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HOW TO READ THE DOCUMENT

Purpose And Document Changes

Purpose

The operating budget is part of the Resource Management Plan document which outlines the proposed expenditures, personnel resources, and revenues needed for financing the operations of the government, and the policies/priorities and circumstances on which allocation decisions are based. This document, prepared biennially, serves two primary functions. One, it provides the citizens and governing body with an insight to the past, present, and future services and programs of the City. Two, it provides operating guidelines for the coming two fiscal years.

The City continues to be committed to the strategic planning process and the development of an operating budget based on that process. The City Council has developed a set of "Destination Points" to define their vision of a strong, healthy and vibrant City with a greater quality of life for everyone. The planning process starts as the City Council assesses the current conditions of the City and articulates their priorities to the City staff. In turn, City staff devises a strategy document as the official plan to implement the goals of the City Council. This plan focuses the collective efforts of staff on City Council's priorities and those strategic issues that will help close the gap between where the City is today and the community that it strives to become. In concert with the ongoing delivery of programs and services, this plan provides a strategic focus for the next two years. The strategic planning process responds to both short and long-term goals envisioned by City Council by dividing the City's major program activities into seven strategic issue areas: Economic Vitality, Safe Community, Quality Physical Environment, Cultural and Recreational Opportunities, Quality Education and Lifelong Learning, Family and Youth Opportunities, and Quality Organization. This budget document is subdivided and organized according to these seven strategic business areas.

Format of the Budget

To assist the reader in understanding the contents of this financial document, the following is a brief description of the main sections.

On May 11, 2004, City Council established, by resolution, a task force to study the implementation of a biennial budget for the City of Virginia Beach. The task force consisted of three members of the City Council, two members of the School Board, the City Manager, and the Superintendent of Schools. The task force met throughout the summer before recommending a biennial budget process for the City of Virginia Beach. Consequently, City Council directed the City Manager to present a two-year operating budget beginning FY 2005-06 and FY 2006-07, and thereafter. Biennial budgeting can improve long-range and strategic planning as it requires forecasting expenditures and revenues across longer financial horizons. Long term budgeting can be better coordinated with capital improvements and other major municipal expenditures. In addition, a definitive look at the future results in a more focused awareness about the fiscal implications of earlier decisions.

The FY 2006-07 and FY 2007-08 Biennial Budget was a biennial budget. This budget will bring the City's biennial cycle in sync with the State's biennial budget cycle. Hereafter, subject to Council approval, the major budget preparation process will take place every other year instead of every year.

- Introduction – This section contains four parts including the: (1) How to Read The Document section; (2) Summaries showing expenditures and revenues, and interfund transfers; (3) items requested but not funded; and (4) a detailed revenue section.
- Economic Vitality – This section includes the departments of: Agriculture, Convention and Visitor Bureau, Economic Development, and Housing and Neighborhood Preservation. The mission is to develop strategic options and alternatives to create, enhance, and sustain public/private wealth and income in Virginia Beach, consistent with the overall well being and quality of the community.
- Safe Community – This section includes the departments of: Commonwealth's Attorney, Courts and Courts' Support, Emergency Medical Services, Fire, Police, and Sheriff and Corrections. The mission of this

business area is to prevent or respond to threats to the safety of persons or property and taking the necessary action(s) to restore the environment.

- Quality Physical Environment – This section includes the departments of: Planning and Community Development, Public Utilities, and Public Works. The mission of this business area is to create a shared vision of a quality physical environment for the City.
- Cultural and Recreational Opportunities – This section includes the departments of: Museums and Cultural Arts and Parks and Recreation. The mission of this business area is to create, nurture and strengthen accessible and sustainable opportunities which are diverse, customer-valued, and provide for the enrichment, refinement, and rejuvenation of the mind, body, and spirit.
- Quality Education and Lifelong Learning – This section includes the departments of: Education and Library. The mission of this business area is to create and continually enhance a cooperative network of lifelong learning, facilitate access to that network, and promote a community focus on the importance of education and continued development of individuals.
- Family and Youth Opportunities – This section includes the departments of: Health and Human Services (the consolidated Department of Mental Health, Social Services, and Comprehensive Services Act). The mission of this business area is to develop, coordinate, and recommend strategic options which foster, through families, the health, economic vitality, safety, and well-being of individuals in the city.
- Quality Organization – This section includes the departments of: Audit Services, City Manager, City Real Estate Assessor, City Treasurer, Commissioner of the Revenue, Communications and Information Technology, Finance, General Registrar, Human Resources, Law, Legislative, Management Services, and Non-Departmental (Benefits Administration, Employee Special Benefits, Revenue Reimbursements, Community Organization Grants, Independent Financial Services, and Regional Participation).
- Debt Service – Description, analysis and summaries of the debt service program are included in this section.
- Ordinances – This section contains ordinances that adopt the annual operating budget, sets rates for the property taxes, and miscellaneous amendments to the City Code.
- Appendix – This section contains an overview of the Resource Management Plan, accounting and budgeting basis, various policies and administrative directives, as well as a glossary, a description of major City funds, and a list of commonly used acronyms.

Council Amendment

On May 13, 2008, City Council voted to adopt the Resource Management Plan with some changes between the proposed and adopted document. The Executive Summary portion of the RMP has been revised to reflect City Council changes. The department sections in this document include the City Council revisions at the department level at the end of the write up for each departmental section.

How To Read the Document

**Planning and Community Development
Operating Budget Recommendation**

Financial Summary

	FY 2007-07 Actual	FY 2007-08 Adjusted Budget	FY 2008-09 Total Recommended	Variance from FY 2007-08	FY 2008-10 Total Recommended	Variance From FY 2007-08
Personnel	\$6,883,783	\$9,222,124	\$9,248,048	\$17,025	\$4,766,771	
Operating	7,571,017	4,136,040	4,833,949	(805,949)	4,877,771	
Capital	148,052	0	0	(148,052)	0	
Total	\$14,413,052	\$13,258,164	\$14,106,005	\$(807,131)	\$14,244,771	\$(1,168,281)
Revenues	\$1,858,342	\$3,435,235	\$3,470,710	\$237,475	\$3,362,710	\$(48,525)
Federal	15,000	0	0	(15,000)	0	(15,000)
Transfers	1,022,531	875,235	915,710	(107,316)	938,317	(113,214)
Total	\$2,895,873	\$4,310,470	\$4,386,420	\$175,949	\$4,271,027	\$(1,124,851)
General City Support	\$2,710,000	\$7,153,040	\$7,784,608	\$300,125	\$7,929,059	\$165,021

Total FTE Count: 128.00

Mission Statement
The Mission of the Department of Planning and Community Development is to support the City Council, City Manager and various Boards and Commissions in their efforts to provide the City with our citizens and their resources and providing quality customer service.

Objectives
Conduct at least 20 public presentations annually for planning and community development.
Enforce and administer the City Zoning Ordinance.
Enhance public mobility by offering a wide range of innovative public transportation services that meet the needs of a wide range of user groups.
Hear and decide appeals for licenses, equipment, and other permits.
Inspect and ensure code compliance with local, state and federal building, plumbing, electrical and mechanical codes.
Provide accessible inspections within 120 days of application.
Provide convenient plan review for land permit applications.
Provide plan review of all Chesapeake Bay and Potomac River projects.
Provide plan review of all development plans.
Provide plan review of all development plans.
Provide plan review of all development plans.

This section provides information on the budget for the department broken down by type of expenditure. It also shows program revenues generated by the department and the amount of City general tax support required to provide these services. Occasionally there will be a section entitled "Non-City Budget" which will show funding used by the department from the Federal or State budgets.

Also identified is the total personnel allocated to the department.

This section identifies the key objectives of the department in meeting its mission.

Results

Indicator	FY 2007-08	Actual FY 2007-08	FY 2008-09	Estimated FY 2008-10	Estimated FY 2009-10	Proposed FY 2010-11
Output						
Number of applications processed by City Council, Planning Commission, Chesapeake Bay Preservation Board, WCU Sub Board, and Zoning Appeals	1,017.00					
Number of building, plumbing, electrical, and mechanical inspections completed	50,708.00					
Number of waterfront plans reviewed for post permit applications	362.00					
Number of zoning inspections	31,082.00					
Provide written evaluations of all development plans	3,706.00					
Performance Measurement Explanation	The number of building, plumbing and electrical inspections is expected to increase since these measures take more time to complete. Many of the building, zoning, plumbing, and plans for new construction are expected to increase through FY 2009-10 due to the slowdown in the housing market. This is different than the number of inspections.					

This page identifies the performance of the department towards achieving its objectives and provides an explanation of any changes in performance.

NOTE: The City provides financial and programmatic information for multiple fiscal years. Financial data is required for the last completed fiscal year, the current budget and the two years of the biennium. Only the first year of the biennium is adopted, the second is for planning purposes. Actual data is provided for performance measures for three years, the current budget and the two years of the biennium.

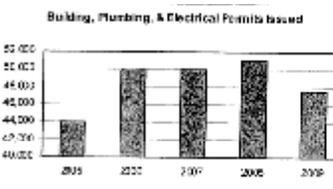
This section describes the basic programs of the department.

Program Description
 The Planning Department's budget supports five key business areas:
 Long Range Planning examines and implements policies and programs that support the long-term growth of the City.
 Boards and Commissions is seeking support for Planning cases in City Council, Planning Commission, Workforce Board, Board of Zoning Appeals, Cleanwater Flow Preservation Area Board, and Historic Preservation Board.
 Development Services reviews and approves various plans including those for Commercial Sites, Subdivision Construction, Land Management and Cleanwater Flow Preservation Areas Single Family.
 Building Permits and Inspections issues permits for and performs inspections on building, plumbing, electrical and mechanical services.
 Mass Transit Operations is the City's Hamilton Roads Transit (HRT) contribution. This includes contributions to Lytlehaven TIF for routes that serve the Lytlehaven Area, and the Tourism Growth Investment Fund to help offset the tolls on the Coastway.

This section focuses on efficiency and results. It will generally include a graph on per capita expenditures from FY 2005-06 through FY 2009-10 and explain any change over the period. This section may also include a graph on a key performance measure or concern as well as explanation.



- Most of the increase in Department's cost in FY 2009-10 was due to increased cost for building and furnishing the City's online HRT Planning Capex.
- Due to increased HRT and the re-implementation of the City's contribution in 2009-10, the total cost is expected to increase by \$580,000 (18%) 2008-09.



Biennial Budget Analysis

- \$50,000 is included in FY 2008-09 for the Comprehensive Submittal Review and/or other publication, provide notices of documents and votes, and the outside professional 20% comprehensive plan. This funding is not included in FY 2009-10.
- A Planning Building permit Code increase (1.1%) for FY 2009-10.
- The Planning Department has reduced operating supplies for FY 2009-10.

A brief analysis of funding or program changes that are driving costs over the biennium are identified in this section.

Departmental Resource Summary

	FY 2006-07 Actual	FY 2007-08 Budget	FY 2008-09 Recommended	2009-10 Proposed	FY 2009-10 Total Recommended	Webcam 2009-10
Program Summary						
102 General Fund						
Executive Office	\$1,396,400	\$1,397,718	\$1,402,602	\$69,710	\$1,472,312	\$22,114
Comprehensive Planning	547,719	638,431	722,312	66,314	788,622	46,266
Financial Management Center	232,800	211,515	214,229	2,310	217,532	2,024
Development Services	1,670,210	1,688,534	1,688,534	5,624	1,712,917	22,012
Pl - Development Services	756,250	761,230	761,230	4,869	766,099	3,065
General Planning	913,960	927,304	927,304	735	928,039	18,947
Permit Administration	1,000,000	1,000,000	1,000,000	0	1,000,000	0
Building Inspections	1,000,000	1,000,000	1,000,000	0	1,000,000	0
Zoning Board of Appeals	1,000,000	1,000,000	1,000,000	0	1,000,000	0
Mass Transit Operations	286,700	286,700	286,700	0	286,700	0
Workforce Board	7,700	7,700	7,700	0	7,700	0
Total 102 Fund	\$11,722,600	\$11,722,600	\$11,722,600	\$77,714	\$11,800,314	\$70,402
102 Tourism Growth Investment Fund						
TGF - Mass Transit Operations	\$378,062	\$378,062	\$378,062	\$0	\$378,062	\$0
Total 102 Fund	\$12,100,662	\$12,100,662	\$12,100,662	\$77,714	\$12,178,326	\$70,402
102 Lytlehaven Mill Tax Investment Planning Fund						
Lytlehaven TIF - Mass Transit Operations	\$250,000	\$250,000	\$250,000	\$0	\$250,000	\$0
Total 102 Fund	\$12,350,662	\$12,350,662	\$12,350,662	\$77,714	\$12,428,376	\$70,402
Total Program Summary	\$12,350,662	\$12,350,662	\$12,350,662	\$77,714	\$12,428,376	\$70,402

This page identifies funding and position count by program unit within the department.

Position Summary by Program

	FY 2006-07 Actual	FY 2007-08 Budget	FY 2008-09 Recommended	2009-10 Proposed	FY 2009-10 Total Recommended	Webcam 2009-10
Position Summary by Program						
102 General Fund						
Executive Office	15.00	15.00	15.00	0.00	15.00	0.00
Comprehensive Planning	7.00	7.00	7.00	0.00	7.00	0.00
Development Management Center	2.00	2.00	2.00	0.00	2.00	0.00
Development Services	23.00	23.00	23.00	0.00	23.00	0.00
Pl - Development Services	3.00	3.00	3.00	0.00	3.00	0.00
General Planning	20.00	20.00	20.00	0.00	20.00	0.00
Permit Administration	14.00	14.00	14.00	0.00	14.00	0.00
Building Inspections	42.00	42.00	42.00	0.00	42.00	0.00
Total 102 Fund	125.00	125.00	125.00	0.00	125.00	0.00
Total Position Summary by Program	125.00	125.00	125.00	0.00	125.00	0.00

NOTE:

- Position counts are expressed in terms of full time equivalents or FTE's. This is the total number of hours worked divided by the number of hours for a full time employee. This allows a more accurate count of positions by standardizing various work schedules for part-time employees.
- On May 13, 2008 City Council voted to adopt the Resource Management Plan with some changes between the proposed and adopted document. The department sections in this document include the City Council revisions at the end of each departmental write up.

Planning and Community Development

ITEMS REQUESTED BUT NOT FUNDED

Items Requested But Not Funded In The Biennial Budget

This list of "unbudgeted" items is grouped by Business Area and is meant to illustrate the demand of unmet program needs for the next two years. The list is NOT in order of priority. The amounts listed below reflect anticipated costs in FY 2009 dollars unless noted in the Item Description. Some items indicate that partial funding was received. For these items, the amount shown reflects the difference between what the department requested and the amount funded. Otherwise, this list is reflective of departmental requests when budgets are submitted.

Item #	Dept.	Item Description	Current Service	Amount	FTE
Cultural and Recreational Opportunities					
001	Museums	Elimination of Museum Sales Clerk I position.	<input checked="" type="checkbox"/>	\$29,499.00	1.00
002	Museums	Various operating accounts and contracted manpower for Historic Homes.	<input checked="" type="checkbox"/>	\$20,156.00	0.00
003	Museums	A short-term marketing program for grand opening of Restless Planet associated with the Virginia Aquarium.	<input type="checkbox"/>	\$240,000.00	0.00
004	Museums	Archaeological survey on property adjacent to the Adam Thoroughgood House to determine the character and distribution of historic and prehistoric artifacts on the site.	<input type="checkbox"/>	\$31,100.00	0.00
005	Museums	One Museum Educator position in FY 2009-10 to interpret African-American history associated with the reconstruction of part of the old Union Kempsville High School in the new Alternative school.	<input type="checkbox"/>	\$65,000.00	1.00
006	Museums	Operating support (supplies, professional services and other charges) for the Virginia Aquarium and Marine Science Center.	<input type="checkbox"/>	\$425,000.00	0.00
007	Museums	Two additional positions, one each in FY 2008-09 and FY 2009-10 to provide tours and educational programs at the Pleasant Hall site as part of the Historic Kempsville Master Plan.	<input type="checkbox"/>	\$100,000.00	2.00
008	Museums	50% City funding for a master plan for Virginia Aquarium Campus. The Aquarium Foundation would provide the other 50%.	<input type="checkbox"/>	\$150,000.00	0.00
009	Parks & Recreation	Reductions in landscape materials, agricultural and chemical supplies resulting from level funding in both years. The FY 2009-10 reduction is \$501,571 and necessitates the elimination of a groundskeeper and improvements to school sites.	<input checked="" type="checkbox"/>	\$419,963.00	1.00
010	Parks & Recreation	Reduction in contracted manpower for litter crews and clerical support, replacement plant materials, chemical supplies, shop tools and HR Clean dues.	<input checked="" type="checkbox"/>	\$243,327.00	0.00
011	Parks & Recreation	Hazardous Tree Pruning and Removal program.	<input type="checkbox"/>	\$165,000.00	0.00
012	Parks & Recreation	Conversion of a part-time to full-time office assistant position to accommodate increased demands in the Parks and Recreations' human resource functions.	<input type="checkbox"/>	\$15,638.00	0.28
013	Parks & Recreation	A position in FY 2009-10 for Parks and Recreation to manage program classes, field rentals, facility reservations, center memberships, center scanning stations, customer accounts, security alerts, and maintains internet/telephone customer access.	<input type="checkbox"/>	\$63,874.00	1.00
014	Parks & Recreation	Neighborhood tree maintenance to improve traffic safety.	<input type="checkbox"/>	\$175,000.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
		Sub-Total Cultural and Recreational Opportunities		\$2,143,557.00	6.28
Economic Vitality					
015	Agriculture	The Farmer's Market Manager position was eliminated. Workload will be redistributed to the Rural Community Coordinator.	<input checked="" type="checkbox"/>	\$66,987.00	1.00
016	Agriculture	Farmer's Market at Town Center including contracted security and advertising.	<input type="checkbox"/>	\$84,459.00	0.00
017	CVB	Marketing travel and membership for Convention and Visitor Bureau staff.	<input checked="" type="checkbox"/>	\$33,998.00	0.00
018	CVB	A position to enhance resort product development by traveling, researching, analyzing options and communicating the vision and/or details of specific projects.	<input type="checkbox"/>	\$75,384.00	1.00
019	Eco Dev	Various operating expenses for Economic Development.	<input checked="" type="checkbox"/>	\$40,517.00	0.00
020	Eco Dev	Retail marketing plan to strengthen and expand the City's retail base and subsequently sales tax revenue.	<input type="checkbox"/>	\$25,000.00	0.00
021	Eco Dev	Additional vehicle for staff in Economic Development to provide tours of the City to perspective company prospects.	<input type="checkbox"/>	\$35,000.00	0.00
022	Eco Dev	Funding for travel, marketing materials, and foreign language website to recruit international businesses.	<input type="checkbox"/>	\$150,000.00	0.00
023	Eco Dev	Expansion of the Economic Development marketing plan to continue to diversify and expand the economy through targeted business development.	<input type="checkbox"/>	\$100,000.00	0.00
024	Housing	A position and support costs to oversee the development and implementation of a "Neighborhood Pattern Book" to be used as a reference guide by homeowners and builders in updating/expanding older homes to be consistent with existing neighborhoods.	<input type="checkbox"/>	\$324,351.00	1.00
025	Housing	A position to develop and support a Tax Abatement Program to encourage significant improvement by property owners to older homes in designated neighborhoods.	<input type="checkbox"/>	\$51,958.00	1.00
026	Housing	Matching funds for contractual staff support for the private grant to assist families who are homeless/have housing crises.	<input type="checkbox"/>	\$40,000.00	0.00
		Sub-Total Economic Vitality		\$1,027,654.00	4.00
Quality Education and Lifelong Learning					
027	Library	Eliminate security guards at Princess Anne Library.	<input checked="" type="checkbox"/>	\$18,614.00	0.00
028	Library	Reduce Books and Materials funding and one FTE (Technical Library Operations Specialist) for Library Department.	<input checked="" type="checkbox"/>	\$300,888.00	1.00
029	Library	Elimination of Contracted Manpower for Library support services.	<input checked="" type="checkbox"/>	\$31,434.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
030	Library	Two Library youth specialist positions to expand reading as a Critical Life Skill Program at Windsor Woods, Pungo-Blackwater and South Rosemont Youth Libraries.	<input type="checkbox"/>	\$113,352.00	2.00
031	Library	Two additional positions to expand the City's Virtual Library which provides research and information via the Internet.	<input type="checkbox"/>	\$94,473.00	2.00
032	Library	Additional funding in FY 2009-10 for library services to people with disabilities at the Bayside and Special Services Area Library.	<input type="checkbox"/>	\$4,320.00	0.00
033	Library	A Ready to Learn - Smart Beginnings program to support preparing children for Kindergarten.	<input type="checkbox"/>	\$28,400.00	0.00
034	Library	Central Library renovations including a installing a new security door system, refurbishing auditorium seats and carpet, recovering carrels, and replacing auditorium equipment.	<input type="checkbox"/>	\$189,200.00	0.00
Sub-Total Quality Education and Lifelong Learning				\$780,681.00	5.00
Quality Organization					
035	Audit Services	Three additional internal audit positions to address increasing demands for service and new regulations.	<input type="checkbox"/>	\$237,552.00	3.00
036	City Manager	Elimination of Chief Operating Officer and Executive Assistant IV positions in City Manager's Office. Workload will be redistributed to existing staff.	<input checked="" type="checkbox"/>	\$202,226.00	2.00
037	City Manager	Elimination of one Media and Communications Administrator. Workload will be redistributed to existing staff.	<input checked="" type="checkbox"/>	\$83,852.00	1.00
038	City Manager	Service credit to former employees who return to work.	<input type="checkbox"/>	\$75,200.00	0.00
039	City Treasurer	Additional postage services.	<input checked="" type="checkbox"/>	\$89,501.00	0.00
040	ComIT	FY 2009-10 software support and maintenance for internet filtering license renewal.	<input checked="" type="checkbox"/>	\$93,435.00	0.00
041	ComIT	Professional Improvement, Office Supplies, and Computer Supplies.	<input checked="" type="checkbox"/>	\$79,067.00	0.00
042	ComIT	One Data Analyst position to address the GIS strategic plan.	<input checked="" type="checkbox"/>	\$103,850.00	1.00
043	ComIT	Funding for application development of Information Technology Services.	<input checked="" type="checkbox"/>	\$183,609.00	0.00
044	ComIT	Contracted Manpower and Information Technology Services: Manpower in lieu of FTE reductions and IT services to reinstate enterprise system completion times.	<input checked="" type="checkbox"/>	\$223,335.00	0.00
045	ComIT	Computer software and peripherals for computer work station replacements.	<input checked="" type="checkbox"/>	\$332,703.00	0.00
046	ComIT	Administrative Analyst - Workforce planner, EEO plan supporter, internal department process improver, and TeamTrack administrator.	<input checked="" type="checkbox"/>	\$60,252.00	1.00
047	ComIT	Other Contractual Services to fully fund IBM services.	<input checked="" type="checkbox"/>	\$68,000.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
048	ComIT	Contracted Manpower and Professional Improvement for training and conferences.	<input type="checkbox"/>	\$10,000.00	0.00
049	ComIT	A senior Systems Analyst position to provide technical support of the City's new Enterprise Benefits system.	<input type="checkbox"/>	\$119,379.00	1.00
050	ComIT	A position to oversee all the Information Technology consultants to ensure adherence to City standards, policies, procedure, directives, and operating norms, and to oversee contract negotiation and oversight.	<input type="checkbox"/>	\$116,215.00	1.00
051	Comm. of Revenue	Various operating accounts and charges.	<input checked="" type="checkbox"/>	\$51,025.00	0.00
052	Finance	Account Clerk III position in Comptroller's Office.	<input checked="" type="checkbox"/>	\$41,175.00	1.00
053	Finance	Contracted outside professional resources to supplement new city accounting staff.	<input checked="" type="checkbox"/>	\$19,000.00	0.00
054	Finance	One Accountant III position responsible for the management of the Accounts Payable Division for the Comptroller's Office and the annual publication of the city's Indirect Cost plan.	<input checked="" type="checkbox"/>	\$83,675.00	1.00
055	Finance	Additional professional training for newly hired staff.	<input type="checkbox"/>	\$5,000.00	0.00
056	Human Resources	Human Resource Analyst II for Police Services.	<input checked="" type="checkbox"/>	\$61,455.00	1.00
057	Human Resources	Various operating accounts and overtime for Human Resources staff.	<input checked="" type="checkbox"/>	\$7,547.00	0.00
058	Human Resources	A part-time position to address the increasing demands for occupational health services.	<input type="checkbox"/>	\$13,281.00	0.50
059	Human Resources	Additional E-Learning training courses.	<input type="checkbox"/>	\$60,000.00	0.00
060	Law	Fees for outside counsel, court reporters, service of process, office equipment repairs, recruitment publications, and other governmental copying charges.	<input checked="" type="checkbox"/>	\$14,384.00	0.00
061	Law	Internal Telecommunication charges and Print Shop charges.	<input checked="" type="checkbox"/>	\$13,139.00	0.00
062	Law	Postal services, messenger services, professional improvement, routine travel, mandated certification, dues and association memberships, office supplies, books and subscriptions, and computer supplies.	<input checked="" type="checkbox"/>	\$43,440.00	0.00
063	Law	Technical and clerical overtime and contracted manpower.	<input checked="" type="checkbox"/>	\$22,002.00	0.00
064	Legislative	Postal services, professional improvement, routine travel, dues and association memberships, Sister Cities, office supplies, books and subscriptions.	<input checked="" type="checkbox"/>	\$19,519.00	0.00
065	Legislative	Professional improvement, routine travel, dues and association memberships, miscellaneous charges, and food service supplies.	<input checked="" type="checkbox"/>	\$47,390.00	0.00
066	Mgmt Services	Reduced funding for Citywide Memberships which include ICMA, Public Technology, and Innovation Group.	<input checked="" type="checkbox"/>	\$22,750.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
067	Mgmt Services	Replacement of computer workstation in Facilities Management and digital projectors in two City conference room as well as print shop and computer supplies.	<input checked="" type="checkbox"/>	\$11,240.00	0.00
068	Mgmt Services	Funding for cash awards eliminated for My Idea Works! Program.	<input checked="" type="checkbox"/>	\$20,000.00	0.00
069	Mgmt Services	Elimination of Grants Coordinator position. Training for grants will be eliminated. Workload will be redistributed to existing staff.	<input checked="" type="checkbox"/>	\$61,300.00	1.00
070	Mgmt Services	Various maintenance costs to card access system, all-terrain wheelchairs at oceanfront, and digital conversion to space management system software.	<input type="checkbox"/>	\$22,251.00	0.00
071	Non-Dept	City support for Contemporary Arts Center.	<input checked="" type="checkbox"/>	\$7,902.00	0.00
072	Non-Dept	Citywide reduction in vehicle replacements.	<input checked="" type="checkbox"/>	\$1,600,000.00	0.00
073	Non-Dept	Operating supplies for Cultural Affairs.	<input checked="" type="checkbox"/>	\$13,200.00	0.00
074	Non-Dept	Virginia Symphony request for additional \$500,000 for 5 years.	<input type="checkbox"/>	\$500,000.00	0.00
075	Real Estate	A GIS position to produce maps for the Real Estate Assessor's Office.	<input type="checkbox"/>	\$46,472.00	1.00
076	Real Estate	An additional Account Clerk position to assist with the growing caseload in the Real Estate Tax Relief Program.	<input type="checkbox"/>	\$32,184.00	1.00
Sub-Total Quality Organization				\$4,917,507.00	16.50

