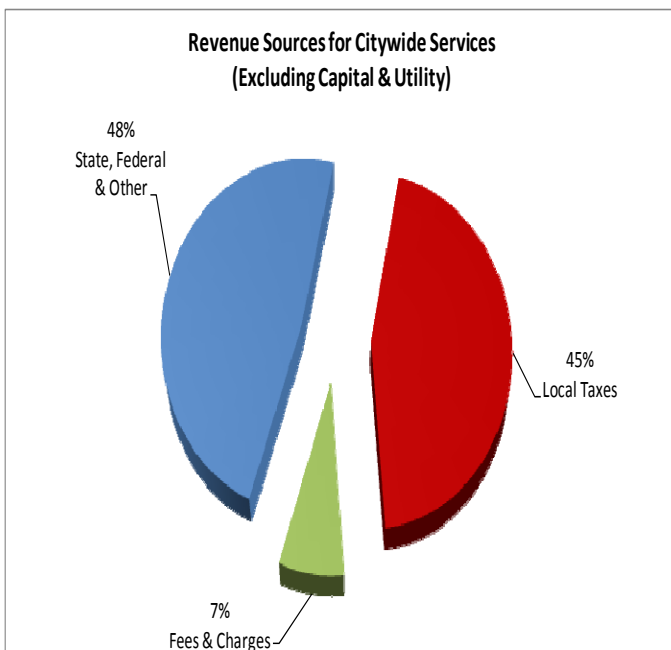
Adopted FY 2011-2012 Operating & Capital Budget

Operating Budget Summary - All Funds

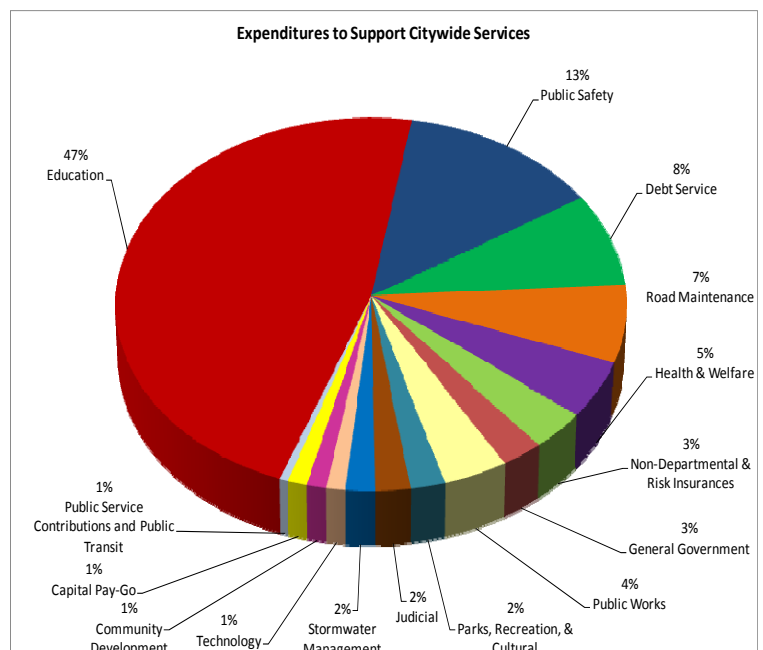
	<u>Fiscal Year 2010-2011</u>	<u>Adopted Fiscal Year 2011-2012</u>	<u>% Change</u>
General Fund	\$163,451,792	\$169,359,094	4%
Capital Projects Fund	36,426,000	90,409,365	148%
Downtown Business Overlay District	200,000	200,000	0%
Transit System Fund	0	0	0%
Aviation Facilities Fund	0	1,196,533	-
Law Library Fund	48,139	42,520	-12%
Route 17 Special Taxing District	1,400,000	1,350,000	-4%
Road Maintenance Fund	19,130,398	20,012,612	5%
Debt Service Fund	22,675,495	25,139,326	11%
Utility Fund	37,285,551	37,400,653	0%
Stormwater Fund	3,844,101	5,288,671	38%
Refuse Services Fund	0	6,940,880	-
Golf Course Fund	0	0	0%
Grants Fund	1,447,566	1,400,088	-3%
Fleet Management Fund	11,182,012	12,278,499	10%
Information Technology Fund	3,749,410	4,352,314	16%
Risk Management Fund	15,324,246	17,161,168	12%
School Fund	<u>143,557,589</u>	<u>140,358,588</u>	-2%
Total Funds Budget	\$459,722,299	\$532,890,311	

