

# Manassas adopts \$74.6M budget, hikes utility fees

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In separate 6-0 votes Monday, the Manassas City Council approved a \$74.6 million budget Monday that will result in a 4-cent decrease in the real estate tax rate and higher utility and trash fees for city residents starting July 1.

The council voted to slice 4 cents off the property tax rate, for a new rate of \$1.20 per \$100 of assessed value in the 2003 fiscal year. Even

though the rate has decreased, property owners can expect to pay more in taxes thanks to residential property assessments that increased an average of 18.7 percent this year.

The largest share of the budget will go to city schools. The schools will receive \$34.8 million for the 2002-03 school year compared with \$32.8 million for the current school year. When the city's special one-time contribution of \$1.25 million to

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the schools for the current year is subtracted, the city's contribution to schools increased 10.4 percent. The new total school budget, including federal and state funds, is \$65.4 million.

To pay for utility system improvements and build cash reserves, the council voted to raise electric and water rates by 1.5 percent and the sewer rate by 2.5 percent. With the new rates, the average city customer will pay an extra \$1.50 per month, said Utility Director Allen Todd. The increases are part of a series of annual rate hikes scheduled through 2005.

City residents also will pay \$1.10 more per month for trash collection. Under the new fee structure, the rate for single family homes will be \$12.77, while the fee for town homes will be \$13.46.

One fee that dropped dramatically is the machinery and tool tax. The tax on business equipment is now \$1.71 per \$100 of assessed value. By city ordinance, the rate drops as the amount invested in equipment at Dominion Semiconductor, the city's largest machinery and tool tax contributor, rises. The company's equipment was valued at more than \$1.6 billion on January 1, meaning the tax will be \$1.38 in fiscal 2003, said Revenue Commissioner John Grzejka.

But Grzejka added the rate could

increase next year because Toshiba, the former owner of Dominion, relocated \$600 million in flash memory equipment early this year before Dominion was sold to Micron Technology. The machinery and tool tax rate for fiscal year 2004 could increase next year to the highest amount allowed by the city, \$3.05, depending on how much money Micron invests in its newly acquired facility, Grzejka said.

In a separate vote, the council approved the creation of a special taxing district in the Owens Brooke subdivision. Residents of the 117-home community off Hastings Drive will pay an extra 18.5 cents per \$100 of assessed value in exchange for the city upgrading and maintaining the community's pri-

vate roads.

Finally, the council authorized the Potomac and Rappahannock Transportation Commission to use \$58,406 of the city's gas tax money to fund the city's share of expenses for various mass-transit initiatives. The money will go toward Virginia Railway Express, lease of a commuter parking lot, the OmmiLink bus service and PRTC's administrative and ride-sharing marketing budget.

The OmmiLink vote was the only vote of the night that was not unanimous. Vice Mayor Hal Parrish opposed the use of gas tax funds for the commuter bus service, arguing past contributions to OmmiLink have not been used as efficiently as for other PRTC initiatives. The vote was 5-1.

# Manassas OKs funds for mass transit