Quality Physical Environment

077	Planning	Code Inspector and Planning Aide positions and contractual services for the support and maintenance of the current permitting computer system.	<input checked="" type="checkbox"/>	\$193,592.00	2.00
078	Public Utilities	New fee in FY 2009-10 for the Fats, Oils, and Grease Program (FOG) for annual inspections of food establishments using grease control devices to reduce FOG blockages and thus sanitary sewer overflows.	<input type="checkbox"/>	\$200,000.00	0.00
079	Public Utilities	FOG Food Establishment Inspection Program: A position and supplies/materials to address the State/Federal regional consent order to reduce the accumulation of grease and other substances that contribute to sanitary sewer overflows and stoppages.	<input type="checkbox"/>	\$102,838.00	1.00
080	Public Works	Trash collection and beach clean-up to ensure the cleanliness of residential beaches after storms.	<input checked="" type="checkbox"/>	\$166,071.00	0.00
081	Public Works	A custodial position that services the offices of Public Safety, 911, Risk Management, and the Magistrate.	<input checked="" type="checkbox"/>	\$33,546.00	1.00
082	Public Works	Heating and electrical services for the new Creeds Police Training facility.	<input checked="" type="checkbox"/>	\$14,110.00	0.00
083	Public Works	One Engineer and One Construction Inspector for City projects.	<input checked="" type="checkbox"/>	\$160,000.00	2.00
084	Public Works	Funding for construction materials and other expenses in Traffic Operations.	<input checked="" type="checkbox"/>	\$141,510.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
085	Public Works	Electrician position to address light outages, electrical support to vendors that are on the boardwalk, and weekend coverage for special events in the Resort Area.	<input checked="" type="checkbox"/>	\$47,411.00	1.00
086	Public Works	Overtime and Contracted Manpower for various operations.	<input checked="" type="checkbox"/>	\$118,609.00	0.00
087	Public Works	Replacement of various automotive services vehicles.	<input checked="" type="checkbox"/>	\$203,355.00	0.00
088	Public Works	Purchase of a scissor lift to provide a working platform that can be raised to perform maintenance on light fixtures, HVAC units and ductwork , scoreboards, and other equipment that is located at buildings with high elevations.	<input type="checkbox"/>	\$53,000.00	0.00
089	Public Works	Increased maintenance fees for the City's software for that manages work orders, asset management, and citizen service request tracking for Public Works.	<input type="checkbox"/>	\$65,000.00	0.00
090	Public Works	Two additional painter positions and a truck to address a backlog of painting jobs during non-business hours.	<input type="checkbox"/>	\$126,844.00	2.00
091	Public Works	Two additional positions and equipment to perform preventative maintenance on the HVAC equipment on the increasing number of City facilities.	<input type="checkbox"/>	\$154,581.00	2.00
092	Public Works	Two positions in FY 2009-10 to support the city-wide traffic fiber optic system.	<input type="checkbox"/>	\$85,662.00	2.00
093	Public Works	Two positions to enhance the financial management of federal and state revenue sources in various Public Works Capital Projects.	<input type="checkbox"/>	\$210,089.00	2.00
094	Public Works	Two positions to expand Vector Program (insects and rodents) to meet growing work orders in City buildings and provide educational information to citizens that inquiry about rats at their personal residences.	<input type="checkbox"/>	\$67,083.00	2.00
095	Public Works	Upgrade the City's Global Positioning System Community Base Stations to provide real-time data broadcasts for field work.	<input type="checkbox"/>	\$60,000.00	0.00
096	Public Works	12 full-time temporary positions to perform year-around ditch maintenance. This program will shorten the time it takes to maintain the 100+ linear miles of ditches in the inventory (currently a 4-year cycle).	<input type="checkbox"/>	\$302,400.00	0.00
097	Public Works	Additional positions and equipment/supplies to provide improved level of beach maintenance (similar to the boardwalk) to the outlying beaches of Croatan, Sandbridge, Chesapeake Beach and Cape Henry Beach to improve the cleanliness and aesthetics.	<input type="checkbox"/>	\$516,939.00	5.00
098	Public Works	Six positions and equipment to proper management of SWF records of BMP Inspection and Spill Response, and address the new Virginia Pollutant Discharge Elimination System (VPDES) permit per State and Federal regulation.	<input type="checkbox"/>	\$472,143.00	6.00
099	Public Works	Additional positions and equipment to address maintenance of drainage issues as required by the City's Virginia Pollutant Discharge Elimination System (VPDES).	<input type="checkbox"/>	\$238,616.00	4.00
100	Public Works	Hurricane protection project maintenance encompassing the concrete boardwalk, seawall stairs, and ADA Ramps.	<input type="checkbox"/>	\$142,800.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
101	Public Works	Additional staff hours for maintenance of the City's Red-Light Running Program.	<input type="checkbox"/>	\$15,000.00	0.00
102	Public Works	Additional supplies and equipment for debris removal during disaster and emergency operations.	<input type="checkbox"/>	\$100,000.00	0.00
103	Public Works	Additional temporary employees to provide treatments against adult mosquitoes on weekends. Additional mosquito control prevention on areas of standing water (overtime and supplies).	<input type="checkbox"/>	\$151,702.00	0.00
104	Public Works	An additional position and equipment to address increasing number of and requirements for building inspections.	<input type="checkbox"/>	\$68,657.00	1.00
105	Public Works	An additional position for the traffic signal communication network to assist in the design and integration of future expansion and optimization of the performance of the existing system.	<input type="checkbox"/>	\$53,848.00	1.00
106	Public Works	An additional position to assist in managing the daily operations of the City's traffic control system and the Traffic Management Center.	<input type="checkbox"/>	\$80,959.00	1.00
107	Public Works	An additional stormwater engineer position to address compliance with project schedules.	<input type="checkbox"/>	\$82,288.00	1.00
108	Public Works	Funding for two Electrician and two Plumber positions and equipment to provide set-up, monitoring, and breakdown for the support of special events at the Resort Area.	<input type="checkbox"/>	\$281,926.00	4.00
109	Public Works	An additional electrician position and equipment to provide the necessary level of research, review, and input to enable maintenance personnel to focus on the actual maintenance and repair of existing electrical systems.	<input type="checkbox"/>	\$84,299.00	1.00
Sub-Total Quality Physical Environment				\$4,794,878.00	41.00
Safe Community					
110	Comm. Attny	Elimination of a part-time grant caseworker due to a reduction in funding from the Virginia Department of Criminal Justice Services.	<input checked="" type="checkbox"/>	\$20,847.00	0.50
111	Courts	Additional Juror payments, postal services, and office supplies.	<input checked="" type="checkbox"/>	\$35,880.00	0.00
112	Courts	Replacement chairs for staff and public and telefax equipment in Juvenile and Domestic Relations District Court.	<input checked="" type="checkbox"/>	\$46,215.00	0.00
113	Courts	Funding for Post-Dispositional Group Home beds.	<input checked="" type="checkbox"/>	\$54,880.00	0.00
114	Courts	Reduced funding in contracted manpower and various operating accounts for Clerk of Circuit Court.	<input checked="" type="checkbox"/>	\$54,358.00	0.00
115	EMS	Various operating supply accounts.	<input checked="" type="checkbox"/>	\$39,023.00	0.00
116	EMS	The costs of phone, electricity and natural gas services at Ocean Park Fire and Rescue Station. This has historically been paid by the Fire Department, but with the new Fire Station, the Fire Department is no longer using this building.	<input checked="" type="checkbox"/>	\$18,774.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
117	EMS	Additional medics and equipment to augment existing volunteers and career members toward a goal of 12 ambulances.	<input type="checkbox"/>	\$829,969.00	12.00
118	EMS	FY 2009-10 EMS Staffing at New Thalia Fire/EMS Station.	<input type="checkbox"/>	\$375,057.00	8.00
119	Fire	Equipment such as Satellite Phones, GPS systems, Low Band Radio (generic walkie talkies), Blackberry Communications devices for the emergency management operations.	<input type="checkbox"/>	\$50,000.00	0.00
120	Fire	Establish a capital outlay fund to assist in replacing of fire capital equipment such as thermal imaging cameras, electrocardiogram (EKG) monitors, self-contained breathing apparatus (SCBA), and extrication equipment.	<input type="checkbox"/>	\$302,388.00	0.00
121	Fire	Increase front line fire apparatus staffing to 4-person minimum staffing citywide (reflects cost without the (Staffing for Adequate Fire and Emergency Response Grant).	<input type="checkbox"/>	\$928,239.00	15.00
122	Fire	Upgrade the scheduling software used by the Fire Department so that it is on a similar computer platform as other City software and will be capable of interfacing with the new Oracle payroll system.	<input type="checkbox"/>	\$20,000.00	0.00
123	Fire	An additional analyst, equipment, program enhancements, and training is requested to meet the expanding program demands placed upon the existing staff of the Emergency Operations Center.	<input type="checkbox"/>	\$241,887.00	1.00
124	Police	Reduces the number of Community Service Officers to assist with Police calls for service. This will cause more police time to be spent on lower priority calls (directing traffic, towing issues, etc.).	<input checked="" type="checkbox"/>	\$58,945.00	2.70
125	Police	Various Police operating supplies such as new tasers, software/server replacement, supplies for SWAT Team, various professional improvement training, door access system for 3rd Precinct, and replacement holsters.	<input checked="" type="checkbox"/>	\$1,258,852.00	0.00
126	Police	Estimated costs for Police ammunition in FY 2009.	<input checked="" type="checkbox"/>	\$100,000.00	0.00
127	Police	Eliminate the Courtesy Patrol. Police Officers at the Oceanfront will have to patrol more frequently to assist in (lost children, directions, towing, etc.).	<input checked="" type="checkbox"/>	\$131,405.00	7.88
128	Police	Part-time background investigator for police recruits.	<input checked="" type="checkbox"/>	\$40,147.00	0.93
129	Police	Non sworn, administrative Police position for crime support.	<input checked="" type="checkbox"/>	\$55,580.00	1.00
130	Police	Four police officer positions to supplement the Warrant/Fugitive Squad to address the high volume of Emergency Committal Orders, Emergency Medical Committal Orders, and Temporary Detention Orders.	<input type="checkbox"/>	\$365,162.00	4.00
131	Police	Nine additional Police Officers (1 sergeant and 8 officers) to aggressively combat criminal street gang and other violent street crime activities directly affecting our neighborhoods.	<input type="checkbox"/>	\$819,615.00	9.00
132	Police	Replace the current firearms simulation equipment used to train officers in scenario-based firearms.	<input type="checkbox"/>	\$40,000.00	0.00
133	Police	Four additional Police lieutenants to ensure a minimum of two lieutenants per shift by precinct are staffed.	<input type="checkbox"/>	\$398,584.00	4.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
134	Police	Supplement the pay of the full time police training officers who train, supervise, and mentor new officers and newly hired certified officers.	<input type="checkbox"/>	\$135,860.00	0.00
135	Police	Three additional motorcycle officers and motorcycles to allow for greater traffic safety enforcement, presence, and safer dignitary escorts as well as a more impressive representation for the City.	<input type="checkbox"/>	\$343,797.00	3.00
136	Police	Purchase an online testing and training library for public safety personnel to reduce the amount of travel time for officers, satisfy requirements for mandated training, and reduce the number of instructor hours.	<input type="checkbox"/>	\$45,000.00	0.00
137	Police	A new software/database solution that would decrease the need to print photos and allow authorized public safety personnel to view photographic evidence within hours instead of days, improving efficiency and increasing evidence security.	<input type="checkbox"/>	\$40,000.00	0.00
138	Police	Contractual funding to complete new police-related technology projects to help officers perform their jobs more effectively and efficiently.	<input type="checkbox"/>	\$100,000.00	0.00
139	Police	An additional sergeant position and vehicle to conduct internal investigations, handle citizen complaints, and conduct inspections.	<input type="checkbox"/>	\$95,935.00	1.00
140	Police	An additional precinct desk officer to maintain a 24-hour public entrance to headquarters rather than the use of a security camera/audio system that alerts staff of citizens entrance from 11:00 PM to 7:00 AM.	<input type="checkbox"/>	\$44,373.00	1.00
141	Police	An additional police position to assist new and veteran instructors with skills in effective lesson plan preparation, presentation of content, classroom management, facilitation and effective communications in the classroom.	<input type="checkbox"/>	\$68,916.00	1.00
142	Police	An additional lieutenant's position and vehicle in Special Operations to principally serve to oversee and coordinate the police department's Homeland Security.	<input type="checkbox"/>	\$99,646.00	1.00
143	Police	Additional staff for forensic unit to improve the quality of service provided by reducing evidence back logs, identifying more criminal offenders and regaining the performance standard of response to 95% of calls responded to in less than one hour.	<input type="checkbox"/>	\$104,167.00	2.00
144	Police	Additional Police personnel (1 sergeant, 14 officers, 1 Community Service Officer FTE) to be assigned to the Town Center Business District and phased-in over two years (a total of 16 officers in the second year).	<input type="checkbox"/>	\$800,774.00	8.50
145	Police	A Police recruiting and retention program that will provide continuous learning through formal education, diversity in assignments, collateral duties, and demonstrated abilities in developing and implementing community problem-solving initiatives.	<input type="checkbox"/>	\$800,000.00	0.00
146	Police	A part-time coordinator for the 20 volunteer police chaplains.	<input type="checkbox"/>	\$25,078.00	0.80
147	Police	Four additional clerks to staff midnight watch duties to handle warrant, stolen property and vehicle, and missing person transactions, and conduct criminal history checks on police applicants.	<input type="checkbox"/>	\$165,504.00	4.00
148	Police	Increased clothing allowance to adequately fund the "coat and tie" clothing required by the department's dress code for Police detectives.	<input type="checkbox"/>	\$105,000.00	0.00

Item #	Dept.	Item Description	Current Service	Amount	FTE
149	Sheriff	Professional health services for the inmate health contract (3% increase of base contract).	<input checked="" type="checkbox"/>	\$104,678.00	0.00
150	Sheriff	Professional Improvement for various seminars and annual training.	<input checked="" type="checkbox"/>	\$41,516.00	0.00
151	Sheriff	Court Security Screeners for increased Court caseloads.	<input type="checkbox"/>	\$118,103.00	4.38
152	Sheriff	Full time positions for DARE and related supplies.	<input type="checkbox"/>	\$257,260.00	5.00
153	Sheriff	Full time positions for increases with inmate classification.	<input type="checkbox"/>	\$213,865.00	4.00
154	Sheriff	Full time positions to assist with inmate property and a part-time position to assist the Planning and Analysis Coordinator and related supplies.	<input type="checkbox"/>	\$299,057.00	6.38
155	Sheriff	Full time positions to maintain all Correctional Centers and the increased work load in the Central Process Division and related supplies.	<input type="checkbox"/>	\$772,413.00	14.00
156	Sheriff	Funding for cell phones and blue tooth technology for civil process.	<input type="checkbox"/>	\$3,890.00	0.00
157	Sheriff	Master Deputy position to serve as the Sheriff's Office Safety Officer/Blood Borne Pathogen Coordinator.	<input type="checkbox"/>	\$60,912.00	1.00
158	Sheriff	Additional Sheriff vehicles requested beyond City Garage Rolling Stock replacement cycle including 1 truck for training/range operations, 4 sedans for deputy use and 1 cargo style van.	<input type="checkbox"/>	\$110,048.00	0.00
Sub-Total Safe Community				\$11,241,599.00	123.07
TOTAL ITEMS REQUESTED BUT NOT FUNDED				\$24,905,876.00	195.85

Abbreviation Legend

<u>Abbreviation</u>	<u>Legend</u>
ComIT	Communications and Information Technology
Comm. of Revenu	Commissioner of the Revenue
Comm. Attny	Commonwealth's Attorney
CVB	Convention and Visitor Bureau
Courts	Courts and Courts' Support
EMS	Emergency Medical Services
FTE	Full-Time Equivalent
Housing	Housing and Neighborhood Preservation
Real Estate	City Real Estate Assessor
Mgmt Services	Management Services
Sheriff	Sheriff and Corrections

REVENUES

Revenues

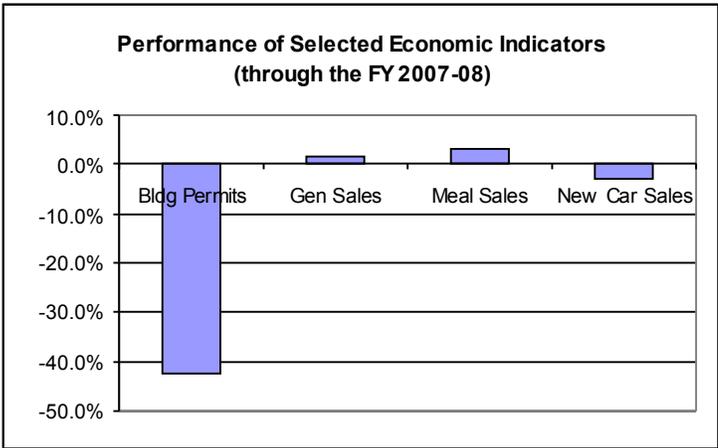
National Economic Overview - With a robust economy waning in the sunset of a banking and foreclosure crisis, politicians, bankers, and Federal Reserve appointees are taking proactive steps and countermeasures to stem the potential recessionary effects of a collapsing housing market, declining Gross Domestic Product (GDP), and growing inflationary pressures.

What happened? Two years ago, the nation was basking in the rays of increased wealth and economic well-being. Now, even though prices are decreasing, home sales have dwindled. Despite Federal Reserve measures, the availability of credit has contracted. Homeowner income is stretched by rising interest rates, inflationary pressures, and sub-par confidence. Since Hurricane Katrina, gasoline prices have skyrocketed 49.5%. In 2007, inflation jumped 4.1%. The Conference Board's index for consumer confidence hit a 17 year low. Consumer mortgage and credit card delinquencies are escalating. Foreclosures, instigated by questionable lending standards, are in the billions. Reactionary Federal Reserve Federal fund rate reductions, and increased funding availability, have had little economic effect. Alarmingly, for the second straight month, the Institute for Supply Management's service index stayed below expansion levels. Like the index, the country has lost more jobs than gained, and GDP slid for the third straight year to a miniscule 2.2%.

When inflationary price pressures are coupled with higher resetting mortgage interest rates and tightened banking standards, average American disposable income diminishes. Unable to extinguish the growing cost of basic staples, consumers are faced with basic fiscal decisions. They can adjust their living standards, or they can seek other financial alternatives. Accustomed to having disposable income, many are turning to credit cards, payday lenders, and the raiding of retirement plans. Over the past 10 years, consumer credit has increased 7.5% per annum. Ten years prior, it grew at 4.2%. Over the past five years, banks have extended \$740 billion of credit to American consumers. This has increased the average middle class consumer's *debt to income ratio* to 141%. This is double 1983's ratio. The consultancy group, RiskMetrics, sampled 14 large credit card asset pools and found delinquencies up 19%. Despite this large increase, it is below the recessionary periods of the early 1990s and 2001. With these factors looming, banking institutions are taking precautionary measures by lowering credit card limits and increasing late fees.

Because consumerism is driven by social behaviors, and the economy is reliant upon their purchasing propensity, these indicators could be a warning. Banks are tightening their standards, and consumers are wary of future spending potential. When the Federal government stimulates the economy with personal and business rebates, one would have to wonder whether consumers will buy durable goods, invest it, or pay creditors.

Virginia Beach Economic Overview - Paralleling the national economy, the consumer and housing sectors of the economy in Virginia Beach have cooled. The accompanying graph illustrates the downturns in several key indicators and while others remain in positive territory, they are performing well below their historical norms. The moderation in housing prices was expected, given that the unprecedented recent appreciation was not supported by economic fundamentals. But the flat-lining of homes prices may limiting discretionary spending as well. National data from the Federal Reserve System suggest that equity extraction increased significantly during the real estate boom; this "wealth effect" may have applied here as well and served as one factor in the City's recent growth in General Sales and Meal Taxes, levels unseen in the City's history. This trend may now be working in reverse. The good news is that our labor market has remained strong, and recession usually cannot occur without a stumbling in employment. Historically, the City has been fairly well insulated from national recessions (a brief

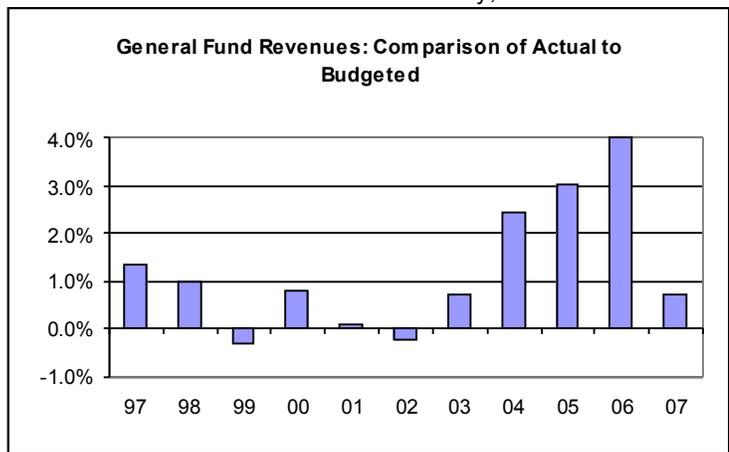


history of recessions in Virginia Beach are relegated to a footnote)¹, but we may benefit from the current national remedies of low interest rate and tax rebated. One concern, however, is if the Federal Reserve suddenly has to reverse course and hike interest rates significantly to starve off inflation; the City may then experience the negative consequences of these policy choices. Looking forward, economists at Old Dominion University and the Hampton Roads Planning District Commission are both forecasting below trend growth for this year, projecting real growth rates of 2.4% and 2.3% for the local economy, respectively. These forecasts somewhat parallel the slow growth anticipated nationally, but unlike some national forecasts, these organizations do not foresee a local recession at this time.

Forecasting Methodology

The City uses the following qualitative and quantitative methods to forecast revenues:

- Survey departments regarding trends in revenues.
- Interview local economists concerning the current and future state of the economy, and review national economic forecasting projections.
- Monitor national and local economic trends.
- Examine State and Federal budgets and legislative changes.
- Examine relationships between revenues and economic variables.
- Use the following statistical techniques: Exponential Smoothing; Auto Regressive Integrated Moving Average (ARIMA); Autoregressive Distributed Lag Models; Vector Autoregression (VAR); and Regression Analysis.



The final projections are based on a combination of the techniques above and experienced judgment. The graph illustrates the accuracy of these projection methodologies as applied in Virginia Beach. Public Finance literature suggests a forecasting goal of actual revenue exceeding estimates by within 2.0%. The City is within 1% of projections for six of the last nine years. From FY 2004 through FY 2006, the City experienced un-forecasted rates of growth in General Sales and Meal taxes unseen since 1987 as well as stronger than anticipated growth in Deed and Cell Phone tax revenues, and this unforeseen growth led to actual revenues exceeding budgeted revenues by a greater margin than historically accustomed.