Revenue Sources and Expenditures

Where the Money Comes From



Where the Money Goes





City of Suffolk

Adopted FY 2011-2012 Operating & Capital Budget

FY 12 Budget Challenges

- ◆ **4th consecutive year of significant economic challenges**
 - Decline in real estate values (**reduced taxes \$.06 since FY 2010**)
 - Reductions in State revenue
 - State and Federal service mandates
 - Financial Policy requirements
 - 33% growth in last 10 years (4% or 1400 homes in the past 4 years)
- ◆ **Fewer balancing options are available given significantly reduced operating costs of \$17.3M or 11% since FY 07'**
- ◆ **City faced another \$11.9 million shortfall due to:**
 - New service requirements
 - State revenue cuts (Western Tidewater Regional Jail)
 - Critical capital facility needs (E-911 Call Center/Municipal Building Replacement)
 - New public safety commitments (Kings Fork Public Safety Center, Driver Addition, Animal Control)
 - Technology contract commitments (15 year old software)
 - Critical Financial Policy requirements (5th year commitment)

Goals of FY 12 Budget Development

- ◆ **Balance Competing Service Demands with Minimal Tax Impact to Citizens**
 - **Provides for Real Estate tax rate adjustment to \$.97** restoring tax reductions of 5.5% since FY 10'
- ◆ **Protect Financial Compliance Progress and "Best Management Practices"**
 - **Achieves 5 year capital pay-go compliance of 3% per Financial Policy**
- ◆ **Provide for Future Refuse Service Needs**
 - Pending SPSA dissolution will cost millions and bring State recycling mandate of 25% recycling citywide
 - Need a municipal waste and recycling plan to address needs that is strategic and self-sustainable for the future
 - **Establishes a Refuse Enterprise Fund** and related monthly service **fee of \$18.50** for Residential and Bulk refuse Collection, Hosier Road Landfill monitoring requirement, Citywide curbside recycling
- ◆ **Maintain Critical Personnel Resources to Serve Citizens**
 - City staff is among the lowest per capita in the region
 - **No layoffs or furloughs**
 - **Eliminated 20 frozen/vacant positions** from prior years
- ◆ **Provide Safe Public Buildings for the Public and Employees**
 - Staff are currently disbursed throughout the City in **costly leases**
 - Need to improve service delivery with a **"one stop" shop for citizens**
 - E-911/Municipal Center Building needs to be a **safe, habitable space** for citizens and employees
 - 2015 **E-911 obsolete equipment replacement** mandate needs a safe home
 - **E-911/Municipal facility replacement per the Capital Improvements Plan (CIP)** to address technology deadline and safety issues
- ◆ **Provide Funding to Operate Completed Facility Additions**
 - Improve public safety coverage and response times pressured by growth of Rt10
 - **Fulfills critical public safety staffing commitments** in response to growth
 - 1) Kings Fork Public Safety Center (15 firefighters delayed 2 years)
 - 2) Driver Station Expansion (12 firefighters delayed 1 year)
 - 3) Animal Shelter (sick/well area mandate)
- ◆ **Maintain Level Employee Compensation**
 - 3rd year that City employees have not received a pay increase
 - Recent consultant report noted Suffolk's pay lags by 9% in the region