¹ Historically, Virginia Beach has been fairly well insulated from recessions. In general, the City has been less vulnerable to recessions because our largest revenue, the real estate tax, has not responded as quickly to economic changes. A 1% change in GDP translates into a .67% change in our real estate tax revenues. The recessions of 1969-70, 1973-75, 1980, 1981-82 all occurred during a period in which significant population growth and robust defense spending served as counter-cyclical forces in our economy. The exception was the 1990-91 recession during which a confluence of forces led to a rather steep local recession while it was regarded as a mild one on the national level. The recession itself, the Gulf War, which necessitated an unusually high local troop deployment and was accompanied by higher gas prices, and an unrelated downturn in the real estate market all combined to deepen our downturn. The housing recession was attributed to Veteran Administration mortgage foreclosures due to reductions in military personnel in our area, an over supply of housing due to excessive building in the late 1980's, and a shift in construction activity to Chesapeake and Suffolk due to a number of factors. The latest recession of 2001 was relatively mild nationally and here because consumer spending and housing did not contract to the extent that history would have suggested. Instead, the recession was a joint consequence of a sharp decline in the stock market and a steep decline in business investment, particularly in technology. Because our economy is not strongly dependent on business investment and does not have a large presence of technology firms, the ill effects were not felt here.

Dedication of Other Local Taxes and Real Estate Taxes for Specific Purposes

Other Local Taxes - The data in the following table show the dedication of selected local taxes for specific purposes:

Dedication of Tax									
Tax	Local Rate	General Fund	T.G.I.F.	T.A.P.	Beach Events	EDIP's	Major Projects	Open Space	Tax Elasticity*
Amusement Tax	10.0%		10.0%						.65
Hotel Room Tax	8.0%	2.0%	2.0%	1.0%	0.5%		2.5%		.84
Restaurant Meal Tax	5.5%	3.5%	0.5%	0.5%			0.56%	0.44%	.96
Cigarette Tax (per pack)	\$0.61	\$0.35				\$0.10	\$0.050		.96

*Statistical Measure of Tax Elasticity – Elasticity is a measure of how one variable responds to a change in another variable. Using regression analysis in logarithmic form, the elasticity is computed as: Tax Revenues = f(tax rate, other casual variables). A coefficient for the tax rate variable of greater than “1” indicates that this is an elastic tax from the perspective of the government. (From the citizen’s perspective the demand for the government service is inelastic). A coefficient of less than “1” suggests the revenue is inelastic for the government; alternatively, this suggests that the consumer’s demand for this service is price elastic (i.e. increases in taxes alter the consumer’s behavior). (A coefficient of “1” implies unitary elasticity). Using a specific example, the elasticity for Amusement Tax implies that a 1% increase in this tax will generate a .65% increase in tax revenues. As the elasticities show and as intuition would generally suggest, all of these taxes are inelastic. A caveat is in order. Because specifying and quantifying other causal variables in the equation are both difficult, these results should be interpreted as very approximate values.

Tourism Growth Investment Fund (TGIF) - This fund represents revenues from a variety of sources, including taxes on the rental of hotel rooms, on restaurant meals, and from admission taxes on participating sports. These revenues were earmarked by City Council to fund certain projects in support of tourism, including capital projects and special events. Although Beach Events is shown separately above, it is included in TGIF.

Tourism Advertising Program Fund (TAP) - This fund accounts for revenues earmarked by City Council for the costs of advertising and marketing tourism.

Economic Development Investment Program Fund (EDIP) - This fund provides 10 cents of the Cigarette tax to support and enhance the viability of the City’s economic development program and strategic plan. The program will leverage grant dollars, fund the provision of infrastructure, and fund other economic development initiatives as approved, on a case-by-case basis. A policy to guide the use of these funds has been adopted by City Council.

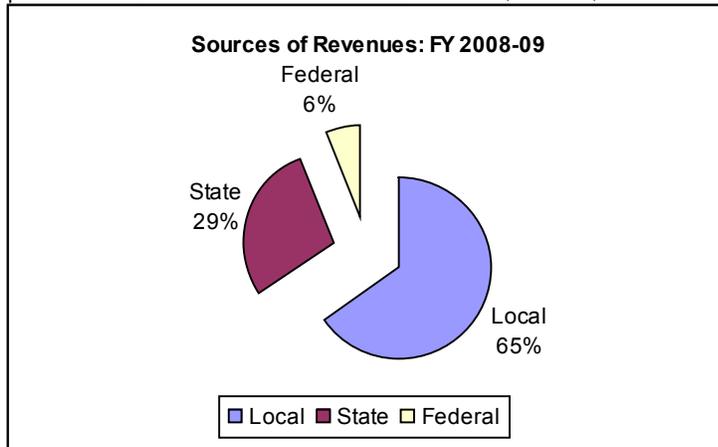
Major Projects - This funds a completely rebuilt Convention Center on the existing site; a new theater in the Town Center area; and parking facilities for the Virginia Aquarium and Marine Science Center.

Open Space - This fund provides monies for an open space initiative through which land will be acquired and preserved for future generations.

Recent History of Real Estate Tax Rate Adjustments and Distributional Purpose - From FY 1982-83 through FY 1986-87, the City’s real estate tax remained at \$.80 per \$100 of assessed valuation. The table on the following page chronicles the rate increases from FY 1987-88 through FY 2008-09, in which the proposed rate will remain at \$0.89, and identifies the purpose(s) for each adjustment:

Fiscal Year	Tax Rate Change	Distributional Purpose of Real Estate Tax Adjustments					Agriculture Reserve Program
		General Government	Parks and Recreation	Road Bonds	School Operating Budget	School CIP	
1987-88	\$.077			\$.050*		\$.027*	
1988-89	.038		\$.038*				
1989-90	.062		\$.007*		\$.055		
1990-91	.055	\$.006				\$.049*	
1991-92	.058				\$.058		
1993-94	.050	\$.007				\$.057	
1995-96	.048					\$.033	\$.015**
1996-97	.032				\$.032		
2004-05	-.0236	\$.0236					
2005-06	-.1725	\$.1675					\$.005**
2006-07	-.0339	\$.0299	\$.003*				\$.001**
2007-08	-.100	\$.0975	\$.00254*				
TOTAL	\$.09	\$.0319	\$0.039	\$0.050	\$0.145***	\$0.166	\$0.009

* Rate increase associated with voter-approved bond referenda. In FY 2006-07, the dedicated portion to Parks and Recreation, Recreation Centers was decreased from \$.038 to \$.037, and the dedicated portion for Outdoor Initiative was decreased from \$.007 to \$.005; the associated Real Estate taxes were remitted to the General Fund. In FY 2007-08, the dedicated portion to Parks and Recreation, Recreation Centers was decreased from \$.037 to \$.03476, and the dedicated portion for Outdoor Initiative was decreased from \$.005 to \$.0047.



** Dedicated amount to the Agriculture Reserve Program was lowered in FY 2004-05 from \$.015 to \$.01, and lowered in FY 2006-07 from \$.01 to \$.009.

*** (1) the adoption of the City/School Revenue Sharing Formula in FY 1997-98, which originally dedicated 53.13% of all Real Estate Taxes to Schools, includes the allocation of the distribution for all school-related purposes above. For FY 2006-07, the formula percentage was changed to 51.79%, and in FY 2007-08, the formula was changed to 51.3%; the rationale for the changes are discussed below. All the non-school related purposes are funded within the City's share of 48.7% of Real Estate Taxes. (2) There were no tax rate changes in FY 1992-93, FY 1994-95, and FY 1997-98 through FY 2003-04. (3) Tax reduction in FY 2004-05 was due to a portion (1/4 cent) of the

State's increase in General Sales tax that could be used either for tax relief or education. (4) The tax reductions in FY 2005-06, FY 2006-07, and FY 2007-08 are attributable to the phenomenal growth in real estate appreciation.

Main Sources of Total Revenue for FY 2008-09 and FY 2009-10

As can be seen in the graph (only FY 2008-09 is shown since distributional changes in FY 2009-10 are immaterial), local sources comprise the largest portion of our revenues.

The following are changes to City taxes and permits for FY 2008-09:

- **Machinery and Tools Tax:** The Machinery and Tool tax will be raised from \$1.00 to \$1.90. The City assesses this property at 33.3%. This tax increase will be dedicated to fund the Strategic Growth Area program in the Operating Budget and in the CIP.
- **Pleasure Craft/Boat Tax:** The tax on pleasure boats will be reinstated at \$1.00 of \$100 of valuation. The revenue generated would be dedicated to dredging projects in the CIP.
- **Cigarette Tax:** The rate will be raised from \$.50 per pack to \$.61, and the additional revenue will be dedicated to fund the Strategic Growth Area program in the operating budget and in the CIP.
- **Planning Fees:** Several fees will be increased, and the department will begin to charge for a few services that were provided without a charge. The proposed fee increases will be used to offset the associated costs of providing these services, and the proposed fee levels are comparable to the ones charged in neighboring localities. For a complete list, see the Planning and Community Development Department in the Quality Physical Environment section or the Ordinance section of this document.
- **False Alarm Burglar Fee:** In an attempt to reduce false alarm calls, the City is instituting the fee after two false alarms, of \$150 for residential and \$250 for commercial.
- **Red Light Cameras:** Ten additional cameras are also included in this budget, which provides 20 red light cameras scheduled for operation in FY2008-09.
- **Housing and Neighborhood Preservation Fees:** The department will raise or establish fees for: a Towing Inoperable Vehicles Fee (\$150); a Nuisance and Abatement Fee (from \$100 to \$150); a Certificate of Compliance Rental Inspection Fee (\$50).
- **Museums:** A 4D Theater will be retrofitted into the current Interactive Theater located in the Virginia Aquarium's Marsh Pavilion. The Theater will target younger audiences with films that include 3D film projection and 4D special effects.
- **Fire Inspection Fee:** To help recover the cost of providing commercial fire inspections, a \$50 fee will be instituted on commercial inspections.
- **Convention and Visitor Bureau:** Some fee increases will be instituted at the new convention center. For a discussion, please see the Convention and Visitor Bureau write-up in the Economic Vitality section of this document.
- **Parks and Recreation Fees:** In response to increased operational costs, this budget assumes increases in certain fees and charges that have not been increased in several years. For a complete list, please see the Parks and Recreation write-up in the Cultural and Recreational Opportunities section of this document.
- **Water and Sewer and Storm Water Rate increases** are discussed under these respective funds below.

Changes in Funds

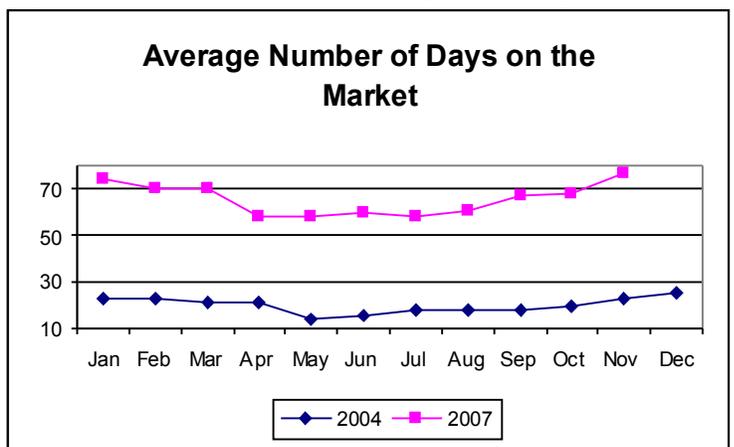
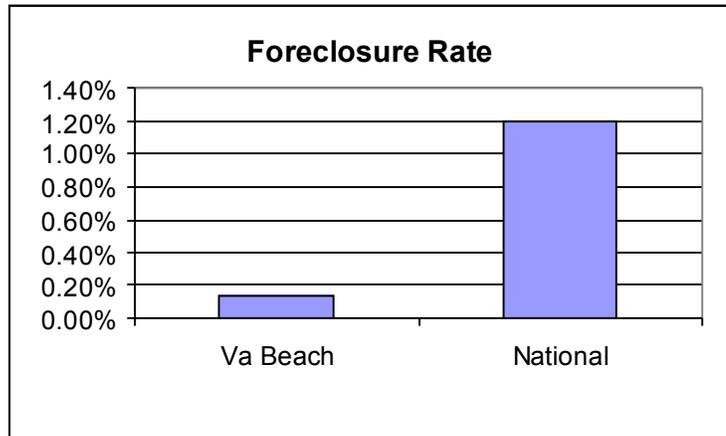
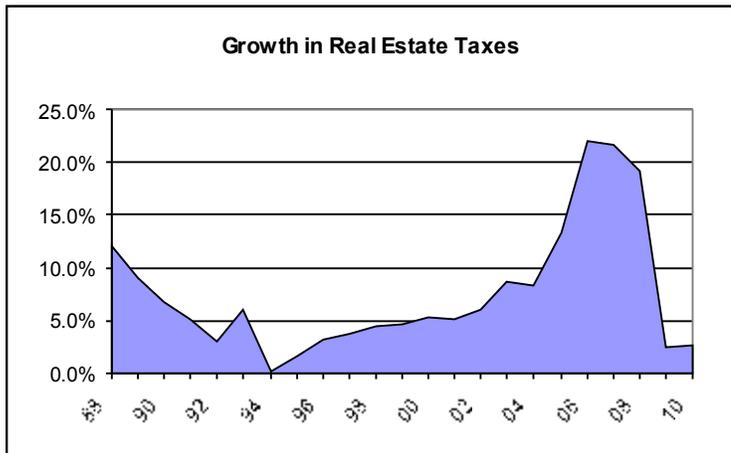
Consolidation/New Funds - To consolidate accounting and financial monitoring and reporting, the following funds have been merged into the General Fund: E-911 Communications Special Revenue Fund; Police Extraditions Special Revenue Fund; Comprehensive Services Act Special Revenue Fund; Police Services Special Revenue Fund; EMS State Four-for-Life Special Revenue Fund; Arts and Humanities Commission Special Revenue Fund; Virginia Aquarium Special Revenue Fund; and the Mental Health Grants Fund. The Access Channel Support Special Revenue Fund is now reflected in the CIP rather than the Operating Budget; and the Fire Programs Special Revenue Fund has been merged into the Grants Consolidated Fund.

Analysis of the Sources of General Fund Revenues

Real Estate Tax - The unprecedented run of real estate appreciation is over. After three consecutive years of nearly 20% growth in appreciation, preceded by one year of an 11% increase, appreciation will increase by 2.5% for FY 2008-09. The fact that home values in our City are still increasing is certainly positive news, since values are declining in some markets. The other good news to report is that our foreclosure rate, while up significantly, is still very modest by local historical and national standards. Several fundamentals support this favorable comparison. Fewer sub prime mortgages

were issued in this area according to data from Wall Street Journal and First American Loan Performance. Home prices are still rising, albeit very modestly, and foreclosures tend to be greater in markets where prices are declining because homeowners have less incentive to remain attached to an asset that is worth less than the mortgage. Lastly, our labor market remains quite strong.

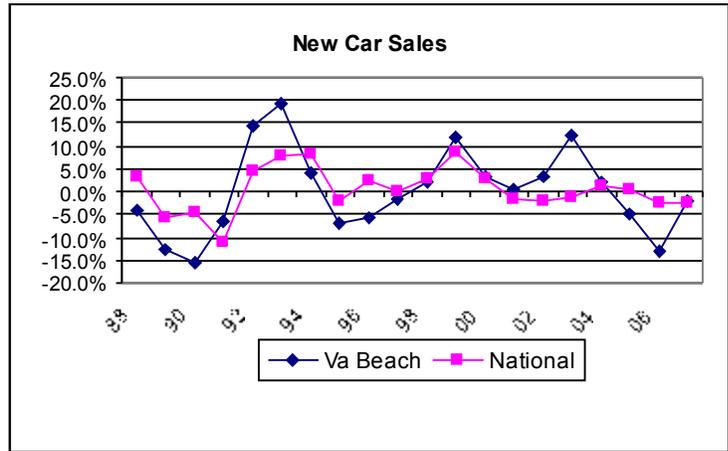
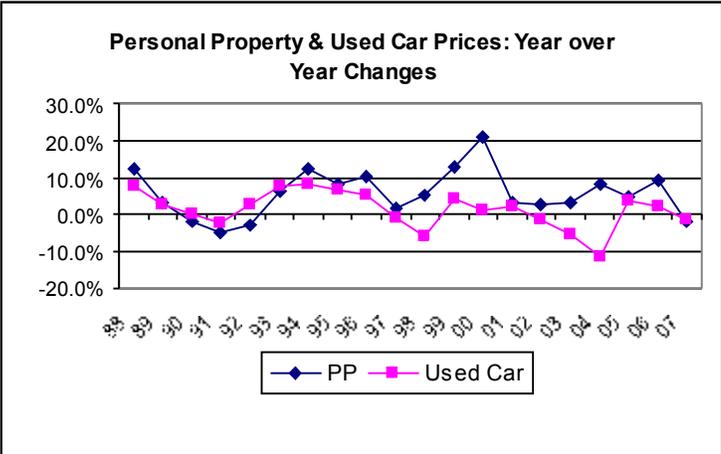
Still, residential appreciation may remain very modest for a few years. Home prices rose 89.3% over four years while median household income grew at approximately 17.6% over the same time span. It may take some time before these fundamentals are closer in-line. And the number of residential building permits issued last year were the lowest number ever recorded in the City. There is some positive news to report. The long-term fundamentals for housing in our City do remain positive, however. The lack of supply of land (and builders are not adding to the current over supply of homes by adding new building permits), baby boomer demographics, and the maturation of the population all bode well for housing. Another positive is that



the middle class neighborhoods are all still appreciating well. Housing also provides shelter rather than only a form of investment. And some sellers are more reluctant to sell a home at a loss compared to a stock.

Estimated Revenue - Projections for the growth in real estate are provided by the Real Estate Assessor. For FY 2008-09, total real estate revenues are \$483,724,693, which is 2.1% over the previous year's budget amount. For FY 2009-10, these revenues are projected to be \$494,028,167 and grow at 2.1%. In both years, Public Service real estate tax revenues (assessed by the State Corporation Commission) slightly pull down the overall growth rate.

Personal Property – This revenue has been erratic and difficult to forecast. This erratic pattern is characterized by a recent stretch of six, consecutive large swings in the growth rates (graph measures a slightly different variable). None of the sophisticated statistical techniques have forecasted this revenue very well. So, the past performance has not been a good predictor of the future. Staff tracks used car prices, new car registrations (local turning points track national ones as well), new car prices, and a proxy for the age of our vehicle assessment base. One illuminating indicator had been the Bureau of Labor Statistics Used Car Index, which is a component of the CPI. In the past, it has tracked the direction of change (turning points) of personal property quite well. Now, however, the coincidental relationship has been breached, evidenced by directional errors in six of the last eight years as shown in the graph.



In terms of the recent trends in these key indicators, new car sales have been a disappointment. After increasing for seven consecutive years, these have now declined for three consecutive years. New cars comprise approximately 13% of the City's vehicle base, but over 30% of the monetary value of the base, and this likely serves as an explanation for the total tax base increasing when the used car portion has underperformed.

Used car prices are down 0.5% for the period on which our current assessments will be based. This represents the second consecutive year of a decrease in used car prices. The residual values of many leased

cars falling below their projected thresholds, and due to the significant trade-in's associated with new car purchases that further eroded used car prices.

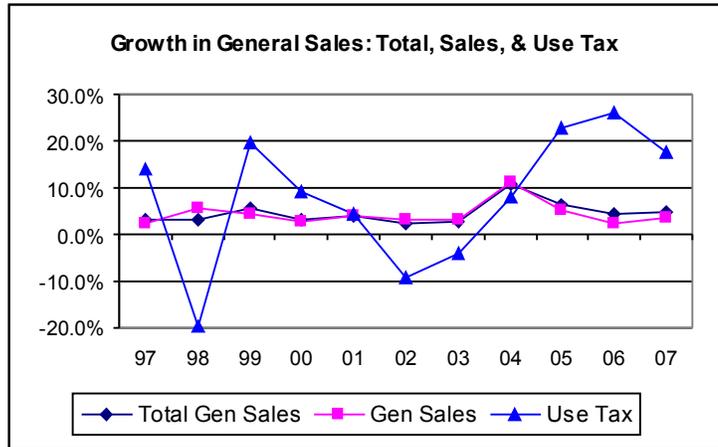
During FY 2005-06, the State implemented the new Personal Property Tax Relief Act in which localities will receive a flat reimbursement rather than receive reimbursement for 70% of the total tax eligible tax base. This is a somewhat complicated piece of legislation, and the following discussion highlights the important aspects. The Car Tax reimbursement will no longer be linked to the percentage of individual vehicle tax bills. Rather than experiencing increases in our reimbursement that parallels the growth in the vehicle base, the amount of the State reimbursement will be frozen at \$53.4 million. With projected growth in the vehicle base, this budget proposes a relief percentage of 57.5%, which changed from 60.3% in FY 2007-08. Vehicles valued under \$1,000 will not be subject to any tax (consistent with the original legislation). Vehicles valued between \$1,001 and \$20,000 will be taxed at 42.5% of the assessed value of \$3.70 per \$100, and the portion of vehicles valued over \$20,001 will be taxed at the prevailing rate of \$3.70 per \$100.

Lastly, business personal property has been growing steadily, and may reflect the continued strong economic conditions in the City.

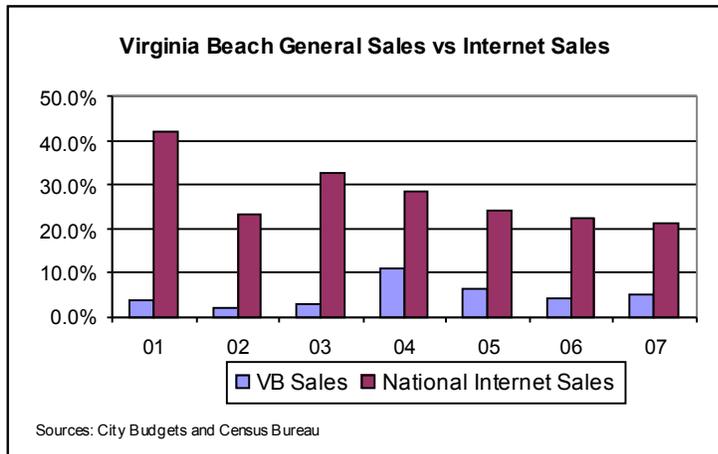
Estimated Revenue - For FY 2008-09, Personal Property taxes are \$135,525,370, which is 0.3% higher than last year's estimate, and reflects an adjustment to the base revenues for the under performance of this revenue in FY 2006-07, but also includes the establishment of the boat tax for pleasure craft at \$1.00, and an increase to the

Machinery and Tools tax from \$1.00 to \$1.90. For FY 2009-10, this revenue is projected to be \$142,874,281, which is projected to grow by 5.4%.

General Sales - This revenue performed exceptionally well during the housing boom, rising 10.9% and 6.4% in FY 2004 and FY 2005, back-to-back levels not experienced since FY 1986-87. The appreciation of home values and the ability to monetize it through re-financing/home equity loans has allowed homeowners to withdraw cash from their home and spend it. Consider these national statistics. A 2004 Federal Reserve study indicated that home owners withdrew equity in their homes equivalent to 7% of their disposable income (and it may have risen to 10% in 2005), and a study by Goldman Sachs Group suggested that homeowners spent over two-thirds of these monies on consumer goods. With home prices nearly flat-lining equity extraction may have halted, consumer psychology has likely changed. Through the current fiscal year, General Sales is advancing at a 1.8% rate; if this rate holds through out the year, it would represent the smallest increase since FY 1990-91.



Business investment has helped overset the moderation in General sales. Although there are no sources of traditional economic data for local investment, the Use Tax portion of the General Sales tax may serve as a proxy. The Use Tax generally reflects purchases by businesses that were not reported at the point of sale (out-of-state sales). These sales rebounded strongly from the 2000 recession in which business investment (particularly in technology) declined notably, and have continued to perform above the strictly sales tax component.



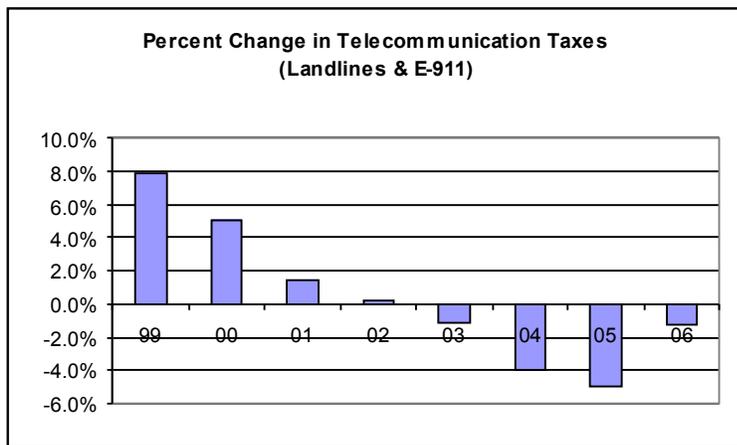
Staff historically studied the individual categories of retail sales in the City to help determine the extent to which the Internet may be siphoning local sales. However, the State which collects, tracks, and distributes these sales data switched to a tracking system that is compatible with the North American Industrial Classification System. The graph illustrates the growth rate of national Internet sales dwarfs the City's growth in the General Sales tax.

In terms of estimation procedures, the statistical techniques generally have a good ex-post record of forecasting this revenue. We also track national retail sales, but historically our sales do not move in a consistent coincidental fashion with national sales. Staff have also examined correlations among causal variables. Somewhat surprisingly, there is not a strong correlation between the size of the annual military compensation increase and our local sales. Employment serves as the strongest predictor, and the Conference Board's Consumer Confidence Index also is moderately correlated with changes in our sales. The immediate concerns for this revenue are: that consumer confidence remains strong, and the effect the end-of-the refinancing boom will have on consumer spending.

Estimated Revenue - For FY 2008-09, estimated revenue for General Sales is expected to be \$56,040,158, which represents a 0.6% increase over the previous year's budget amount, and reflects an adjustment to the base from lower than anticipated revenues and current trends. For FY 2009-10, these revenues are projected to be \$58,408,216, which is projected to be up 4.2%, and this represents a return to more historical norms.

Utility Tax - These taxes apply to electric, gas, and water bills for residential and commercial properties. Historically, this revenue grows at modest rates. When the state imposed a change to the local government utility taxing structure from charging on a monetary basis to consumption basis, all local governments were negatively affected. Over time, localities experienced gains from increases in utility rates (tax applied to higher bill). Charging on a consumption basis eliminated this positive, and actually may have hurt localities, since rate increases can sometimes discourage usage and antiquated heating/cooling systems are replaced over time improving the efficiency and, therefore, decreasing consumption usage. In terms of projections, the sophisticated techniques have historically projected this revenue very well, and staff track average monthly temperatures, number of housing units, and natural gas prices.

Estimated Revenues - For FY 2008-09, estimated revenue for Utility taxes is expected to be \$23,791,320, which represents a 0.5% increase over the previous year's budget amount, and reflects an adjustment to the base from lower than anticipated revenues for FY 2006-07. For FY 2009-10, these revenues are projected to be \$24,088,712, which is projected to be up 1.3%, and this represents a return to more historical norms.



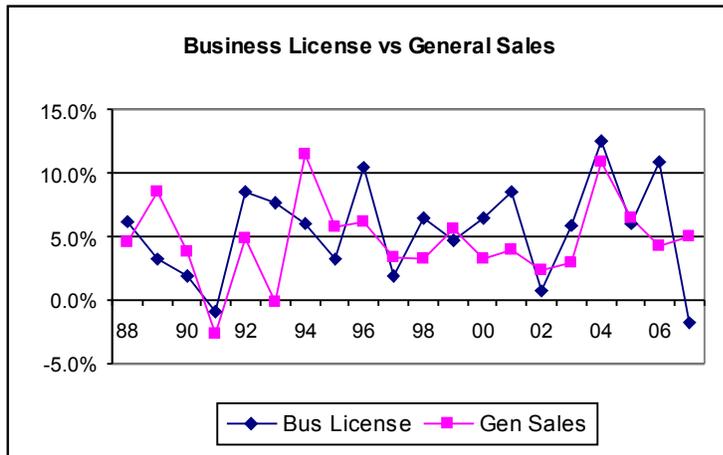
Virginia Telecommunications Tax - The State eliminated all local telecommunication and cell phone taxes in January 2007 and replaced this with a uniform 5% tax, which also applied to satellite TV and Internet phone service, Voice-Over-Internet-Protocol (VOIP). Telecommunication industries intensely lobbied for this change to eliminate the various rate structures imposed by over 100 local governments. From a local government perspective, there were concerns about whether the new uniform tax would achieve revenue neutrality (goal of legislation). However, many local governments were experiencing a decline in the telecommunication revenues due to the use of VOIP, which according to the Yankee

Group was experiencing growth rates in subscriptions from 2004 through 2008 at 187%, 149%, 85%, and 35% respectively. Further, some literature and anecdotal data suggest that more people, particularly young and single, are canceling their land line service and are using only their mobile service. This is not the case in which the City benefits from an extra cell phone tax; these citizens already own a cell phone. As a result, the telecommunication portion of the Utility tax has declined for four consecutive years by an average of 3.9%, which has dragged down the overall growth rate in total utility tax revenues.

Initially, this revenue was underperforming, but in hindsight this appears to have been the result of reporting and remittance issues associated with new tax. Although the City is currently not quite achieving revenue neutrality, the revenue is performing much better. Unfortunately, data are not existent to track and project this revenue. Instead, staff are monitoring trends and projecting this revenue based on the very short historical series available.

Estimated Revenue - For FY 2008-09, this revenue is projected to be \$23,634,421 and \$23,870,765 for FY 2009-10, which is 1.0% greater than FY 2008-09 (the increase for FY 2008-09 over FY 2007-08 cannot be computed because the City budgeted this revenue within another category).

Business Professional Occupancy License Tax (BPOL) - As the graph on the following page shows, this revenue consistently outperforms General Sales (leads BPOL in graph), which should not be surprising since this revenue captures the growth in the service economy. But this revenue has also been more volatile. Some of this volatility may be associated with reporting and auditing issues and recent rebates associated with court rulings. Regarding audits, any additional revenue recovered through the audits is posted in the year in which the recovery occurs rather than the year in which the revenue-generating activity took place. Some of the volatility, however, is not explained by any known economic variable that the City tracks. Last year's decline serves as a notable example. In terms of projection methods, the sophisticated techniques have a poor record of success in



forecasting this revenue. However, none of the broad, local economic indicators seem to serve as good predictors. Hence, this revenue is often projected based on simple trend analysis and judgment.

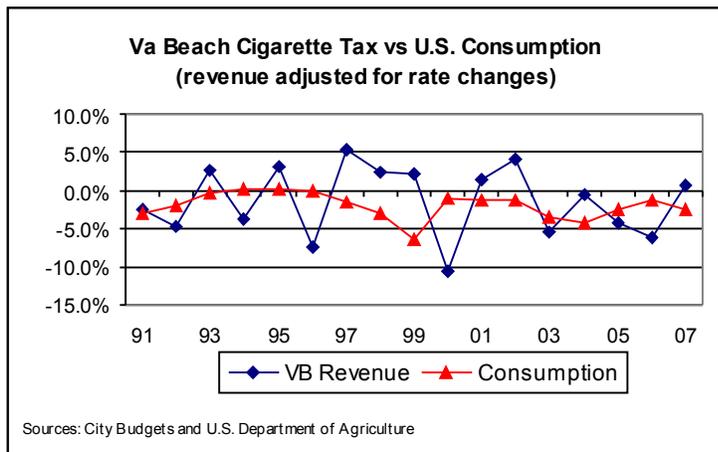
Estimated Revenue - For FY 2007-08, estimated revenue for BPOL is projected to be \$43,180,830, which is down 3.6% from last year's budget amount. This estimate reflects an adjustment to the base due to the under performance of this revenue in FY 2006-07. For FY 2009-10, this revenue is projected to be \$45,771,679, which is projected to be up 6.0% near the long-term growth rate of this revenue.

Cable Franchise Tax - Recently, this revenue had been growing at very modest rates. Competition from satellite TV, slowdown in cable price hikes, and entertainment options via the Internet are the likely reasons for this moderation. Cable subscription rates from the predominate provider have declined for seven consecutive years in our City. Price increases (the City's tax revenues increase as the total bill rises) have averaged 4.5% over the last four years compared to 5.7% over the previous seven years. The Internet offers an array of entertainment options that previously were never imagined. However, during the last two years, the revenues returned to historical norms, but so far this fiscal year have grown only modestly. Verizon began offering its Fiber Optic Service (FIOS) cable service during a portion of this time but, intuitively, most of its new customers would seem to have come at the expense of Cox Communication or satellite TV. Perhaps customers of all providers are ordering more expensive packages. The taxing of satellite TV, which previously may not have been covered, may have caused some customers to shift to cable or Verizon as well. Projections of this revenue are made with data supplied from the cable company on customer base/subscription rate, rate increases, digital subscribers, and pay-per-view orders. Note: This revenue is charged by the State under the Virginia Telecommunications Tax, but the rate remains the same as the 5% Franchise tax; the State distinguishes this portion of the Telecommunications tax from the total, and the City is able to record and track this revenue separately, until the termination of the existing cable franchise agreement.

Estimated Revenue - For FY 2008-09, Franchise revenues are projected to be \$5,413,198, which are up 14.0% from the previous year's budget amount and reflects an adjustment to the base revenue that previously greatly exceeded estimates. For FY 2009-10, these revenues are projected to be \$5,543,115, which is up 2.0% and reflects current revenue trends.

Automobile License Fee - This revenue has historically grown in a moderate and stable manner, which reflects the slow growth in our population as well as the maturation of the population as younger citizens become of driving age. The sophisticated statistical techniques have an exceptional track record of forecasting this revenue, and so this method is used for development projections. In FY 2003-04, the City eliminated the physical issuance of a decal and instead began collecting these revenues through the DMV State registration process. An analysis reveals that this conversion to DMV has produced approximately \$85,000 in additional revenue compared to the locally issued decal process. DMV represents a more comprehensive source of discovery for vehicles because the City entered into an agreement with DMV in May 2004 to prevent delinquent tax payers from renewing their State registration (until the City tax is paid). More recently, this revenue has experienced flat or declining growth, and may be attributable to three factors. The number of students becoming of driving age is declining according to school enrollment data, and it is possible that the maturation of population some elderly may be giving up their driving privilege. Lastly, the State's official population data indicate the City is experiencing an out-migration of population, and this would be consistent with a decline in automobile licenses.

Estimated Revenue - For FY 2008-09, Automobile License fees are projected to be \$8,960,647, which is down 5.0% from the previous year's budget amount and reflects an adjustment to the base revenues for the under performance in FY 2005-06 and current trends. For FY 2009-10, this revenue is projected to be \$950,812, which is up 1.0%.

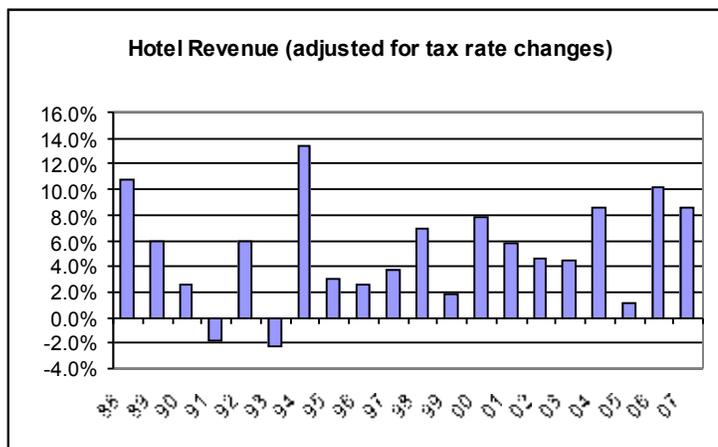


Cigarette Tax - The pattern of changes in this revenue can be characterized as volatile as displayed in the graph on the following page. The increase in the number of people quitting smoking, sales via the Internet, and illegal (black and gray market) activity all serve as reasons for the decrease for the last three consecutive years. For some years, this revenue has increased, despite these trends, and this is more difficult to explain. Last year serves as an example. Perhaps purchases from tourists in other states, whose taxes are much higher, may serve as a reason. Projections have typically been based on judgment, since the overarching indicators do not shed much light on patterns of change.

The increase in the Cigarette tax in January 2003 also may be contributing to the poor performance. History tells us that this revenue always declines after a tax increase because the hike either encourages quitting or encourages consumers to seek lower prices elsewhere.

Estimated Revenue - For FY 2008-09, Cigarette tax revenues are projected to be \$13,199,518, which represents a 22.8% increase from last year's budget and reflects an adjustment to the base from the unusually high revenues recorded FY 2006-07 and an increase in the rate from \$.50 cents per pack to \$.61 cents. For FY 2009-10, these revenues are projected to be \$12,935,527, which is a 2.0% decrease from FY 2008-09, and reflects a return to normal trends and some effect from the tax rate increase.

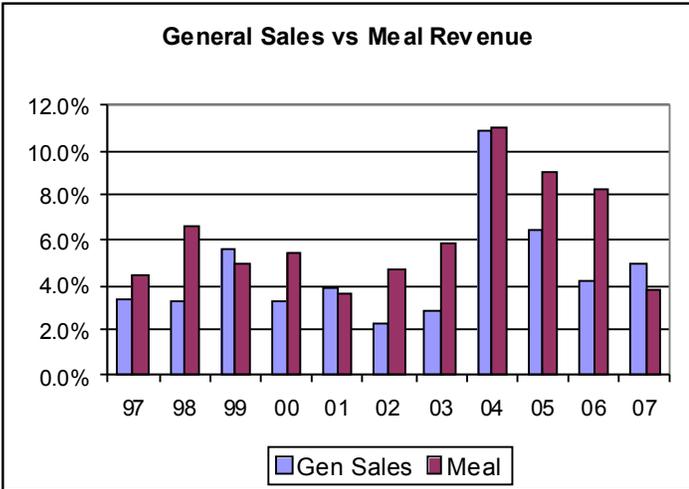
Hotel Tax - Over the last eight years, the City has only experienced one sub par tourism season and that can be attributed to the over twenty seven inches during the summer of 2004. Although the City has experienced slight increases in occupancies, the bulk of the increase in sales is the result of higher average daily room rates. It is important and positive to note that tourism has performed well since September 11, 2001. The curtailment of nation-wide air travel has benefited Virginia Beach, since we are a drive-to destination. There are also some positive items on which we can report. There have been some promising new private hotel developments, suggesting optimism for growth among hoteliers and financiers of such projects.



These are not limited to the oceanfront. The Westin hotel the Town Center will compliment the Hilton Garden there, and provide a business travel venue, with upscale shopping amenities. The City's new convention center officially opened on August 18, 2005, and convention bookings have exceeded projections. The convention industry is important to our City because the height of convention travel occurs between September and May, a time during which hotel occupancy levels are lower. A long-standing goal of City Council is to expand our shoulder season that, in turn, improves the cash flow to hoteliers that may spur further property investment at the oceanfront. In terms of projections, the fundamentals for a successful season include: a relatively healthy economy in the northeast (the City's largest tourism market), and a continued successful media program, the weather (always an unknown), gas prices, and the keen competition for the tourist dollar by competitive destinations. Interestingly, a correlation analysis of hotel room prices, gas prices, and consumer confidence in the Northeast with our hotel revenues revealed that no correlation exists, which seems inconsistent with survey data and simple intuition. And the statistical techniques have not accurately forecasted this revenue. Staff does review local forecasts for tourism, but these are regionally based. As a result, these estimates are developed based on simple trend analysis and judgment.

Estimated Revenue - For FY 2008-09, Hotel taxes are expected to be \$24,133,253, which is 4.7% over the previous year's budget amount. For FY 2009-10, revenues are projected to be \$24,868,324, up 3.0%.

Restaurant Meal Tax - This revenue has historically been a stalwart in terms of consistent growth, but recently it has been performing well under historic norms. There was no simple, satisfying answer as to why meal taxes had been performing so well. The withdrawal of home equity that has spurred General Sales could also be contributing to increased meal purchases, but it would seem that these withdrawals were used for other consumer purchases rather than meals away from home. There may be another reason. Economists are trained to think of tradeoffs in purchasing decisions. So when new eateries open, some sales will come at the expense of other restaurants. This siphoning effect is well documented in theory and research. But another phenomenon may be in play too.



New dining experiences could spur some sales that may otherwise not have occurred. Many consumers do face economic tradeoffs in spending decisions. If they attend a concert, they may forgo a movie. There are other consumers, however, who have the financial wherewithal to attend a concert and a movie. Some of the new dining establishments at the Town Center and the Lynnhaven Mall may be luring customers to dine without forgoing sales at another restaurant (grocery stores could be impacted, however), thus raising meal spending in the City. The more recent subpar trends may be attributable to the current housing woes impact on consumer psychology.

Another consideration regarding this revenue is that restaurant industry experts suggest that meals away from home are often driven by the following demographic variables: percentage of women working; percentage of households with incomes higher than \$25,000; percentage of the population between the ages of 25 and 44. The quality of local restaurants within our City compared to the quality in neighboring localities can also serve as a factor. The wealth of our City and tourist sales both serve as positive factors for this revenue. Finally, analysis indicated that between 30% and 35% of the meal tax revenues are generated by non residents. The statistical techniques do forecast this revenue well and staff also examines trends to establish an estimate.

Estimated Revenue: For FY 2008-09, total Meal taxes are expected to be \$48,745,131, down by 0.8% over the previous year's budget amount, reflecting an adjustment to the base from the prior year's per performance and current trends through this fiscal year. For FY 2009-10, these revenues are projected to be \$51,133,230, up 4.9% at the long-term average.

Admissions Taxes - Both the Amusement tax (10%) and Participatory Sports tax (5%) tend to display a yo-yo pattern of growth that is unexplained by any economic fundamentals. Reporting and audit issues are a factor here too. Through late remittance or discovery through audits, sometimes revenue is recorded in the year after the economic activity occurred. Staff are investigating the aggregate sales at Golf courses, movie theaters, and sport fishing vessels to see whether any patterns can be learned. Amphitheater sales have certainly also contributed to the overall volatility in this revenue. The statistical techniques have not performed well in forecasting this revenue, nor have data on national movie sales tracked by staff. Thus, simple trend analysis and judgment are used to estimate these revenues.

Estimated Revenue - For FY 2008-09, total Admissions taxes are expected to be \$5,597,076, which is 8.5% over the previous year's budget amount reflects an adjustment to the base for over average revenues in FY 2006-07. For FY 2009-10, these are projected to be \$5,839,435, up 4.3% near a more typical average.

Permits, Privilege Fees, and Regulatory Licenses - Categories - This represents a broad range of permits, privilege, and regulatory licenses for governmental service.

These revenues have varied greatly over the last five years, which is partly attributed to changes/additions in this category. In theory, these revenues are primarily a function of population (total and age components), the economy, and specifically the health of the real estate/construction industries, since these comprise the largest amounts. Because of the changes in the regulations and rates, historical data have not been a good predictor of the future. As a result, many of these revenues were projected based on departmental input and reflect an up-tick in the growth in the population and continued moderate growth in the economy.

Estimated Revenue - For FY 2008-09, the estimated revenue for Permits, Privilege Fees, and Regulatory Licenses is \$5,752,109, which is 12.5% more than last year's estimate. This increase reflects an adjustment to the base of some revenues that performed well in FY 2006-07 and an increase to charge for Yard Debris Trailer (4.1% without the increase in this charge). For FY 2009-10, the estimated revenue is projected at \$5,657,482, 1.6% less than in FY 2009-10, and reflects a moderation in building permit revenues.

Fines and Forfeitures - Categories - This represents a broad range of fines and forfeitures for local government offenses.

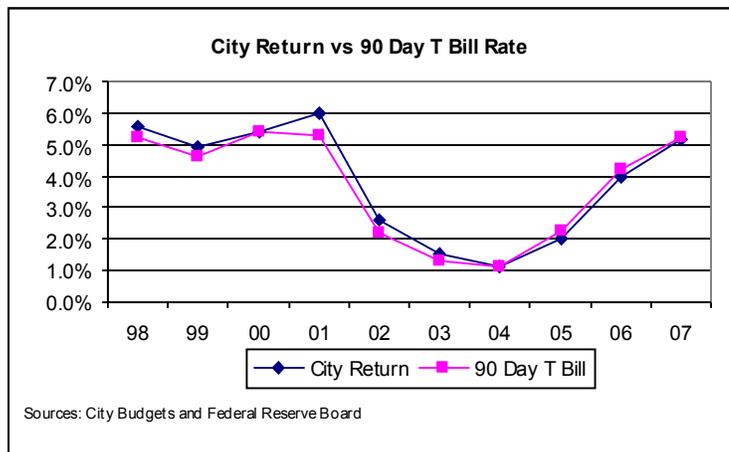
This category also has undergone some changes with revenues declining in the early 1990's but increasing as of late. These revenues are primarily a function of population (total and specific age components) and changes in rates (e.g., parking fines). Projections for this category are based on historical trends.

Estimated Revenue - For FY 2008-09, the estimated revenue for Fines and Forfeitures is \$7,381,033, which is up 35.0% from last year's estimate and primarily reflects trends in court fines and the new installation of the additional Red Light Cameras (11.1% without these new cameras). For FY 2009-10, this revenue is projected to be \$7,343,304, a 0.5% decrease reflecting an anticipated decline in revenues associated with the Red Light Cameras due to driver awareness.

Revenue from the Use of Money and Property - Categories - This represents a broad range of revenue from the City's financial and physical resources.

The recent trends of this category parallel the trends in interest rates, since this revenue category is primarily a function of interest rates and cash balances invested.

The timing and size of bond sales also affects the City's cash balance position and thus this revenue. The 90-Day Treasury bill rate serves as a conservative proxy for City investment earnings.



Estimated Revenue - For FY 2008-09, the estimated revenue for Use of Money and Property is \$11,137,142, which is 9.0% above last year's estimate. This primarily reflects increases in revenues associated with the new convention center. For FY 2009-10, these revenues will rise to \$13,860,205, a 24.5% increase and is due to the anticipated increase in interest income with a rebounding of interest rates.

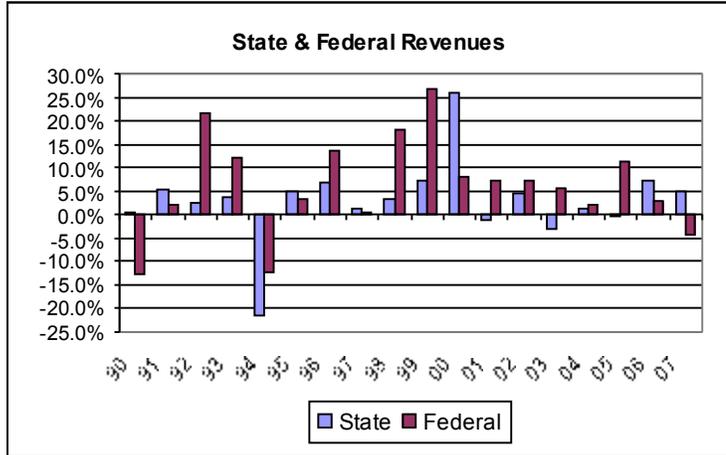
Charges for Services - Categories - This represents a broad range of revenue from the charges for City services, which offset the cost of delivering the service or program.

These revenues have been increasing at a rather brisk pace due to increased demand for fee-based services and the implementation of additional charges to cover the cost of City services. Most revenue estimates in this section were calculated using the trends of past collections, departmental experience with the revenue base, and

the rates currently in effect. It should be noted that the Council appointed, Blue Ribbon Tax, Fee, and Spending Task Force recommended regular increases in fee revenue to recoup costs.

Estimated Revenue - For FY 2008-09, the estimated revenue for Charges for Services is \$18,513,368, which is 11.0% above last year's budget. This increase is due to the establishment of the Police False Alarm fee, additional Human Services related revenues, the Virginia Aquarium's new 4D, higher SPSA revenues, and higher Convention revenues. For FY 2009-10, this revenue is projected to be \$18,046,279, which will decline by 2.5%, and reflects an anticipated reduction in False Alarm fees (due to more awareness of the impact of these false alarms) and decline in revenues associated with a slowdown in building activity.

State and Federal Revenue - Estimates are based on the trends of past collections and information available through the State and Federal budget processes at the time of the development of the City's budget. As shown in the graph there is a fair amount of volatility in these revenues.



Estimated State and Federal for FY 2008-09 is \$124,135,953, which is 1.0% below last year's estimate. This primarily reflects declining State revenue due to the budget shortfall and public assistance for day care (caseloads are dropping). Revenue is projected to rise to \$127,568,988, a 2.8% increase in FY 2009-10 essentially for the same categories.

Transfers from Other Funds - These estimates reflect the City's on-going policy of charging self-supporting and fee-generating funds for support costs financed through the General Fund.

Estimated revenue for FY 2008-09 is expected to be \$9,919,031, which is down 16.49% from last year's estimate and primarily reflects the one-time use of fund balance from the Agriculture Reserve Program in FY 2007-08. Revenue is expected to increase to \$10,080,470 for FY 2009-10, representing a 1.6% increase from FY 2008-09.

Summary of General Fund Revenues - Total estimated revenue for the General Fund is expected to be 1.4% higher than last year's estimate, and primarily reflects the dramatic slowdown in real estate appreciation and the under performance of Personal Property, General Sales, and Business Professional Occupancy License taxes. For FY 2009-10, the projected increase is 3.0%, and reflects an anticipation of improved performance in these revenues, except real estate appreciation is expected to be very modest as well.

Special Revenue Funds

This section highlights the major Special Revenue Funds:

Schools/Education - The following funds comprise the total School operations: School Operating; School Vending Operations; School Grants; School Textbook; School Athletic Special Revenue; School Cafeteria; School Equipment Replacement Special Revenue Fund; and School Communication Tower Technology. The revenue estimates for these funds are provided by the School Administration and by the state, and are based on information received from state and federal agencies at the time of the preparation of the budget, except for local tax funding which is provided by the City.