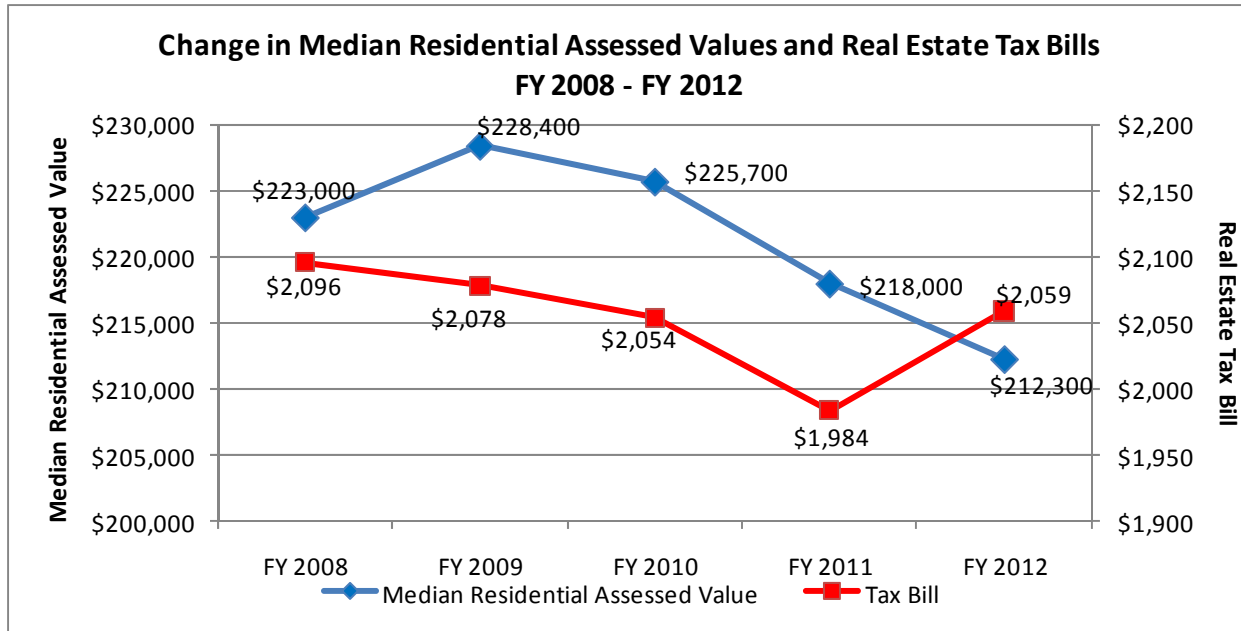
Tax Rates and Fees

	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>
Real Estate		
◆ Citywide	\$.91 per \$100	\$.97 per \$100 (Refuse Fee: \$18.50 per month)
Water & Sewer		
◆ Water Rate (per 100 cubic feet)	\$5.84	\$6.43
◆ Sewer Collection (per 100 cubic feet)	\$4.50	\$4.91