Revenue is received from three sources: Federal, State, and local governments, including local fees for charges by Schools. Federal funds are of two types. Federal revenues primarily consist of impact funds, which are allocated to Schools for use in the operation of the total instructional program to support the cost of educating military children, and funds for the School lunch program. Presidents have tried to reduce Impact Aid, but have been unsuccessful. However, this warrants monitoring. State funds are allocated based on a two-part, General Assembly, adopted formula: 1) The Standards of Quality are used to determine the number of teachers that are required by each school system. The state also uses an average salary figure to arrive at the total level of funding. 2) A Composite Index of Local Ability to Pay is used to determine the funding split between the State and localities. Wealthy communities receive less State aid while less wealthy communities receive more. The City is responsible for the residual amount from the Composite Index (subject to a cap). Certain categorical State funds are dedicated to certain specific courses or activities, such as pupil transportation, vocational education, special education, and technology initiatives. The State Share Sales Tax (one cent on the sales dollar) is returned by the Commonwealth to localities exclusively for public education and is distributed based on the number of School age persons residing in each locality. The State also raised the General Sales tax in FY 2004-05 by \$0.5 cents for education and up to half the amount could be used for local tax relief. The City Council decided on May 11, 2004 to reduce the tax rate by \$2.36 cents and apply a portion of these revenues for real estate tax relief for the elderly. Regarding local funds, historically, these consisted primarily of monies derived from property taxes. Because local, School Boards in Virginia are fiscally dependent bodies, they must rely on the City Council to appropriate the required local tax funds and also to approve the total budget. In FY 1997-98, the City adopted a revenue-sharing formula as a means to provide funding for Schools. The formula initially provided 53.13% of the following taxes: Real Estate; Personal Property; General Sales; Utility; Cell Phone; Business Professional License Occupancy tax, and the Cable Franchise tax. For FY 2006-07 and FY 2007-08, the City Council adopted a revised revenue sharing policy, clarifying several previously unaddressed items such as both the Schools and the City will share in any reduction in revenue due to a decrease in the tax rate, and modifying the percentage allocated to schools to 51.79% for FY 2007 and 51.3% in FY 2008. Although this represents a lower percentage, it provides a revenue-neutral level of funding to Schools in FY 2005-06. Previous adjustments to the formula regarding changes in tax rates, consistent with Council policy, resulted in a reduction in the percentage of revenues. A copy of the Policy is provided in the Appendix section of this document.

Estimated revenue for these funds is expected to increase 2.2% over last year's estimate and 1.6% for FY 2008-09. In total, the revenue sharing formulas will grow by 1.0% and 3.0% respectively over the biennial budget, and reflect the moderation in real estate and several other revenues. State funding will increase 4.0% for FY 2008-09 and 1.9% in FY 2009-10, and reflect the State's fiscal situation and slightly declining local enrollment.

Housing - The following funds comprise the majority of the housing operations for FY 2008-09 and FY 2009-10: Grants Consolidated, Community Development Special Revenue, CD Loan and Grant, Federal Housing Assistance Grant, and Federal Section 8 Programs. Revenue estimates for these funds are provided by the Department of Housing and Neighborhood Preservation (HNP) and are based on information received from State and Federal agencies at the time of the preparation of the budget. Revenue is received from three sources: Federal, State, and local governments. Federal funds are received both directly through the Department of Housing and Urban Development (HUD) and indirectly through the Commonwealth. Local funds are allocated to offset administrative costs for certain salary and fringe benefits, rental of office space, and utility costs.

Estimated revenue for these funds is expected to be 2.2% higher than last year's estimate for FY 2008-09 and 6.2% less for FY 2009-10. Actual revenues are essentially flat, but the increase is attributed to a one time use of unused Section 8 rental subsidy vouchers in FY 2008-09 (and no use in FY 2009-10).

Parks and Recreation - The Parks and Recreation Special Revenue and Golf Course Special Revenue Funds comprise the total operations for the Parks and Recreation Department. Funding is derived from user fees and charges for the use of Parks and Recreation facilities and sponsored activities, a dedicated portion of the real estate tax, as a result of a voter referendum, and additional support from the General Fund.

Estimated revenue is expected to be 2.9% more than last year's estimate for FY 2008-09, and 1.4% more for FY 2009-10. Modest fee increases are proposed to help offset declining usage (see discussion of fees as previously noted above in Parks and Recreation write-up under the Cultural and Recreational Opportunities section of this document).

Sheriff Department and Inmate Special Revenue Funds - Revenue is derived from three sources: Federal, State, and local governments. Revenue for the Sheriff's Department Special Revenue Fund is derived from reimbursement from State and Federal governments for the care and custody of persons placed in the Virginia Beach Correctional Center by the courts and from the City's General Fund. The Federal reimbursement is specifically related to a contractual arrangement between the City and the Federal government for the City to house Federal prisoners when necessary. Revenue for the Inmate Services Special Revenue Fund is derived from 38% of the telephone company's gross receipts from collect calls placed by correctional center inmates. Use of the revenue is restricted to purchases that benefit the inmates but would not be made through other local funding.

Estimated revenue is expected to be 5.8% higher than last year's estimate for FY 2008-09, and 2.6 less for FY 2009-10. The increase and subsequent decrease reflects the one-time use of fund balance in FY 2008-09 (and not in FY 2009-10).

Tourism Growth Investment Fund - This dedicated revenue stream was established to fund tourism related capital projects. Revenues in this fund are primarily generated from: two cents of the Hotel tax; one-half cent of the Meal tax; and the ten cent Admissions tax.

Estimated revenue is expected to be 4.3% higher than last year's estimate for FY 2008-09, and 3.8% more for FY 2009-10. The larger increase for FY 2008-09 reflects an adjustment to the base level of revenues for hotel taxes that are performing above trend for FY 2007-08. Revenues are projected to return to more long-term trend averages for FY 2009-10.

Tourism Advertising Program Fund - The Tourism Advertising Program Special Revenue Fund generates revenue for increased tourist advertising by: a levy of a \$1 charge per hotel room night; a one-half cent tax on Restaurant Meals; and a one cent on Hotel tax.

Estimated revenue is expected to be 1.0% higher over last year's estimate for FY 2008-09, and 3.5% more for FY 2009-10. The modest increase reflects an adjustment to the base revenue for meal taxes, which performed below the budget amount for FY 2006-07 and is not expected to meet the estimate for FY 2007-08.

Agricultural Reserve Program Fund (ARP) - This program is designed to promote and encourage the preservation of farmland in the rural southern portion of the City, in which agricultural uses predominate, by means that are voluntary rather than regulatory. Revenue was initially derived from a 1.5 cent increase in the Real Estate Tax. A financial scenario analysis, based on various participation levels (number and price of acreage) and interest rates indicated that the dedicated revenue can be reduced from 1.5 cents to 1.0 cent. Due to the rising value of real estate assessments, this level of funding was deemed sufficient to meet current and projected future commitments, and City Council lowered the dedication to 1.0 cent in FY 2004-05. A similar analysis revealed that the dedicated amount was lowered to 0.9 cent in FY 2005-06, primarily again due to rising real estate assessments.

Estimated revenue is expected to be 32.9% lower for FY 2008-09, and 2.1% higher for FY 2009-10. The decrease reflects the one time use of fund balance, and the modest increase for FY 2009-10 reflects the slowdown in real estate appreciation.

Parking Enterprise Fund - This fund is totally self-supported from revenues generated through the operations of the Parking Systems Management Office, which is under the Department of Convention and Visitor Bureau and TGIF. Parking lots are operated at the Oceanfront and at Sandbridge; parking meters are installed along certain streets at the Oceanfront; and the City operates garages at 9th street and 31st street at the oceanfront.

Estimated revenue is expected to be 20.1% less than last year's estimate for FY 2008-09, and 1.2% for FY 2009-10. The decrease reflects the elimination of Parking Ticket revenues, which are now recorded directly in TGIF (a corresponding expenditure transfer to TGIF was also eliminated, so there is no net impact on the Parking fund). Other parking revenues are projected to experience very modest increases for both budget years.

Tax Increment Financing Funds - The Code of Virginia (Sect 58.1-3245 – 3245.5) authorizes the use of Tax Incremental Financing (TIF), which can serve as a means of financing the cost of public improvement in an area. The financing mechanics work as follows: for the target geographical area covered by the TIF, the current real estate assessments are anchored as a base, and subsequent increases in real estate taxes derived from increases in assessments are earmarked to a fund from which public improvements are paid. TIF's are often set for predetermined limits, usually associated with the funding of these improvements. A substantial reduction in the Real Estate tax will affect the cash flow of these TIF's, particularly the Central Business District-South. The City has established three TIF's, which are described below:

- Sandbridge TIF - The Sandbridge area, which is an important real estate and aesthetic asset of the City, has long battled sand erosion. Over the years, the City has pursued a multi-front strategy of funding sand replenishment: seeking Federal funds; appropriating local funds; and establishing the Sandbridge Special Services Tax District (see above). The establishment of this TIF is another method to ensure stability to this area. These revenues are designed to reserve the revenue for future costs, and these revenues are transferred directly into the fund, \$10,653,670 for FY 2008-09 and \$10,838,949 for FY 2009-10, and these figures reflect a significant moderation in real estate appreciation that is occurring after a period of exceptional growth. A financial analysis indicates that sufficient monies will be available in the future to fund sand replenishment and transfer surplus funds from the TIF to finance roadway projects in the CIP.
- Lynnhaven Mall TIF - The Lynnhaven Mall TIF is associated with a public private partnership to expand the Lynnhaven Mall, which is the third largest shopping mall in Virginia and represents an important retail asset to residents and tourists. The developer will be funding over \$100 million dollars of improvements while the City will contribute \$11.5 million (present value), which translates into a favorable 10:1 leverage ratio. Additionally, the City will reap the benefits of increased retail, restaurant, utility, and business license taxes. The TIF revenues are currently serving as a reserve against future costs and are transferred directly into the fund, \$2,123,649 for FY 2008-09 and \$2,166,122 for FY 2009-10.
- Central Business District-South TIF (Town Center) - Town Center is associated with a public-private partnership to develop a high-rise office, hotel, and retail complex in the Pembroke area of the City. These revenues are funding the debt service costs associated with the construction of public parking, and these revenues are also transferred directly into this fund, \$5,296,567 for FY 2008-09 and \$5,568,884 for FY 2009-10.

Open Space Special Revenue Fund - This fund provides \$62.7 million in funding for the acquisition and preservation of property. The Parks and Recreation Department developed an Outdoor Plan, which includes an Open Space initiative. This plan was developed with public input, and calls for the preservation of approximately 5% of the City's land for parks, trails or natural vistas. There is some empirical data that suggests open space bolsters property values and cited as factors in appeals to relocation decisions for businesses. The source of funding for this plan includes: \$0.44 cent increase in the Restaurant Meal tax; a \$5 million transfer from the ARP fund, fund balance; and an estimated \$5 million in grants.

Estimated revenue is expected to decrease by 0.4% from FY 2007-08, and 1.6% more for FY 2008-09. The decline is due to a downward adjustment to the base level of meal taxes, which performed below the budgeted amount for FY 2006-07 and will not meet the estimate amount for FY 2007-08.

Major Project Special Revenue Fund - This fund provides funding for \$203.3 million for a completely rebuilt Convention Center on the existing site; \$32.3 million for a new performance theater; and \$3 million to expand the Virginia Aquarium and Marine Science Center parking facilities. Staff and public-private committees analyzed the scope and selection of these projects, and citizen input was received at two public hearings. The source of funding for these projects include: a \$0.56 cent increase in the Restaurant Meal tax; a \$2.5 cent increase in the Hotel tax; a 0.5 cent per pack in the Cigarette tax; a \$10 million contribution from the State; and 80% of the Admissions tax diverted from TGIF.

Estimated revenue is expected to decrease by 3.1% from FY 2007-08, and remain essentially flat for FY 2009-10. The decrease is primarily attributable to the reduced need for Specific Fund Reserves (accumulation of excess revenues that over time are drawn down to fund the debt service over the life cycle of the fund), which is associated with the elimination of four positions that are no longer required with the completion of construction of these facilities. For FY 2009-10, the growth in the aforementioned revenue streams is sufficient to address debt service, so the use of Specific Fund Reserves declines again, producing an overall flat revenue growth.

Enterprise/Utility Funds

Water and Sewer - The Water and Sewer Fund operates as a self-supporting enterprise fund, meaning that all operating and debt service costs are financed/recovered primarily through user charges. Historically, major sources of revenue for operation of the water and sewer system include: Sale of Water; Water Service Charges; Sewer Charges; Interest on Bank Deposits; Sewer Main Extensions; and Sewer Line Fees. The FY 2005-06 budget included a five-year phase in of rate increases for water and sanitary sewer, which was based on a cost-of-service and rate study to ensure that operational costs, pay-as-you-go funding, and debt service commitments of the Water and Sewer Fund could be met. The projected average increase to a residential bi-monthly bill are as follows: FY 2005-06: \$5.06; FY 2006-07: \$3.22; FY 2007-08: \$2.88; FY 2008-09: \$3.58; and FY 2009-10: \$3.66 (see Public Utilities write-up in the Quality Physical Environment section for a more comprehensive discussion of other rate increases).

Estimated revenue is expected to increase by 4.9% more than the FY 2007-08 budget, and 3.8% more for FY 2009-10. These increases reflect the rate charges discussed above.

Storm Water Utility Enterprise Fund - This fund is also self-supported through two sources of revenues: charges for services and reimbursements from the Commonwealth of Virginia. Charges for services are billed by the utility to owners of developed properties within the City. These charges are dependent upon the amount of impervious surface at each property generating storm water run-off. The State reimburses the City, upon audited proof of work performed by the City, for road ditch maintenance. To fund additional capital projects, which are designed to meet standards of the Clean Water Act and protect the quality of the City's lakes and waterways, a three-year rate increase is proposed. The FY 2008-09 budget includes a three-year phase in of rate increases as follows (charged on a per day basis): FY 2008-09: \$0.201 (\$73.37 from a level of \$0.181, or \$66.07 a year); FY 2009-10: \$0.221 (\$80.67); FY 2010-11: \$0.241 (\$87.97).

Estimated revenue is expected to increase by 9.1% over the FY 2007-08 budget, and 9.0% more for FY 2009-10. These increases reflect the rate charges discussed above.

Council Amendment

On May 13, 2008, City Council amended the proposed budget by: (1) eliminating the proposed \$1.00 personal property tax on pleasure craft boats (\$1,172,829) and the proposed rate reduction of \$1.50 to \$1.00 on personal property categories of recreational vehicles and Commercial boats (\$189,768); (2) increasing revenues for Use of Money and Property by \$300,000 associated with the acquisition and subsequent rental of property at the oceanfront until it is redeveloped for public use; and (3) decreasing a negative revenue reserve of \$366,470 in Revenue from the Commonwealth associated with a lower reduction in funding from the state.

On June 10, 2008, the City Council lowered the tax rate on Personal Property - Machinery and Tools from \$1.90 to \$1.00 per \$100 of assessed value.

SUMMARIES

Financial Structure

The City of Virginia Beach's budgetary policies conform to generally accepted accounting principles as applicable to governmental accounting. A summary of the City's financial structure follows.

The accounting system used by the City is organized and operated on a fund basis. A fund is defined as a separate, self-balancing set of accounts which is segregated for the purpose of carrying on specific activities or attaining certain objectives. Each fund is comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The City's resources are accounted for in individual funds based upon the purposes for which they are to be spent and controlled.

There are basically three fund categories used by the City of Virginia Beach: Governmental, Proprietary, and Fiduciary Funds.

Governmental Funds

Most of the governmental functions of the City are financed in governmental funds. These funds focus on the sources and uses of the City's current expendable financial resources for the purpose of determining financial position. The following are the City's governmental fund types:

General Fund – This is the chief operating fund of the City. General Fund revenues are derived from property and other local taxes, permits, privilege fees, regulatory licenses, fines and forfeitures, use of property fees, charges for services, State and Federal government aids, and transfers from other funds. (See Glossary of Terms for definition of revenue terms).

Special Revenue Funds – These funds are used to account for all resources which are restricted for specific purposes. Examples: Community Development Special Revenue Fund, Grants Consolidated Special Revenue Fund, and Sheriff's Department Special Revenue Fund.

Capital Projects Funds – Financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds) are accounted for in these funds. Examples: School General Revenue Capital Projects Fund; General Government Capital Projects Fund; Water and Sewer Capital Projects Fund; and Storm Water Capital Projects Fund.

Debt Service Fund – Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Example: General Debt Fund.

Proprietary Funds

City activities that function primarily as investor-owned business enterprises are generally set up as proprietary funds. The measurement focus of these funds is to determine their net income, financial position, and changes in financial position. There are two types of proprietary funds used:

Enterprise Funds – The Enterprise funds are used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriated for capital maintenance, public policy, management control, accountability, or other purposes. Examples: Parking Enterprise Fund, and Storm Water Utility Enterprise Fund.

Internal Service Funds – These funds are used for the financing of goods or services provided by one City department or agency to other departments or agencies, or to other governments, on a cost-reimbursement basis. Examples: Print Shop Internal Service Fund, and City Garage Internal Service Fund.

Fiduciary Funds

Trust and Agency Funds – These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Example: Health Insurance Trust Fund.

Financial Management

The following policies have been employed by the government to be used as the basis for guiding short-and long-term budget and Capital Improvement Program planning:

Resource Direction and Guidance

The City's current fiscal condition is excellent. City Council continues to improve that condition, allowing the community to look toward strategic goals from a position of strength. Indicators of our excellent fiscal condition include: a healthy fund balance; an AAA bond rating; and relatively low per capita spending. The Resource Management Plan will continue City Council's basic fiscal policies for fiscal years 2008-09 and 2009-10:

- Maintain, to the extent possible, existing services, levels of service, and infrastructure.
- Position the City to withstand local and regional economic disruptions.
- Meet the demands of natural growth, decline, and change.
- Help maintain the City's ability to shape its fiscal and community future.
- Ensure that the citizens understand and support the need for fiscal sustainability and the policies through which it is achieved.
- Maintain a diverse tax structure that provides for quality basic services and minimizes the need for future real estate tax rate increases.
- Maintain the debt policies established by Council and monitor them, making recommended changes as circumstances demand.
- Provide for special services and projects through special dedicated revenue generation (i.e., Tourism Growth Investment Fund, Major Projects Special Revenue Fund, and Tourism Advertising Program Special Revenue Fund).

Resource Process

The City uses a modified zero base budget approach centered on programs with supporting performance measures. During the budget process, departments are asked to submit their budget.

Once the budget is submitted to the Department of Management Services, account clerks audit the budget proposal for mathematical accuracy. Then, analysts review the budget to determine if the amount of funding requested is appropriate based on the following criteria: Is the request supported by the change in performance measures? Does it further a Council goal? Does it further the City's strategic plan? Is it a State or Federal mandate? Is it supported by other revenue sources? Is it a public safety or health issue? Will it provide savings in the future?

Once the budget has been thoroughly reviewed by Management Services, a recommendation is forwarded to the City's seven strategic issue teams that are formed around business areas. Each of the teams review Management Services' recommendation, and they provide a recommendation to the Budget Caucus based on whether the requests further the City's strategy. A budget caucus, made up of all members of the strategic issue teams, reviews each of the strategic issue teams recommendations, and provides a final recommendation to the Management Leadership Team (the City Manager and three chiefs). The MLT makes a final decision on what items are included in the budget that is presented to City Council.

The Capital Improvement Program follows a similar process.

Operating Budget Policies

- The budget will be balanced on current revenue to expenditure basis.
- Unencumbered budget appropriations, except for those for capital projects and grants, will lapse at the close of the fiscal year.
- The appropriation ordinance establishes the legal level of budgetary control. Other levels of budgetary control may be set by the City Manager (see the appendix section of the Operating Budget for a current copy of this policy).
- The City will seek to provide for adequate maintenance and replacement of capital equipment and facilities over time.
- The City will seek to maintain a diversified and stable revenue system so that it can mitigate short-term fluctuations in one type or source of revenue and avoid over-dependency on any single source.
- The City will set fees and user charges for each self-supporting enterprise fund (e.g., Water and Sewer and Storm Water) at a level that fully supports the costs of the fund to include operation, maintenance, capital replacement, indirect cost, depreciation, renewals, and debt service. It will also regularly review all fees/charges, including those in the General Fund, and will seek where appropriate, to base fees/charges on costs and/or on the rates charged by the private sector.
- The City shall annually prepare a five-year forecast of revenues and expenditures and its implications for services and policies.
- The City Manager may include in the budget a general fund regular reserve for contingencies of ½ or 1% of the General Fund budget.

Fund Balance Policies

- The budget will include an estimate of the Undesignated Fund Balance.
- The Undesignated Fund Balance or retained earnings of any fund shall not be used to finance continuing expenditures.
- Following the Government Finance Officers Association recommendation that general-purpose governments maintain unreserved fund balance in their general fund of no less than 5% to 15% of regular general fund operating revenues, the City shall maintain an undesignated fund balance of 8% to 12% of the following year's projected revenues. This level equates to approximately one month of operating expenses.

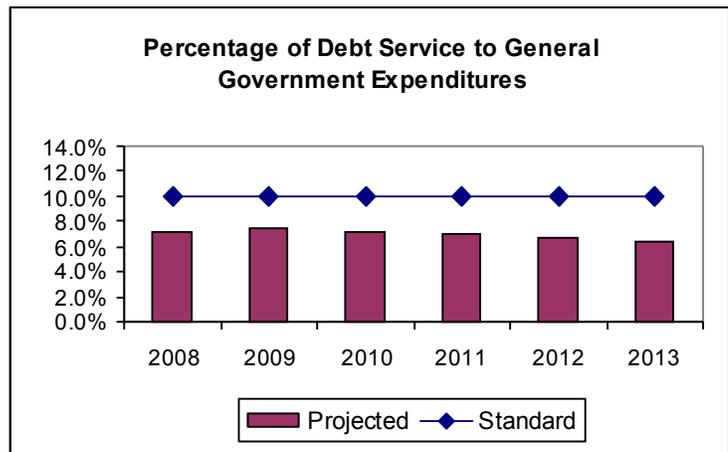
Capital Improvement Program Policies

- To qualify as a capital project, a project must be a major expenditure for: design and/or construction of fixed works, structures, additions, replacements, major alterations, modernizations, or renovations; or purchase of land and existing structures, including right-of-ways, title searches, and similar activities, such as acquisition of major pieces of equipment. Other specialized projects may also be considered for the CIP if it is ongoing in nature or requires multi-year funding. The project must have a cost over \$50,000 or be of such a significant nature as to prevent its funding through the Operating Budget.
- In reviewing competing needs above those which can be met with legally available Charter Bond capacity, the decision to fund a capital project with bond referenda rather than Charter bonds is based on the following criteria: 1) the project is not considered to be in an "essential" category (roads, schools, and public safety); 2) there is no prior commitment by the government; and 3) the project exceeds \$2 million in local costs.
- A project is eligible for lease/purchase financing if it is considered an essential project or is a non-essential project not requiring referendum funding, and when the City Manager believes that costs are not prohibitive and that the interest of the government is served.

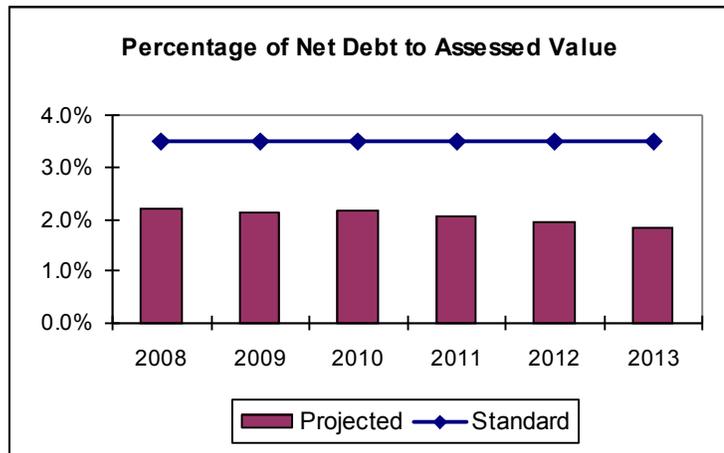
- The City will program \$6.25 million from non-borrowed funds and approximately 25% of the annual capital program for the Water and Sewer system for the financing of capital improvements. The City will seek to increase those amounts where feasible.
- Any tax rate increases adopted in conjunction with voter-approved bond referendums or by dedicated City Council policy will be structured and used to support all costs associated with the projects, including debt service, and appropriate operating and maintenance costs.

Debt Management Policies

- The City issues bonds for capital improvements with a cost in excess of \$250,000, or which cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will retire the debt within a period not to exceed the expected-useful life of the projects. The City has not historically issued, and does not anticipate issuing short-term debt in the form of tax or revenue anticipation notes. Rather, the City shall maintain sufficient cash balances. Such short-term debt may be issued where normal cash flow has been disrupted due to natural disaster or unexpected delays in the receipt of Federal or State revenues.

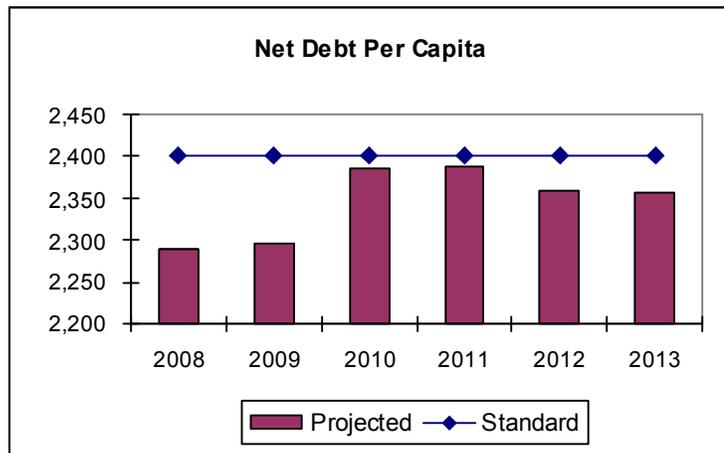


- The threshold of debt service for general government supported debt as a percentage of general government expenditures is 10%.
- Total General Obligation Net Debt will not exceed 3.5% of assessed value.
- Where possible, the City will develop, authorize, and issue revenue, special fee, or other self-supporting debt instruments instead of General Obligation Bonds.
- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.



- The City will regularly evaluate its adherence to its debt policies. It will promote effective communications with bond rating agencies and others in the market place based upon full disclosure.

- Total Net Debt per capita will not exceed \$2,400 per capita. As a result of the issuance of debt for the Major Projects and Open Space Initiatives, the City is approaching the debt level to the limit. However, these issuances were discussed with Bond Council and bond rating agencies. Given the bright prospects for both of these initiatives as well as the City's historical record of prudent financial management, this level of debt can be supported without negatively impacting the City's bond rating. It is further important to note that the City's population growth has unexpectedly slowed considerably since the initial policy decision was made to issue this debt. This affects this calculation in that debt is spread over a smaller than anticipated population. As noted in the graph, if debt associated with the Convention Center, Theater, and Open Space Program are excluded, the City would barely exceed its old, very conservative threshold.



- Also, Net Debt to Income Per Capita should not exceed 6.5%, and is comfortably below this threshold for each year (data not displayed in a graph).

City of Virginia Beach, Virginia
Fiscal Year 2008-09 and 2009-10 Expenditures and Revenues

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
002 General Fund				
Appropriation Units:				
Agriculture	889,410	979,681	831,185	793,666
Audit Services	509,379	542,715	532,949	545,068
Benefits Administration	297,579	312,458	814,890	824,814
Board of Equalization	7,257	22,565	18,914	19,332
Circuit Court	958,766	1,032,619	996,122	1,018,312
City Attorney	3,562,434	3,775,037	3,894,926	3,985,293
City Clerk	611,362	632,841	624,982	638,359
City Manager	3,585,214	3,848,401	3,619,081	3,702,821
City Real Estate Assessor	2,712,104	2,838,696	3,123,418	3,194,455
City Treasurer	4,825,482	5,157,783	5,146,689	5,257,326
Clerk of the Circuit Court	2,682,951	2,699,329	2,818,599	2,826,636
Commissioner of the Revenue	3,930,901	3,905,054	3,929,241	4,008,111
Commonwealth's Attorney	6,393,267	7,129,667	7,460,151	7,631,047
Communications and Information Technology	27,473,285	30,561,595	31,135,402	31,766,691
Community Organization Grants	716,602	698,710	695,334	695,334
Convention and Visitor Bureau	8,532,383	10,070,569	10,370,130	10,543,452
Cultural Affairs	1,133,168	2,170,869	2,448,538	2,483,135
Director of Finance	4,836,483	4,965,633	4,420,631	4,546,228
Economic Development	2,530,958	2,175,522	2,657,158	2,683,274
Emergency Medical Services	6,615,971	6,910,622	6,990,242	7,152,868
Employee Special Benefits	3,112,134	3,753,458	4,943,054	5,084,683
FY 2007 Outstanding Encumbrances	6,763,817	0	0	0
Fire	39,195,722	41,820,696	42,708,729	43,835,960
General District Court	284,090	329,171	315,772	322,087
General Registrar	1,039,992	1,451,362	1,379,042	1,271,821
Health	3,117,911	3,382,713	3,399,228	3,498,846
Housing and Neighborhood Preservation	1,423,812	1,731,209	1,746,341	1,785,274
Human Resources	4,458,305	4,934,697	4,636,972	4,736,383
Human Services	91,396,596	105,628,476	108,741,663	113,261,253
Human Services Integration - Information Technology	0	621,277	0	0
Independent Financial Services	104,659	147,903	150,861	153,878
Juvenile Probation	2,138,964	2,378,059	2,308,185	2,358,842
Juvenile and Domestic Relations District Court	133,423	155,480	166,299	163,504
Library	15,378,828	16,707,591	16,646,388	17,000,635
Magistrates	131,726	140,181	128,343	130,910
Management Services	3,493,623	4,141,893	4,011,285	4,010,821
Mass Transit Operations	1,966,754	2,333,635	2,879,034	2,924,775
Municipal Council	571,639	576,015	584,244	589,146
Museums	8,704,275	7,944,693	9,142,990	9,753,824
Parks and Recreation	12,917,898	14,113,107	13,665,384	13,965,310
Planning and Community Development	9,770,987	10,331,520	10,387,610	10,520,757
Police	79,757,192	88,353,034	87,464,549	89,345,456
Public Works	79,964,796	80,305,442	82,934,701	84,593,705
Regional Participation	1,824,344	1,998,459	2,030,954	2,071,573
Reserve for Contingencies	0	12,250,790	5,902,836	5,852,750
Revenue Reimbursements	9,672,170	14,070,071	15,231,546	16,278,947
Transfer to Other Funds	497,338,750	539,234,842	551,541,830	572,966,224
Vehicle Replacements	3,407,223	4,528,945	3,019,524	3,111,914
Wetlands Board of Virginia Beach	7,783	14,204	14,100	14,382
Zoning Board of Appeals	41,366	43,304	46,866	47,803
Fund 002 Appropriation Totals	960,923,735	1,053,852,593	1,068,656,912	1,103,967,685

City of Virginia Beach, Virginia
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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>002 General Fund</u>				
Revenue Sources:				
Revenue from Local Sources				
General Property Taxes	569,218,769	613,337,886	621,888,516	639,418,611
Other Local Taxes	251,443,983	261,936,708	264,193,725	273,159,821
Permits, Privilege Fees, and Regulatory Licenses	5,424,867	5,113,543	5,752,109	5,657,482
Fines and Forfeitures	5,231,164	5,468,683	7,381,860	7,343,304
From the Use of Money and Property	15,355,014	10,214,933	11,437,142	16,101,079
Charges for Services	17,558,327	16,675,727	18,513,368	18,046,279
Miscellaneous Revenue	4,225,419	3,572,981	3,923,488	4,071,280
Revenue from the Commonwealth				
Other Sources from the Commonwealth	91,445,734	99,899,485	102,192,355	105,714,845
Revenue from the Federal Government				
Transfers from Other Funds	17,902,179	11,862,152	9,919,031	10,080,470
Specific Fund Reserves	<u>6,870,264</u>	<u>255,928</u>	<u>0</u>	<u>0</u>
Fund 002 Revenue Totals	<u>1,007,439,281</u>	<u>1,053,852,593</u>	<u>1,068,656,912</u>	<u>1,103,967,685</u>
<u>107 School Equipment Replacement Special Revenue Fund</u>				
Appropriation Units:				
Reserve for Contingencies	<u>0</u>	<u>0</u>	<u>1,837,129</u>	<u>1,312,129</u>
Fund 107 Appropriation Totals	<u>0</u>	<u>0</u>	<u>1,837,129</u>	<u>1,312,129</u>
Revenue Sources:				
Specific Fund Reserves	<u>0</u>	<u>0</u>	<u>1,837,129</u>	<u>1,312,129</u>
Fund 107 Revenue Totals	<u>0</u>	<u>0</u>	<u>1,837,129</u>	<u>1,312,129</u>
<u>108 School Instructional Technology Fund</u>				
Appropriation Units:				
Instructional Technology	<u>5,484,741</u>	<u>6,636,000</u>	<u>3,815,945</u>	<u>2,915,947</u>
Fund 108 Appropriation Totals	<u>5,484,741</u>	<u>6,636,000</u>	<u>3,815,945</u>	<u>2,915,947</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	423,016	0	0	0
Miscellaneous Revenue	1,076,984	0	0	0
Specific Fund Reserves	<u>3,984,741</u>	<u>6,636,000</u>	<u>3,815,945</u>	<u>2,915,947</u>
Fund 108 Revenue Totals	<u>5,484,741</u>	<u>6,636,000</u>	<u>3,815,945</u>	<u>2,915,947</u>
<u>109 School Vending Operations Fund</u>				
Appropriation Units:				
Education - Athletic	<u>563,742</u>	<u>915,000</u>	<u>609,815</u>	<u>407,299</u>
Fund 109 Appropriation Totals	<u>563,742</u>	<u>915,000</u>	<u>609,815</u>	<u>407,299</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	52,959	15,000	25,000	25,000
Miscellaneous Revenue	229,697	400,000	225,000	22,500
Specific Fund Reserves	<u>281,086</u>	<u>500,000</u>	<u>359,815</u>	<u>359,799</u>
Fund 109 Revenue Totals	<u>563,742</u>	<u>915,000</u>	<u>609,815</u>	<u>407,299</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>112 School Communication Tower Technology Fund</u>				
Appropriation Units:				
Instructional Technology	107,570	560,000	560,000	560,000
Fund 112 Appropriation Totals	107,570	560,000	560,000	560,000
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	427,818	260,000	260,000	260,000
Specific Fund Reserves	0	300,000	300,000	300,000
Fund 112 Revenue Totals	427,818	560,000	560,000	560,000
<u>114 School Cafeteria Fund</u>				
Appropriation Units:				
Education - Cafeteria	24,247,958	26,349,312	26,794,640	27,455,296
Fund 114 Appropriation Totals	24,247,958	26,349,312	26,794,640	27,455,296
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	87,772	0	110,000	100,000
Charges for Services	13,241,373	13,678,637	15,879,119	16,299,580
Miscellaneous Revenue	331,084	0	140,000	140,000
Revenue from the Commonwealth				
Other Sources from the Commonwealth	362,363	331,167	330,000	330,000
Revenue from the Federal Government	10,169,578	10,663,491	10,335,521	10,585,716
Specific Fund Reserves	55,788	1,676,017	0	0
Fund 114 Revenue Totals	24,247,958	26,349,312	26,794,640	27,455,296
<u>115 School Operating Fund</u>				
Appropriation Units:				
Administration, Attendance, and Health	20,558,583	24,189,034	23,235,324	23,617,233
Instruction	530,833,167	555,724,972	550,719,456	561,698,962
Operations and Maintenance	86,386,349	96,357,081	92,403,639	93,018,988
Pupil Transportation	32,095,470	30,891,040	30,954,363	31,391,516
Technology	0	0	24,003,400	24,333,180
Fund 115 Appropriation Totals	669,873,569	707,162,127	721,316,182	734,059,879
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	0	465,000	465,000	465,000
Charges for Services	3,533,696	1,761,594	1,896,945	1,896,945
Miscellaneous Revenue	0	472,000	472,000	472,000
Revenue from the Commonwealth				
State Shared Sales Tax	72,151,254	76,410,762	75,934,465	79,779,642
Other Sources from the Commonwealth	277,484,029	276,410,955	288,537,263	288,221,591
Revenue from the Federal Government	18,272,087	14,771,131	14,771,131	14,771,131
Transfers from Other Funds	305,141,684	336,870,685	339,239,378	348,453,570
Fund 115 Revenue Totals	676,582,750	707,162,127	721,316,182	734,059,879

City of Virginia Beach, Virginia
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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>116 School Grants Fund</u>				
Appropriation Units:				
Education - Grants	39,739,050	54,956,635	54,872,411	50,820,784
Fund 116 Appropriation Totals	<u>39,739,050</u>	<u>54,956,635</u>	<u>54,872,411</u>	<u>50,820,784</u>
Revenue Sources:				
Revenue from Local Sources				
Miscellaneous Revenue	0	2,620,752	2,882,326	2,874,362
Revenue from the Commonwealth				
Other Sources from the Commonwealth	8,796,954	12,222,748	13,525,262	12,171,950
Revenue from the Federal Government	30,942,097	40,113,135	38,464,823	35,774,472
Fund 116 Revenue Totals	<u>39,739,051</u>	<u>54,956,635</u>	<u>54,872,411</u>	<u>50,820,784</u>
<u>117 School Textbook Fund</u>				
Appropriation Units:				
Education - Textbook	4,356,800	7,239,776	7,880,290	7,830,410
Fund 117 Appropriation Totals	<u>4,356,800</u>	<u>7,239,776</u>	<u>7,880,290</u>	<u>7,830,410</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	578,240	100,000	100,000	100,000
Charges for Services	140	6,000	6,000	6,000
Miscellaneous Revenue	2,729,346	2,590,546	2,590,546	2,590,546
Revenue from the Commonwealth				
Other Sources from the Commonwealth	4,663,103	4,543,230	5,183,744	5,133,864
Fund 117 Revenue Totals	<u>7,970,829</u>	<u>7,239,776</u>	<u>7,880,290</u>	<u>7,830,410</u>
<u>119 School Athletic Special Revenue Fund</u>				
Appropriation Units:				
Education - Athletic	4,280,749	4,681,645	4,742,963	4,752,933
Fund 119 Appropriation Totals	<u>4,280,749</u>	<u>4,681,645</u>	<u>4,742,963</u>	<u>4,752,933</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	112,392	45,000	45,000	45,000
Charges for Services	526,740	484,348	484,348	484,348
Miscellaneous Revenue	4,123,142	4,128,297	4,189,615	4,199,585
Specific Fund Reserves	0	24,000	24,000	24,000
Fund 119 Revenue Totals	<u>4,762,274</u>	<u>4,681,645</u>	<u>4,742,963</u>	<u>4,752,933</u>
<u>120 Federal Police Department Grant Fund</u>				
Appropriation Units:				
Police (Uniform Patrol Grant)	837,243	0	0	0
Fund 120 Appropriation Totals	<u>837,243</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenue Sources:				
Revenue from the Federal Government	95,988	0	0	0
Transfers from Other Funds	741,204	0	0	0
Specific Fund Reserves	51	0	0	0
Fund 120 Revenue Totals	<u>837,243</u>	<u>0</u>	<u>0</u>	<u>0</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>130 Law Library Fund</u>				
Appropriation Units:				
FY 2007 Outstanding Encumbrances	1,870	0	0	0
Library (Law Library)	303,249	356,307	221,631	225,872
Reserve for Contingencies	0	12,918	1,317	2,735
Transfer to Other Funds	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Fund 130 Appropriation Totals	<u>365,119</u>	<u>429,225</u>	<u>282,948</u>	<u>288,607</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	6,592	6,587	6,948	7,087
Charges for Services	276,031	285,123	276,000	281,520
Transfers from Other Funds	80,000	137,515	0	0
Specific Fund Reserves	<u>2,496</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund 130 Revenue Totals	<u>365,119</u>	<u>429,225</u>	<u>282,948</u>	<u>288,607</u>
<u>142 DEA Seized Property Special Revenue Fund</u>				
Appropriation Units:				
Commonwealth's Attorney	5,805	160,000	160,000	160,000
FY 2007 Outstanding Encumbrances	70,835	0	0	0
Police (DEA Seized Assets)	<u>99,214</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund 142 Appropriation Totals	<u>175,854</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	59,008	0	0	0
Charges for Services	731	0	0	0
Miscellaneous Revenue	5,996	0	0	0
Revenue from the Commonwealth				
Other Sources from the Commonwealth	325,622	160,000	0	0
Revenue from the Federal Government	35,721	0	0	0
Specific Fund Reserves	<u>70,835</u>	<u>0</u>	<u>160,000</u>	<u>160,000</u>
Fund 142 Revenue Totals	<u>497,913</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
<u>143 Access Channel Support Special Revenue Fund</u>				
Appropriation Units:				
Communications and Information Technology	<u>61,773</u>	<u>270,721</u>	<u>0</u>	<u>0</u>
Fund 143 Appropriation Totals	<u>61,773</u>	<u>270,721</u>	<u>0</u>	<u>0</u>
Revenue Sources:				
Revenue from Local Sources				
Other Local Taxes	264,591	0	0	0
From the Use of Money and Property	6,711	0	0	0
Miscellaneous Revenue	0	244,975	0	0
Specific Fund Reserves	<u>0</u>	<u>25,746</u>	<u>0</u>	<u>0</u>
Fund 143 Revenue Totals	<u>271,302</u>	<u>270,721</u>	<u>0</u>	<u>0</u>
<u>147 Federal Section 8 Program Special Revenue Fund</u>				
Appropriation Units:				
FY 2007 Outstanding Encumbrances	120	0	0	0
Housing and Neighborhood Preservation (Section 8 Housing)	0	150,000	183,494	185,664
Housing and Neighborhood Preservation (Section 8)	12,907,149	14,018,317	14,410,573	13,084,408
Reserve for Contingencies	<u>0</u>	<u>452</u>	<u>0</u>	<u>0</u>
Fund 147 Appropriation Totals	<u>12,907,269</u>	<u>14,168,769</u>	<u>14,594,067</u>	<u>13,270,072</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
147 Federal Section 8 Program Special Revenue Fund				
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	128,418	0	0	0
Miscellaneous Revenue	29,897	15,000	18,000	18,000
Revenue from the Federal Government	16,048,115	13,020,210	13,028,461	12,993,238
Transfers from Other Funds	13,565	314,064	256,606	258,834
Specific Fund Reserves	120	819,495	1,291,000	0
Fund 147 Revenue Totals	<u>16,220,115</u>	<u>14,168,769</u>	<u>14,594,067</u>	<u>13,270,072</u>

149 Sheriff's Department Special Revenue Fund

Appropriation Units:				
FY 2007 Outstanding Encumbrances	19,088	0	0	0
Sheriff and Corrections	32,748,081	34,125,942	36,099,537	35,148,065
Transfer to Other Funds	3,966	0	0	0
Fund 149 Appropriation Totals	<u>32,771,135</u>	<u>34,125,942</u>	<u>36,099,537</u>	<u>35,148,065</u>

Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	2,307	0	0	0
Charges for Services	2,133,409	2,145,265	2,240,460	2,288,255
Miscellaneous Revenue	49,893	37,960	33,215	37,960
Revenue from the Commonwealth				
Other Sources from the Commonwealth	18,466,507	17,994,323	19,373,660	19,381,205
Revenue from the Federal Government	217,558	321,200	240,900	321,200
Transfers from Other Funds	12,373,016	13,391,715	13,206,975	13,119,445
Specific Fund Reserves	19,088	235,479	1,004,327	0
Fund 149 Revenue Totals	<u>33,261,778</u>	<u>34,125,942</u>	<u>36,099,537</u>	<u>35,148,065</u>

150 Inmate Services Special Revenue Fund

Appropriation Units:				
FY 2007 Outstanding Encumbrances	2,747	0	0	0
Reserve for Contingencies	0	1,681	0	0
Sheriff and Corrections (Inmate Services)	536,778	575,084	669,912	675,228
Transfer to Other Funds	274,551	274,551	274,551	274,551
Fund 150 Appropriation Totals	<u>814,076</u>	<u>851,316</u>	<u>944,463</u>	<u>949,779</u>

Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	25,245	15,000	15,000	15,000
Charges for Services	939,557	830,491	925,412	929,710
Transfers from Other Funds	6,448	5,825	2,421	5,069
Specific Fund Reserves	2,747	0	1,630	0
Fund 150 Revenue Totals	<u>973,997</u>	<u>851,316</u>	<u>944,463</u>	<u>949,779</u>

151 Parks and Recreation Special Revenue Fund

Appropriation Units:				
FY 2007 Outstanding Encumbrances	33,372	0	0	0
Parks and Recreation	22,805,055	25,016,422	26,254,207	26,742,830
Public Works	2,554,388	2,674,405	2,651,536	2,700,885
Reserve for Contingencies	0	-372	0	0
Transfer to Other Funds	828	69,540	0	0
Fund 151 Appropriation Totals	<u>25,393,643</u>	<u>27,759,995</u>	<u>28,905,743</u>	<u>29,443,715</u>

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Fiscal Year 2008-09 and 2009-10 Expenditures and Revenues

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>151 Parks and Recreation Special Revenue Fund</u>				
Revenue Sources:				
Revenue from Local Sources				
Permits, Privilege Fees, and Regulatory Licenses	5,357	0	0	0
From the Use of Money and Property	959,592	1,149,204	1,086,451	1,087,702
Charges for Services	10,717,732	10,399,517	10,964,926	10,972,797
Miscellaneous Revenue	34,307	39,600	37,000	37,000
Revenue from the Federal Government	1,083	1,000	1,000	1,000
Transfers from Other Funds	14,691,653	15,949,290	16,566,366	17,345,216
Specific Fund Reserves	33,372	221,384	250,000	0
Fund 151 Revenue Totals	<u>26,443,096</u>	<u>27,759,995</u>	<u>28,905,743</u>	<u>29,443,715</u>
<u>152 Tourism Growth Investment Fund</u>				
Appropriation Units:				
Convention and Visitor Bureau (TGIF)	2,709,818	2,932,369	3,163,119	3,234,763
Cultural Affairs	50,500	50,500	50,500	50,500
FY 2007 Outstanding Encumbrances	12,884	0	0	0
Parks and Recreation (TGIF)	34,920	34,891	33,213	33,899
Planning and Community Development (TGIF)	376,962	384,501	427,721	436,275
Public Works (TGIF)	615,565	746,120	762,980	798,233
Reserve for Contingencies	0	205,110	668,376	1,516,714
Transfer to Other Funds	11,924,801	13,717,463	13,750,077	13,502,319
Fund 152 Appropriation Totals	<u>15,725,450</u>	<u>18,070,954</u>	<u>18,855,986</u>	<u>19,572,703</u>
Revenue Sources:				
Revenue from Local Sources				
Permits, Privilege Fees, and Regulatory Licenses	61,113	72,091	72,091	72,091
Fines and Forfeitures	481,490	555,172	569,051	583,278
From the Use of Money and Property	688,516	535,173	518,233	523,040
Transfers from Other Funds	16,093,200	16,908,518	17,696,611	18,394,294
Specific Fund Reserves	12,884	0	0	0
Fund 152 Revenue Totals	<u>17,337,203</u>	<u>18,070,954</u>	<u>18,855,986</u>	<u>19,572,703</u>
<u>157 Sandbridge Special Service District Special Revenue Fund</u>				
Appropriation Units:				
Transfer to Other Funds	2,304,114	2,904,786	3,460,626	3,336,076
Fund 157 Appropriation Totals	<u>2,304,114</u>	<u>2,904,786</u>	<u>3,460,626</u>	<u>3,336,076</u>
Revenue Sources:				
Revenue from Local Sources				
General Property Taxes	819,745	802,294	807,850	817,691
Other Local Taxes	748,209	431,895	851,836	863,538
From the Use of Money and Property	291,417	24,404	73,183	65,415
Transfers from Other Funds	1,600,552	1,060,974	1,464,571	1,589,432
Specific Fund Reserves	0	585,219	263,186	0
Fund 157 Revenue Totals	<u>3,459,923</u>	<u>2,904,786</u>	<u>3,460,626</u>	<u>3,336,076</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>161 Agriculture Reserve Program Special Revenue Fund</u>				
Appropriation Units:				
Agriculture (Agricultural Reserve Program)	144,303	215,123	210,829	215,366
Future C.I.P. Commitments	0	1,261,468	1,152,685	868,912
Reserve for Contingencies	0	388	0	0
Transfer to Other Funds	<u>2,004,768</u>	<u>5,812,897</u>	<u>3,528,635</u>	<u>3,912,068</u>
Fund 161 Appropriation Totals	<u>2,149,071</u>	<u>7,289,876</u>	<u>4,892,149</u>	<u>4,996,346</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	551,302	0	0	0
Miscellaneous Revenue	0	0	551	556
Transfers from Other Funds	3,932,581	4,789,876	4,891,598	4,995,790
Specific Fund Reserves	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>
Fund 161 Revenue Totals	<u>4,483,883</u>	<u>7,289,876</u>	<u>4,892,149</u>	<u>4,996,346</u>
<u>163 Tourism Advertising Program Special Revenue Fund</u>				
Appropriation Units:				
Convention and Visitor Bureau (Tourism Advertising)	9,269,826	9,654,703	9,656,920	10,006,091
FY 2007 Outstanding Encumbrances	42,254	0	0	0
Reserve for Contingencies	0	37,048	28,071	16,375
Transfer to Other Funds	<u>54,631</u>	<u>55,724</u>	<u>55,724</u>	<u>56,838</u>
Fund 163 Appropriation Totals	<u>9,366,711</u>	<u>9,747,475</u>	<u>9,740,715</u>	<u>10,079,304</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	70,014	33,442	48,442	48,442
Charges for Services	304,618	450,950	300,950	306,950
Miscellaneous Revenue	43,260	40,000	40,000	40,000
Transfers from Other Funds	8,914,113	9,223,083	9,351,323	9,683,912
Specific Fund Reserves	<u>42,254</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund 163 Revenue Totals	<u>9,374,259</u>	<u>9,747,475</u>	<u>9,740,715</u>	<u>10,079,304</u>
<u>165 Lynnhaven Mall Tax Increment Financing Fund</u>				
Appropriation Units:				
Reserve for Contingencies	0	146,774	73,649	116,122
Tax Increment Financing	<u>1,070,139</u>	<u>1,951,000</u>	<u>2,050,000</u>	<u>2,050,000</u>
Fund 165 Appropriation Totals	<u>1,070,139</u>	<u>2,097,774</u>	<u>2,123,649</u>	<u>2,166,122</u>
Revenue Sources:				
Revenue from Local Sources				
General Property Taxes	1,969,679	2,097,774	2,123,649	2,166,122
From the Use of Money and Property	<u>41,876</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund 165 Revenue Totals	<u>2,011,555</u>	<u>2,097,774</u>	<u>2,123,649</u>	<u>2,166,122</u>
<u>166 Sandbridge Tax Increment Financing Fund</u>				
Appropriation Units:				
Future C.I.P. Commitments	0	10,312,775	9,909,296	9,970,025
Transfer to Other Funds	<u>10,178,673</u>	<u>0</u>	<u>744,374</u>	<u>868,924</u>
Fund 166 Appropriation Totals	<u>10,178,673</u>	<u>10,312,775</u>	<u>10,653,670</u>	<u>10,838,949</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>166 Sandbridge Tax Increment Financing Fund</u>				
Revenue Sources:				
Revenue from Local Sources				
General Property Taxes	9,690,401	10,066,322	10,148,736	10,294,723
From the Use of Money and Property	383,497	246,453	504,934	544,226
Specific Fund Reserves	104,775	0	0	0
Fund 166 Revenue Totals	10,178,673	10,312,775	10,653,670	10,838,949
<u>169 Central Business District - South TIF (Town Center) Fund</u>				
Appropriation Units:				
Future C.I.P. Commitments	0	963,607	0	0
Reserve for Contingencies	0	0	0	187,830
Transfer to Other Funds	3,154,622	3,033,870	5,296,567	5,381,054
Fund 169 Appropriation Totals	3,154,622	3,997,477	5,296,567	5,568,884
Revenue Sources:				
Revenue from Local Sources				
General Property Taxes	3,504,155	3,926,373	5,188,969	5,497,780
From the Use of Money and Property	71,161	71,104	55,970	71,104
Specific Fund Reserves	0	0	51,628	0
Fund 169 Revenue Totals	3,575,316	3,997,477	5,296,567	5,568,884
<u>171 Sportsplex Special Revenue Fund</u>				
Appropriation Units:				
Parks and Recreation	17,251	0	0	0
Fund 171 Appropriation Totals	17,251	0	0	0
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	2,347	0	0	0
Specific Fund Reserves	14,904	0	0	0
Fund 171 Revenue Totals	17,251	0	0	0
<u>172 Open Space Special Revenue Fund</u>				
Appropriation Units:				
Future C.I.P. Commitments	0	473,457	0	0
Parks and Recreation (Open Space)	165,084	194,778	404,250	411,389
Public Works (Open Space)	0	15,300	15,000	15,300
Reserve for Contingencies	0	226	0	0
Transfer to Other Funds	4,001,425	4,674,405	4,918,029	4,898,134
Fund 172 Appropriation Totals	4,166,509	5,358,166	5,337,279	5,324,823
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	382,424	428,414	216,578	184,190
Transfers from Other Funds	3,729,878	3,929,752	3,898,497	4,089,523
Specific Fund Reserves	54,207	1,000,000	1,222,204	1,051,110
Fund 172 Revenue Totals	4,166,509	5,358,166	5,337,279	5,324,823