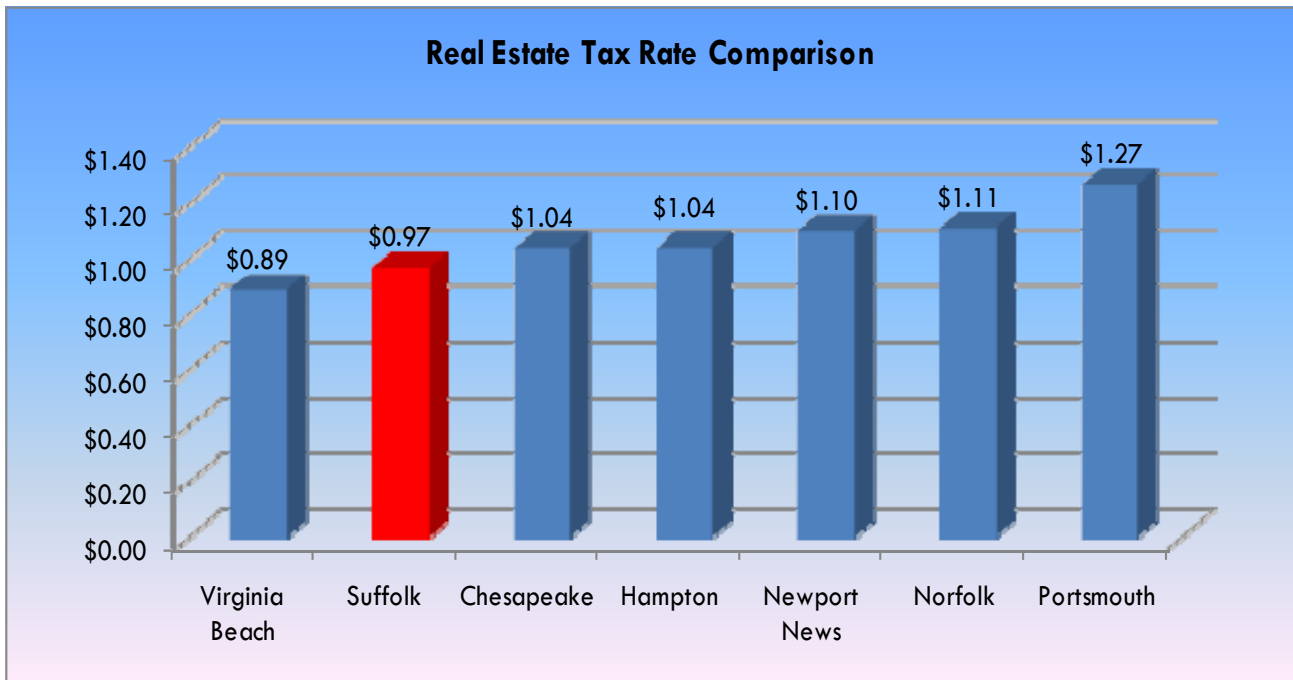


City of Suffolk

Adopted FY 2011-2012 Operating & Capital Budget



	Median Residential Home Value	Tax Rate	Tax Paid
2008	\$223,000	.94 per \$100	\$2,096
2011	\$218,000	.91 per \$100	\$1,984
2012	\$212,300	.97 per \$100	\$2,059



Refuse Fees	\$10.00	\$18.50	\$0	\$18.42	\$24.48	\$27.01	\$35.36
Stormwater Fees	\$9.61	\$5.24	\$7.35	\$4.60	\$5.45	\$8.70	\$8.25



City of Suffolk

Adopted FY 2011-2012 Operating & Capital Budget

Refuse Services Fund

The adopted FY 2011-2012 budget transfers the operating costs for city-wide refuse from the General Fund to a new self-sustaining Enterprise Fund. An \$18.50 monthly fee will be charged per household for refuse services to include:

- ◆ Weekly Residential Refuse Pickup
- ◆ Bi-weekly Recycling Pickup
- ◆ Up to 12 Free Bulk Refuse Pickups Per Year

The Refuse Services Fund will also assist the City in addressing the Commonwealth of Virginia's mandatory 25% citywide recycling requirement, the Hosier Road Landfill closure requirements, and planning for the dissolution of the Southeastern Public Service Authority (SPSA).



Frequently Asked Questions

1. Where can I find a copy of the budget and can I get one for my personal use?

The budget can be downloaded from the City's website at: <http://www.suffolkva.us/2011-2012-budget-information.html>. Copies are also available for review in the City Manager's Office, City Clerk's Office, Budget Office, and Citywide Public Libraries.

2. Why is the tax rate increasing in the proposed budget?

The adopted budget provides for a \$.06 increase in the real estate tax rate. The decline in real estate values over the last two years has resulted in a loss of \$.06 in real estate tax revenue. In order to maintain existing service levels and address State/Federal mandates and financial policy requirements, the real estate tax rate has been adjusted \$.06 to avoid additional service impacts and deterioration to the quality of life in Suffolk.

3. Why is a refuse fee included in the adopted budget?

A refuse fee of \$18.50 per household is provided for in the adopted budget to provide for residential refuse collection, recycling, and bulk refuse collection, as well as address the Hosier Road landfill closure requirements and planning for the dissolution of the Southeastern Public Service Authority (SPSA). The City currently receives free refuse disposal for serving as the host community of the regional landfill. This will change when the regional landfill closes in 2018 or **sooner**. The City currently saves \$6.1 million per year by serving as the host community. The City must act now to determine its own destiny and not wait until the closure of the regional landfill to choose which disposal option to pursue. The refuse fee will also allow the City to provide citywide recycling service in order to comply with the State's 25% recycling mandate. The City is currently only achieving approximately 4%.

4. How do I find out how much funding is recommended to be allocated to Suffolk Public Schools?

The adopted budget allocates 47% or \$140.4M of the total City budget to Suffolk Public Schools, excluding debt payment for facilities. The City only provides funding to the school division and **does not recommend how the funding is used**. The school division decides how to best utilize its allocated funding and makes all operational decisions on school closings. For details on how school funds are allocated, call Suffolk Public Schools Administration at (757) 925-6750 or visit their website at www.spsk12.net.

5. If I need help in locating something in the budget or finding out if something is funded, who should I call?

Call the City's Department of Budget & Strategic Planning at (757) 514-4004 or email us at BudgetOfficer@suffolkva.us. We