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>173 Major Projects Special Revenue Fund</u>				
Appropriation Units:				
Public Works (Major Projects)	322,917	358,725	0	0
Reserve for Contingencies	0	6,195	0	0
Transfer to Other Funds	<u>16,558,699</u>	<u>21,066,868</u>	<u>20,763,789</u>	<u>20,773,923</u>
Fund 173 Appropriation Totals	<u>16,881,616</u>	<u>21,431,788</u>	<u>20,763,789</u>	<u>20,773,923</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	1,663,415	843,303	733,457	762,790
Transfers from Other Funds	16,019,440	16,729,920	17,375,776	18,012,420
Specific Fund Reserves	<u>0</u>	<u>3,858,565</u>	<u>2,654,556</u>	<u>1,998,713</u>
Fund 173 Revenue Totals	<u>17,682,855</u>	<u>21,431,788</u>	<u>20,763,789</u>	<u>20,773,923</u>
<u>174 Town Center Special Service District</u>				
Appropriation Units:				
FY 2007 Outstanding Encumbrances	28,769	0	0	0
Reserve for Contingencies	0	283,564	133,564	523,830
Town Center Special Tax District	808,989	1,198,228	1,539,577	1,527,427
Transfer to Other Funds	<u>0</u>	<u>40,427</u>	<u>0</u>	<u>0</u>
Fund 174 Appropriation Totals	<u>837,758</u>	<u>1,522,219</u>	<u>1,673,141</u>	<u>2,051,257</u>
Revenue Sources:				
Revenue from Local Sources				
General Property Taxes	1,116,856	1,522,219	1,673,141	2,051,257
From the Use of Money and Property	27,213	0	0	0
Specific Fund Reserves	<u>28,769</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund 174 Revenue Totals	<u>1,172,838</u>	<u>1,522,219</u>	<u>1,673,141</u>	<u>2,051,257</u>
<u>175 Golf Course Special Revenue Fund</u>				
Appropriation Units:				
FY 2007 Outstanding Encumbrances	415	0	0	0
Parks and Recreation (Golf Courses)	2,340,222	2,575,168	2,479,605	2,520,234
Reserve for Contingencies	0	65,575	25,000	25,000
Transfer to Other Funds	<u>200,000</u>	<u>200,000</u>	<u>289,550</u>	<u>289,550</u>
Fund 175 Appropriation Totals	<u>2,540,637</u>	<u>2,840,743</u>	<u>2,794,155</u>	<u>2,834,784</u>
Revenue Sources:				
Revenue from Local Sources				
Permits, Privilege Fees, and Regulatory Licenses	-100	0	0	0
From the Use of Money and Property	204,054	231,400	197,000	186,524
Charges for Services	2,280,548	2,609,343	2,597,155	2,648,260
Miscellaneous Revenue	728	0	0	0
Transfers from Other Funds	5,377	0	0	0
Specific Fund Reserves	<u>50,030</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund 175 Revenue Totals	<u>2,540,637</u>	<u>2,840,743</u>	<u>2,794,155</u>	<u>2,834,784</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>176 Transition Area Special Revenue Fund</u>				
Appropriation Units:				
Future C.I.P. Commitments	0	370,606	467,391	748,977
Fund 176 Appropriation Totals	<u>0</u>	<u>370,606</u>	<u>467,391</u>	<u>748,977</u>
Revenue Sources:				
Transfers from Other Funds	134,924	370,606	467,391	748,977
Fund 176 Revenue Totals	<u>134,924</u>	<u>370,606</u>	<u>467,391</u>	<u>748,977</u>
<u>180 Community Development Special Revenue Fund</u>				
Appropriation Units:				
Community Development Block Grants	1,293,152	1,430,982	1,498,504	1,528,299
Housing and Neighborhood Preservation	1,209,447	1,231,481	1,313,387	1,332,839
Reserve for Contingencies	0	13,765	0	741
Transfer to Other Funds	123,129	125,592	125,592	128,104
Fund 180 Appropriation Totals	<u>2,625,728</u>	<u>2,801,820</u>	<u>2,937,483</u>	<u>2,989,983</u>
Revenue Sources:				
Revenue from Local Sources				
Charges for Services	0	0	87,500	131,250
Revenue from the Federal Government	943,007	1,902,532	1,950,743	1,942,101
Non-Revenue Receipts	0	0	0	0
Transfers from Other Funds	565,083	899,288	899,240	916,632
Specific Fund Reserves	1,117,638	0	0	0
Fund 180 Revenue Totals	<u>2,625,728</u>	<u>2,801,820</u>	<u>2,937,483</u>	<u>2,989,983</u>
<u>181 CD Loan and Grant Fund</u>				
Appropriation Units:				
Community Development Block Loan and Grants	202,297	937,425	782,586	782,586
Fund 181 Appropriation Totals	<u>202,297</u>	<u>937,425</u>	<u>782,586</u>	<u>782,586</u>
Revenue Sources:				
Revenue from the Federal Government	633,408	637,425	482,586	482,586
Non-Revenue Receipts	62,498	300,000	300,000	300,000
Fund 181 Revenue Totals	<u>695,906</u>	<u>937,425</u>	<u>782,586</u>	<u>782,586</u>
<u>182 Federal Housing Assistance Grant Fund</u>				
Appropriation Units:				
Federal HOME Grants	954,348	1,443,865	1,478,449	1,478,449
Fund 182 Appropriation Totals	<u>954,348</u>	<u>1,443,865</u>	<u>1,478,449</u>	<u>1,478,449</u>
Revenue Sources:				
Revenue from the Federal Government	146,561	1,393,865	1,403,519	1,403,449
Non-Revenue Receipts	32,999	50,000	74,930	75,000
Specific Fund Reserves	774,788	0	0	0
Fund 182 Revenue Totals	<u>954,348</u>	<u>1,443,865</u>	<u>1,478,449</u>	<u>1,478,449</u>
<u>183 Grants Consolidated Fund</u>				
Appropriation Units:				
Commonwealth's Attorney - Grants	303,630	340,022	302,781	306,780
Emergency Medical Services (Grants)	281,255	305,000	311,100	323,100
FY 2007 Outstanding Encumbrances	64,558	0	0	0
Fire (Fire Programs)	505,628	600,159	600,000	610,757
Fire Grants	283	1,019,571	0	0
Housing and Neighborhood Grants	792,402	1,107,387	1,113,869	1,077,437
Human Services	1,086,142	1,285,244	1,315,612	1,334,144
Police (Uniform Patrol Grant)	32,630	60,425	71,271	72,249
Public Works Grants	15,000	15,000	15,000	15,000
Reserve for Contingencies	0	104,685	102,221	104,281
Social Services Grants	397,427	719,971	824,063	836,098
Transfer to Other Funds	0	0	400,000	400,000
Fund 183 Appropriation Totals	<u>3,478,955</u>	<u>5,557,464</u>	<u>5,055,917</u>	<u>5,079,846</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>183 Grants Consolidated Fund</u>				
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	75,451	0	0	0
Charges for Services	103,726	85,507	65,000	65,000
Revenue from the Commonwealth				
Other Sources from the Commonwealth	2,480,544	2,311,506	2,823,935	2,852,503
Revenue from the Federal Government	985,762	2,718,849	1,795,876	1,768,706
Non-Revenue Receipts	-28,490	44,680	0	0
Transfers from Other Funds	307,361	396,922	371,106	393,637
Specific Fund Reserves	64,558	0	0	0
Fund 183 Revenue Totals	<u>3,988,912</u>	<u>5,557,464</u>	<u>5,055,917</u>	<u>5,079,846</u>
<u>187 Marine Science Museum Grants Fund</u>				
Appropriation Units:				
Museum Grants	129	31,000	31,000	31,000
Fund 187 Appropriation Totals	<u>129</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>
Revenue Sources:				
Revenue from the Federal Government	6,729	31,000	31,000	31,000
Fund 187 Revenue Totals	<u>6,729</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>
<u>241 Water and Sewer Fund</u>				
Appropriation Units:				
Debt Service	6,578,213	14,486,826	15,461,289	17,232,514
FY 2007 Outstanding Encumbrances	1,224,203	0	0	0
Public Utilities	63,948,743	68,552,281	68,464,336	70,009,890
Reserve for Contingencies	0	1,597,312	4,215,966	3,630,149
Transfer to Other Funds	11,749,846	12,123,581	13,331,732	14,467,857
Fund 241 Appropriation Totals	<u>83,501,005</u>	<u>96,760,000</u>	<u>101,473,323</u>	<u>105,340,410</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	5,109,607	2,033,181	2,630,672	2,727,974
Charges for Services	88,145,120	90,500,351	94,139,797	97,874,137
Miscellaneous Revenue	242,792	230,360	242,791	259,373
Non-Revenue Receipts	6,336,276	3,647,043	4,103,526	4,114,693
Transfers from Other Funds	241,811	249,065	256,537	264,233
Specific Fund Reserves	1,224,203	100,000	100,000	100,000
Fund 241 Revenue Totals	<u>101,299,809</u>	<u>96,760,000</u>	<u>101,473,323</u>	<u>105,340,410</u>
<u>253 Parking Enterprise Fund</u>				
Appropriation Units:				
Convention and Visitor Bureau (Parking)	1,510,957	1,983,287	1,696,889	1,728,666
FY 2007 Outstanding Encumbrances	325,262	0	0	0
Reserve for Contingencies	0	352,812	0	0
Transfer to Other Funds	852,717	849,131	849,425	849,085
Fund 253 Appropriation Totals	<u>2,688,936</u>	<u>3,185,230</u>	<u>2,546,314</u>	<u>2,577,751</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>253 Parking Enterprise Fund</u>				
Revenue Sources:				
Revenue from Local Sources				
Permits, Privilege Fees, and Regulatory Licenses	29,383	30,000	30,000	30,000
From the Use of Money and Property	104,786	55,000	81,000	87,000
Charges for Services	2,222,949	2,501,000	2,176,511	2,201,948
Transfers from Other Funds	258,803	299,230	258,803	258,803
Specific Fund Reserves	325,262	300,000	0	0
Fund 253 Revenue Totals	<u>2,941,183</u>	<u>3,185,230</u>	<u>2,546,314</u>	<u>2,577,751</u>
<u>255 Storm Water Utility Enterprise Fund</u>				
Appropriation Units:				
Debt Service	495,577	1,284,195	2,011,810	2,011,002
FY 2007 Outstanding Encumbrances	1,488,085	0	0	0
Public Works (Storm Water Operations)	9,630,005	10,263,296	10,615,443	10,021,744
Reserve for Contingencies	0	297,529	0	0
Transfer to Other Funds	9,001,615	9,724,340	10,226,713	12,943,747
Fund 255 Appropriation Totals	<u>20,615,282</u>	<u>21,569,360</u>	<u>22,853,966</u>	<u>24,976,493</u>
Revenue Sources:				
Revenue from Local Sources				
Permits, Privilege Fees, and Regulatory Licenses	10,780	0	0	0
From the Use of Money and Property	211,907	120,130	160,000	160,000
Charges for Services	14,527,188	15,780,459	17,432,900	19,337,715
Miscellaneous Revenue	39,893	0	0	0
Revenue from the Commonwealth				
Other Sources from the Commonwealth	5,405,170	5,599,945	5,190,739	5,406,916
Transfers from Other Funds	67,477	68,826	70,327	71,862
Specific Fund Reserves	1,488,085	0	0	0
Fund 255 Revenue Totals	<u>21,750,500</u>	<u>21,569,360</u>	<u>22,853,966</u>	<u>24,976,493</u>
<u>302 General Debt Fund</u>				
Appropriation Units:				
Debt Service	106,629,015	118,659,525	123,708,612	128,851,354
Fund 302 Appropriation Totals	<u>106,629,015</u>	<u>118,659,525</u>	<u>123,708,612</u>	<u>128,851,354</u>
Revenue Sources:				
Revenue from Local Sources				
From the Use of Money and Property	489,141	0	0	0
Non-Revenue Receipts	1,399,736	0	0	0
Transfers from Other Funds	106,898,559	118,659,525	123,409,926	125,923,904
Specific Fund Reserves	0	0	298,686	2,927,450
Fund 302 Revenue Totals	<u>108,787,436</u>	<u>118,659,525</u>	<u>123,708,612</u>	<u>128,851,354</u>
<u>460 School General Revenue Capital Projects Fund</u>				
Appropriation Units:				
School Capital Projects	12,936,308	12,108,658	13,936,308	13,936,308
Fund 460 Appropriation Totals	<u>12,936,308</u>	<u>12,108,658</u>	<u>13,936,308</u>	<u>13,936,308</u>

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>460 School General Revenue Capital Projects Fund</u>				
Revenue Sources:				
Transfers from Other Funds	12,936,308	12,108,658	13,936,308	13,936,308
Fund 460 Revenue Totals	12,936,308	12,108,658	13,936,308	13,936,308
<u>540 General Government Capital Projects Fund</u>				
Appropriation Units:				
Building Capital Projects	1,890,300	3,150,787	4,001,518	4,551,984
Coastal Capital Projects	5,877,101	4,438,799	7,063,402	7,690,938
Communications and Information Technology Projects	950,000	925,000	389,493	2,716,000
Economic and Tourism Development Capital Projects	9,953,677	9,749,821	11,382,539	12,620,578
Parks and Recreation Capital Projects	8,141,207	9,916,220	10,383,990	10,234,173
Roadways Capital Projects	7,074,485	7,584,313	7,657,249	9,836,291
Fund 540 Appropriation Totals	33,886,770	35,764,940	40,878,191	47,649,964
Revenue Sources:				
Transfers from Other Funds	33,886,770	35,764,940	40,878,191	47,649,964
Fund 540 Revenue Totals	33,886,770	35,764,940	40,878,191	47,649,964
<u>541 Water and Sewer Capital Projects Fund</u>				
Appropriation Units:				
Water and Sewer Capital Projects	6,250,000	6,250,000	7,000,000	8,000,000
Fund 541 Appropriation Totals	6,250,000	6,250,000	7,000,000	8,000,000
Revenue Sources:				
Transfers from Other Funds	6,250,000	6,250,000	7,000,000	8,000,000
Fund 541 Revenue Totals	6,250,000	6,250,000	7,000,000	8,000,000
<u>555 Storm Water Capital Projects Fund</u>				
Appropriation Units:				
Storm Water Capital Projects	6,995,149	7,727,588	8,200,232	10,916,159
Fund 555 Appropriation Totals	6,995,149	7,727,588	8,200,232	10,916,159
Revenue Sources:				
Transfers from Other Funds	6,995,149	7,727,588	8,200,232	10,916,159
Fund 555 Revenue Totals	6,995,149	7,727,588	8,200,232	10,916,159
<u>908 City Beautification Fund</u>				
Appropriation Units:				
Parks and Recreation	5,855	10,200	20,000	20,400
Fund 908 Appropriation Totals	5,855	10,200	20,000	20,400
Revenue Sources:				
Revenue from Local Sources				
Miscellaneous Revenue	11,833	10,200	20,000	20,400
Fund 908 Revenue Totals	11,833	10,200	20,000	20,400
<u>909 Library Gift Fund</u>				
Appropriation Units:				
FY 2007 Outstanding Encumbrances	2,479	0	0	0
Library Gift	8,645	5,600	5,600	5,712
Fund 909 Appropriation Totals	11,124	5,600	5,600	5,712

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	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>909 Library Gift Fund</u>				
Revenue Sources:				
Revenue from Local Sources				
Miscellaneous Revenue	5,419	5,600	5,600	5,712
Specific Fund Reserves	5,705	0	0	0
Fund 909 Revenue Totals	11,124	5,600	5,600	5,712
<u>911 Parks and Recreation Gift Fund</u>				
Appropriation Units:				
FY 2007 Outstanding Encumbrances	10,740	0	0	0
Parks and Recreation (Gift Fund)	46,124	77,720	90,000	91,800
Fund 911 Appropriation Totals	56,864	77,720	90,000	91,800
Revenue Sources:				
Revenue from Local Sources				
Miscellaneous Revenue	78,614	77,720	90,000	91,800
Specific Fund Reserves	10,740	0	0	0
Fund 911 Revenue Totals	89,354	77,720	90,000	91,800
<u>950 Circuit Court Clerk Technology Fund</u>				
Appropriation Units:				
Circuit Court	1,161,831	525,000	0	0
Fund 950 Appropriation Totals	1,161,831	525,000	0	0
Revenue Sources:				
Revenue from Local Sources				
Charges for Services	530,259	0	0	0
Revenue from the Commonwealth				
Other Sources from the Commonwealth	631,452	525,000	0	0
Specific Fund Reserves	120	0	0	0
Fund 950 Revenue Totals	1,161,831	525,000	0	0
<u>Grand Total of all Funds</u>				
Total Appropriations for all Funds	2,133,296,173	2,339,479,090	2,389,130,143	2,454,362,963
Less Interfund Transfers	569,787,135	613,968,017	629,617,214	655,108,454
Net Appropriations Totals	1,563,509,038	1,725,511,073	1,759,512,929	1,799,254,509
Revenue Sources Totals	2,226,617,753	2,339,479,090	2,389,130,143	2,454,362,963
Less Interfund Transfers	569,787,135	613,968,017	629,617,214	655,108,454
Net Revenue Totals	1,656,830,618	1,725,511,073	1,759,512,929	1,799,254,509

City of Virginia Beach, Virginia
Fiscal Year 2008-09 and 2009-10 Interfund Transfer Summary

Receiving Fund Code and Name	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
Transfers from one fund to another occur to initiate the following actions:				
* Reimburse a fund for expenses that occurred for another fund				
* Record the transfer of revenue from one fund to assist in the operation of another fund.				
<u>002 General Fund</u>				
161 Agriculture Reserve Program Special Revenue Fund	3,932,581	4,789,876	4,891,598	4,995,790
180 Community Development Special Revenue Fund	565,083	899,288	899,240	916,632
120 Federal Police Department Grant Fund	741,204	0	0	0
147 Federal Section 8 Program Special Revenue Fund	13,565	314,064	256,606	258,834
302 General Debt Fund	77,662,600	81,946,147	84,552,057	86,951,922
540 General Government Capital Projects Fund	27,903,983	29,510,154	33,423,191	40,444,964
175 Golf Course Special Revenue Fund	5,377	0	0	0
183 Grants Consolidated Fund	307,361	396,922	371,106	393,637
150 Inmate Services Special Revenue Fund	2,482	5,825	2,421	5,069
130 Law Library Fund	80,000	137,515	0	0
173 Major Projects Special Revenue Fund	12,228,023	12,604,687	12,902,144	13,344,901
172 Open Space Special Revenue Fund	3,729,878	3,929,752	3,898,497	4,089,523
151 Parks and Recreation Special Revenue Fund	14,691,653	15,949,290	16,566,366	17,345,216
157 Sandbridge Special Service District Special Revenue Fund	76,449	71,686	73,120	74,582
460 School General Revenue Capital Projects Fund	12,936,308	12,108,658	13,936,308	13,936,308
115 School Operating Fund	305,141,684	336,870,685	339,239,378	348,453,570
149 Sheriff's Department Special Revenue Fund	12,123,016	13,141,715	12,956,975	12,869,445
255 Storm Water Utility Enterprise Fund	55,266	56,371	57,498	58,648
163 Tourism Advertising Program Special Revenue Fund	8,914,113	9,223,083	9,351,323	9,683,912
152 Tourism Growth Investment Fund	16,093,200	16,908,518	17,696,611	18,394,294
176 Transition Area Special Revenue Fund	134,924	370,606	467,391	748,977
Total Transfers from fund 002	<u>497,338,750</u>	<u>539,234,842</u>	<u>551,541,830</u>	<u>572,966,224</u>
<u>130 Law Library Fund</u>				
002 General Fund	60,000	60,000	60,000	60,000
Total Transfers from fund 130	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
<u>149 Sheriff's Department Special Revenue Fund</u>				
150 Inmate Services Special Revenue Fund	3,966	0	0	0
Total Transfers from fund 149	<u>3,966</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>150 Inmate Services Special Revenue Fund</u>				
002 General Fund	24,551	24,551	24,551	24,551
149 Sheriff's Department Special Revenue Fund	250,000	250,000	250,000	250,000
Total Transfers from fund 150	<u>274,551</u>	<u>274,551</u>	<u>274,551</u>	<u>274,551</u>
<u>151 Parks and Recreation Special Revenue Fund</u>				
302 General Debt Fund	0	69,540	0	0
002 General Fund	828	0	0	0
Total Transfers from fund 151	<u>828</u>	<u>69,540</u>	<u>0</u>	<u>0</u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 and 2009-10 Interfund Transfer Summary

Receiving Fund Code and Name	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>152 Tourism Growth Investment Fund</u>				
302 General Debt Fund	4,964,161	5,793,839	6,297,781	6,073,758
002 General Fund	2,150,000	2,000,000	2,000,000	2,000,000
540 General Government Capital Projects Fund	0	1,100,000	250,000	0
173 Major Projects Special Revenue Fund	3,791,417	4,125,233	4,473,632	4,667,519
253 Parking Enterprise Fund	258,803	258,803	258,803	258,803
157 Sandbridge Special Service District Special Revenue Fund	748,209	427,133	457,032	489,025
255 Storm Water Utility Enterprise Fund	12,211	12,455	12,829	13,214
Total Transfers from fund 152	<u>11,924,801</u>	<u>13,717,463</u>	<u>13,750,077</u>	<u>13,502,319</u>
<u>157 Sandbridge Special Service District Special Revenue Fund</u>				
540 General Government Capital Projects Fund	2,304,114	2,904,786	3,460,626	3,336,076
Total Transfers from fund 157	<u>2,304,114</u>	<u>2,904,786</u>	<u>3,460,626</u>	<u>3,336,076</u>
<u>161 Agriculture Reserve Program Special Revenue Fund</u>				
302 General Debt Fund	1,982,005	3,289,679	3,528,635	3,912,068
002 General Fund	22,763	2,523,218	0	0
Total Transfers from fund 161	<u>2,004,768</u>	<u>5,812,897</u>	<u>3,528,635</u>	<u>3,912,068</u>
<u>163 Tourism Advertising Program Special Revenue Fund</u>				
002 General Fund	54,631	55,724	55,724	56,838
Total Transfers from fund 163	<u>54,631</u>	<u>55,724</u>	<u>55,724</u>	<u>56,838</u>
<u>166 Sandbridge Tax Increment Financing Fund</u>				
002 General Fund	8,750,000	0	0	0
540 General Government Capital Projects Fund	1,428,673	0	744,374	868,924
Total Transfers from fund 166	<u>10,178,673</u>	<u>0</u>	<u>744,374</u>	<u>868,924</u>
<u>169 Central Business District - South TIF (Town Center) Fund</u>				
302 General Debt Fund	3,127,973	3,033,870	5,296,567	5,381,054
002 General Fund	26,649	0	0	0
Total Transfers from fund 169	<u>3,154,622</u>	<u>3,033,870</u>	<u>5,296,567</u>	<u>5,381,054</u>
<u>172 Open Space Special Revenue Fund</u>				
302 General Debt Fund	1,951,425	2,624,405	2,518,029	2,498,134
540 General Government Capital Projects Fund	2,050,000	2,050,000	2,400,000	2,400,000
Total Transfers from fund 172	<u>4,001,425</u>	<u>4,674,405</u>	<u>4,918,029</u>	<u>4,898,134</u>
<u>173 Major Projects Special Revenue Fund</u>				
302 General Debt Fund	15,792,280	20,514,378	19,858,456	19,778,057
002 General Fund	18,210	18,574	0	0
157 Sandbridge Special Service District Special Revenue Fund	748,209	533,916	905,333	995,866
Total Transfers from fund 173	<u>16,558,699</u>	<u>21,066,868</u>	<u>20,763,789</u>	<u>20,773,923</u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 and 2009-10 Interfund Transfer Summary

Receiving Fund Code and Name	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	FY 2009-10 Total Approved
<u>174 Town Center Special Service District</u>				
253 Parking Enterprise Fund	0	40,427	0	0
Total Transfers from fund 174	<u>0</u>	<u>40,427</u>	<u>0</u>	<u>0</u>
<u>175 Golf Course Special Revenue Fund</u>				
002 General Fund		0	89,550	89,550
540 General Government Capital Projects Fund	200,000	200,000	200,000	200,000
Total Transfers from fund 175	<u>200,000</u>	<u>200,000</u>	<u>289,550</u>	<u>289,550</u>
<u>180 Community Development Special Revenue Fund</u>				
002 General Fund	123,129	125,592	125,592	128,104
Total Transfers from fund 180	<u>123,129</u>	<u>125,592</u>	<u>125,592</u>	<u>128,104</u>
<u>183 Grants Consolidated Fund</u>				
540 General Government Capital Projects Fund	0	0	400,000	400,000
Total Transfers from fund 183	<u>0</u>	<u>0</u>	<u>400,000</u>	<u>400,000</u>
<u>241 Water and Sewer Fund</u>				
002 General Fund	5,499,846	5,873,581	6,331,732	6,467,857
541 Water and Sewer Capital Projects Fund	6,250,000	6,250,000	7,000,000	8,000,000
Total Transfers from fund 241	<u>11,749,846</u>	<u>12,123,581</u>	<u>13,331,732</u>	<u>14,467,857</u>
<u>253 Parking Enterprise Fund</u>				
302 General Debt Fund	730,593	725,625	725,900	724,687
002 General Fund	94,439	95,267	94,439	94,439
157 Sandbridge Special Service District Special Revenue Fund	27,685	28,239	29,086	29,959
Total Transfers from fund 253	<u>852,717</u>	<u>849,131</u>	<u>849,425</u>	<u>849,085</u>
<u>255 Storm Water Utility Enterprise Fund</u>				
302 General Debt Fund	687,522	662,042	632,501	604,224
002 General Fund	1,077,133	1,085,645	1,137,443	1,159,131
555 Storm Water Capital Projects Fund	6,995,149	7,727,588	8,200,232	10,916,159
241 Water and Sewer Fund	241,811	249,065	256,537	264,233
Total Transfers from fund 255	<u>9,001,615</u>	<u>9,724,340</u>	<u>10,226,713</u>	<u>12,943,747</u>
TOTAL INTERFUND TRANSFERS FOR ALL FUNDS	<u><u>569,787,135</u></u>	<u><u>613,968,017</u></u>	<u><u>629,617,214</u></u>	<u><u>655,108,454</u></u>

**City of Virginia Beach
Changes in Undesignated Fund Balances**

	General	Special Revenue	Schools	Enterprise and Utilities	General Debt	Capital Project	Gift	Total All Funds
Estimated Undesignated Fund Balances at June 30, 2008	100,420,396	59,750,833	17,709,955	116,182,178	-	-	145,031	294,208,393
Add: Estimated Reserved Fund Balances at June 30, 2008	40,757,456	21,336,332	8,415,552	16,275,352	14,502,755	-	-	101,287,447
Total Estimated Fund Balances at June 30, 2008	141,177,852	81,087,165	26,125,507	132,457,530	14,502,755	-	145,031	395,495,840
Add: Estimated FY 2008-09 Revenues	1,068,656,912	170,432,779	816,092,486	126,773,603	123,409,926	70,014,731	115,600	2,375,496,037
Less: Estimated FY 2008-09 Expenditures and Interfund Transfers	1,068,656,912	177,331,310	822,429,375	126,873,603	123,708,612	70,014,731	115,600	2,389,130,143
Total Fund Balances at June 30, 2009	141,177,852	74,188,634	19,788,618	132,357,530	14,204,069	-	145,031	381,861,734
Less: Estimated Reserved Fund Balances at June 30, 2009	40,757,456	20,045,332	4,499,607	16,275,352	14,204,069	-	-	95,781,816
Total Estimated Undesignated Fund Balances at June 30, 2009	100,420,396	54,143,302	15,289,011	116,082,178	-	-	145,031	286,079,918
Change in Undesignated Fund Balances	-	(5,607,531)	(2,420,944)	(100,000)	-	-	-	(8,128,475)

Notes:

1. Reserved Fund Balances are used to provide funding for future obligations, such as loans, advances, encumbrances, and "pay-as-you-go" funding for the Capital Improvement Program.
2. The General Debt Fund has reserves, which accumulated due to dedicated revenues initially exceeding expenditures for referenda-funded capital projects in the early years, which are available to make up the shortfall of revenues.
3. The "Total All Funds" is the gross operating budget and includes interfund transfer amounts.
4. The fund balance (i.e., net assets) for Enterprise and Utilities funds are exclusive of Property, Plant, and Equipments. Some of the net assets are reserved to fund either capital projects or future debt payments.
5. In the City's financial report, the amounts in the Gift Funds are included in the General Fund or in a Special Revenue Fund. In this schedule, the Gift Funds are shown separately with the balances of the other funds adjusted accordingly.

City of Virginia Beach

Relationship of the Operating Budget to the Capital Improvement Program

As this graphic illustrates, there is a close linkage between the Operating Budget and Capital Improvement Program. Decisions made in one affect the other. For example, if we decide to open a new Fire Station, we also must plan for hiring new firefighters. Likewise, if we expand recreational programs in the Operating Budget we often must construct new facilities.

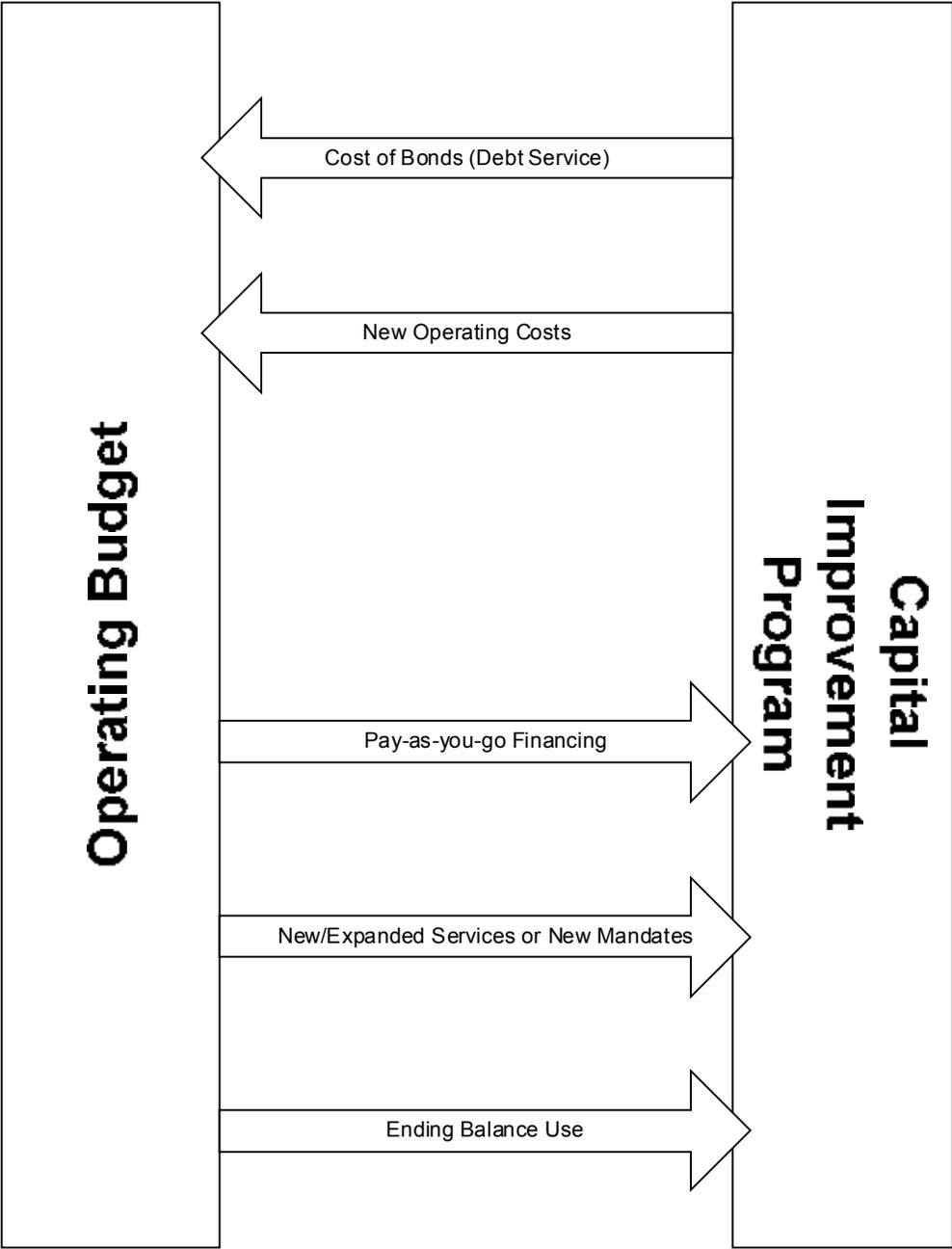


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Agriculture Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$884,003	\$933,673	\$836,206	\$-97,467	\$798,893	\$-37,313
Operating	145,085	261,131	205,808	-55,323	210,139	4,331
Debt Service	4,625	0	0	0	0	0
Reserves	0	1,261,856	1,152,685	-109,171	868,912	-283,773
Transfers	<u>2,004,768</u>	<u>5,812,897</u>	<u>3,528,635</u>	<u>-2,284,262</u>	<u>3,912,068</u>	<u>383,433</u>
Total	<u>\$3,038,481</u>	<u>\$8,269,557</u>	<u>\$5,723,334</u>	<u>\$-2,546,223</u>	<u>\$5,790,012</u>	<u>\$66,678</u>
Fees	\$652,160	\$2,604,802	\$103,631	\$-2,501,171	\$105,636	\$2,005
Transfers	<u>3,932,581</u>	<u>4,789,876</u>	<u>4,891,598</u>	<u>101,722</u>	<u>4,995,790</u>	<u>104,192</u>
Total	<u>\$4,584,741</u>	<u>\$7,394,678</u>	<u>\$4,995,229</u>	<u>\$-2,399,449</u>	<u>\$5,101,426</u>	<u>\$106,197</u>
General City Support	<u>\$-1,546,260</u>	<u>\$874,879</u>	<u>\$728,105</u>	<u>\$-146,774</u>	<u>\$688,586</u>	<u>\$-39,519</u>
Total FTE Count	15.00	15.00	14.00	-1.00	14.00	0.00
Non-City Budget	\$203,000	\$196,203	\$270,000	\$73,797	\$275,000	\$5,000

Mission Statement

The Department of Agriculture provides leadership, coordination and education to enhance the economic vitality of the City's agricultural industry and the preservation and enhancement of its quality physical environment, to assist citizens in strengthening their families and to provide citizens and visitors with cultural and recreational opportunities by preserving our agricultural and rural heritage.

Objectives

Average 90% occupancy rate of enclosed/covered selling spaces to maintain the fiscal strength of the Farmer's Market.

Process 90% of Agriculture Reserve Applications in 120 days. (This only includes the time between application submittal to the time in which the purchase offer letter is sent).

Provide 25 educational presentations a year to citizens regarding agricultural preservation techniques, strategic planning for agriculture and minimizing potential conflicts in the rural area.

Provide 40 family-oriented special events per year and to promote the Farmer's Market, merchants and products.

Provide school tours and other tours for children to promote the rural heritage and cultural diversity of the City.

Recruit, train and manage volunteers so that 50% of educational programs are delivered by volunteers annually.

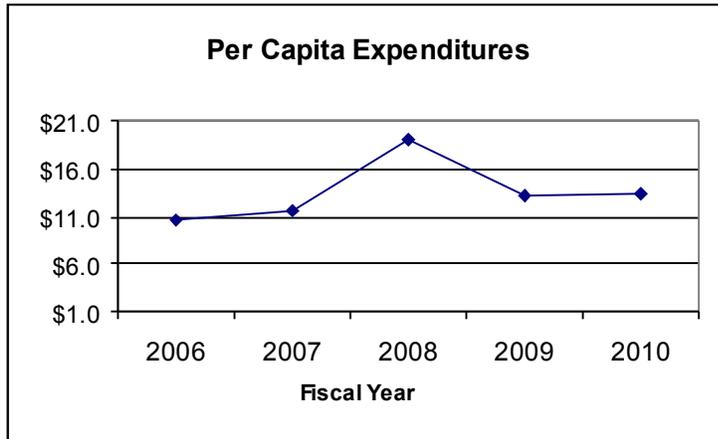
Results

Indicator	<u>Actual</u>			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of acres in the ARP	7,000.00	7,250.00	7,260.00	7,760.00	8,260.00	8,760.00
Number of ARP applications received	11.00	10.00	9.00	12.00	12.00	12.00
Number of educational program participants	150.00	150.00	150.00	150.00	150.00	150.00
Number of educational programs conducted by volunteers	70.00	70.00	70.00	70.00	70.00	70.00
Number of special events/family activities at the Farmer's Market	40.00	40.00	40.00	40.00	40.00	40.00
Number of students/children that attend educational programs at the Farmer's Market	3,428.00	3,500.00	4,750.00	4,900.00	4,900.00	4,900.00
Number of volunteers that provide educational programs	834.00	577.00	815.00	850.00	850.00	850.00
<u>Quality</u>						
Percent of Farmers Market leased	100.00	100.00	100.00	100.00	100.00	100.00

Program Description

The Cooperative Extension Program provides research, technical and marketing assistance and community education for all residents regarding agriculture, horticulture, soils, family issue programming, and home management. The Agricultural Reserve Program, created in FY 1995-96, preserves the rural quality of the southern part of the City through the purchase of development rights of land held in perpetuity, regardless of changes in ownership. Eligibility requirements include: the parcels can be no less than ten developable acres; zoned for agricultural use; and cannot contain land used for recreational or open space purposes. Funding for this program is dedicated from .9 cent of the real estate tax. The Farmer's Market sells agricultural and complementary products and to provide a venue for rural heritage programming for citizens and visitors. The department provides staff support to the Agricultural Advisory Commission, which is appointed by City Council to provide its members with recommendations on issues concerning agriculture, and to the Habitat Enhancement Committee, established by City Council to enhance the natural resources and habitats in Virginia Beach. Also, the department reviews proposed projects for possible erosion and sediment control issues, oversees the civil penalties from wetland violations to ensure that such funds are used to restore or enhance natural wetland areas.

Productivity and Results



- To date, 180 Agricultural Reserve Program applications have been received, with the City purchasing the development rights for 7,260 acres in FY 2006-07, which translates into 640 development units acquired.
- The Farmers Market is 100% leased, for a seventh year in a row with 13 leaseholders. In FY 2006-07, 4,750 school children visited the market's Rural Heritage Center for hands-on agricultural educational programs. There were 40 special events/hoedowns with a total estimated attendance of 35,000.
- In Cooperative Extension 815 volunteers provided 40,583 hours of service valued at \$763,800.

- In 2007, the Virginia Beach 4-H Program enrolled 4,298 youth, 500 adult and 60 teen volunteers, and 3,610 students enrolled in 4-H programs.
- Cooperative Extension provided farmer educational programs in grain, fruit, vegetable and strawberry production to support the City's agriculture industry. Also, it provided pesticide safety training and collected and recycled over 7,344 one-gallon equivalent plastic pesticide containers.
- Cooperative Extension offered workshops and training on financial literacy, consumer education, housing, and foods and nutrition. In 2007 over 1,757 adult and youth participated. Also, 1,423 adults and 1,037 youth participated in foods and nutrition educational programs.
- In 2007, there were 225 active Virginia Beach Master Gardener volunteers that collectively contributed 22,065 hours of service and provided horticultural information to over 21,000 residents. A rain demonstration garden was constructed at the Hampton Roads Agricultural Research & Extension Center to educate citizens on urban water quality management. Also, 72 high school aged youth at the Juvenile Detention Center were taught basic horticultural skills to enhance their employment options following their release.

Biennial Budget Analysis

- As part of budget reductions due to declining growth in overall City revenues, the Farmer's Market Manager position was eliminated, and these duties will be assumed by the Rural Community Coordinator position. Also, the department has reduced Promotions/Advertising to promote the special events at the Farmer's Market. The department does not anticipate a significant impact as a result of this reduction. Contracted security guard service was reduced at the Farmer's Market. This reduction will occur during the off-season of the market operations, and the Police department will be requested to increase patrols of the market. Finally, at this time, the Farmer's Market at the Town Center will not be implemented. This remains a viable concept to consider in the future.
- Note: Per capita expenditures spiked in FY 2007-08 due to the City Council's one-time use of fund balance from the Agriculture Reserve Program.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director's Office	\$363,840	\$357,820	\$343,698	\$-14,122	\$349,338	\$5,640
Cooperative Extension Program	225,387	208,498	271,842	63,344	222,273	-49,569
Farmers' Market	300,183	353,363	215,645	-137,718	222,055	6,410
The Farmers' Market at Town Center	0	60,000	0	-60,000	0	0
Total 002 Fund	\$889,410	\$979,681	\$831,185	\$-148,496	\$793,666	\$-37,519
161 Agriculture Reserve Program Special Revenue Fund						
Agricultural Reserve Program	\$144,303	\$215,123	\$210,829	\$-4,294	\$215,366	\$4,537
Reserve for Contingencies - ARP	0	388	0	-388	0	0
Future C.I.P. Commitments	0	1,261,468	1,152,685	-108,783	868,912	-283,773
Transfer to Other Funds	2,004,768	5,812,897	3,528,635	-2,284,262	3,912,068	383,433
Total 161 Fund	\$2,149,071	\$7,289,876	\$4,892,149	\$-2,397,727	\$4,996,346	\$104,197
Total Program Summary	\$3,038,481	\$8,269,557	\$5,723,334	\$-2,546,223	\$5,790,012	\$66,678
Position Summary by Program						
002 General Fund						
Director's Office	4.00	4.00	4.00	0.00	4.00	0.00
Cooperative Extension Program	6.00	6.00	6.00	0.00	6.00	0.00
Farmers' Market	3.00	3.00	2.00	-1.00	2.00	0.00
Total 002 Fund	13.00	13.00	12.00	-1.00	12.00	0.00
161 Agriculture Reserve Program Special Revenue Fund						
Agricultural Reserve Program	2.00	2.00	2.00	0.00	2.00	0.00
Total 161 Fund	2.00	2.00	2.00	0.00	2.00	0.00
Total Position Summary by Program	15.00	15.00	14.00	-1.00	14.00	0.00

Resource Summary Notes

The Cooperative Extension Program salary increase is due to a change in the way the employees in Cooperative Extension are budgeted. The full cost of one position is now reflected in the City's budget, but the state's two-thirds reimbursement is not reflected in the budget.

Convention and Visitor Bureau Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$6,415,185	\$7,492,124	\$7,631,323	\$139,199	\$7,776,203	\$144,880
Operating	15,578,105	17,147,274	17,240,735	93,461	17,721,469	480,734
Capital	15,781	0	0	0	0	0
Debt Service	13,913	1,530	15,000	13,470	15,300	300
Reserves	0	558,164	696,447	138,283	1,533,089	836,642
Transfers	12,832,149	14,622,318	14,655,226	32,908	14,408,242	-246,984
Total	\$34,855,133	\$39,821,410	\$40,238,731	\$417,321	\$41,454,303	\$1,215,572
Fees	\$7,293,127	\$7,207,675	\$7,275,949	\$68,274	\$7,488,519	\$212,570
Transfers	24,000,091	25,163,922	26,082,084	918,162	27,081,030	998,946
Total	\$31,293,218	\$32,371,597	\$33,358,033	\$986,436	\$34,569,549	\$1,211,516
General City Support	\$3,561,915	\$7,449,813	\$6,880,698	-\$569,115	\$6,884,754	\$4,056
Total FTE Count	135.84	136.73	135.73	-1.00	135.73	0.00

Mission Statement

To facilitate the creation and enhancement of convention, tourism, special events programs and resort related improvements in order to maximize tax revenues.

Objectives

Increase the number of shoulder season inquiries generated annually through the consumer advertising program in order to increase year-round visitation.

Increase year-round visitor spending for the hospitality industry by 2% annually.

Manage and administer on-street parking for the Residential Parking Permit Program (RPPP) and enforce parking violations.

Manage the oceanfront event venues and coordinate event permit process and support to serve the tourism and community based event organizations.

Market Virginia Beach as a tour and travel destination for individual package and tour groups. Increase room nights from tour business by 5% annually.

Plan and host a variety of public and private events at the Virginia Beach Convention Center

Provide and manage off-street parking in garages for citizens and resort visitors 365 days a year.

Provide and manage off-street parking in surface lots to citizens and resort visitors for access to the beach, businesses, and special events from April to September.

Respond to all inquiries for mailed material by potential visitors within 24 hours of receipt of request in order to improve the position of Virginia Beach in their decision making process.

Sell Virginia Beach and the Hampton Roads region as a sports venue opportunity.

Sell Virginia Beach as a convention and meetings destination and increase convention and meetings bookings by 7%.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Hotel room nights generated as a result of the group tour and travel package sales	80,000.00	85,000.00	90,000.00	92,000.00	94,000.00	96,000.00
Net revenue generated (in millions derived as taxes collected less direct City expenditures)	19.80	9.60	8.80	9.00	9.40	9.80
Parking Violations (#)	38,258.00	35,312.00	38,258.00	38,000.00	38,000.00	38,000.00
Residential Parking Permits issued (#)	20,493.00	20,428.00	20,493.00	20,600.00	21,000.00	21,000.00
Total visitor expenditures (in millions)	785.30	828.00	857.00	865.00	874.00	883.00
Vehicles per day	1,815.00	1,672.00	1,815.00	1,833.00	1,800.00	1,800.00
<u>Quality</u>						
Percent return on City expenditures (net direct revenues divided by direct expenditures)	41.80	15.80	13.70	14.00	15.00	18.00
Revenue per day (\$)	6,061.00	5,477.00	6,061.00	6,112.00	6,000.00	6,000.00
<u>Efficiency</u>						
Parking spaces seasonal occupancy rate (%)	97.00	97.00	106.00	108.00	105.00	105.00

Performance Measurement Explanation

The decrease in the percent return on City expenditures reflects the City's investment in the new Virginia Beach Convention Center.

Program Description

Tourism Promotion/Advertising - advertising for the resort area is provided through the Tourism Advertising Program (TAP) Fund. The fund dedicates revenues from one cent of the transient lodging tax, one-half cent of the restaurant meal tax, and a flat lodging tax of one dollar to support the City's advertising and marketing program and related activities, including the operation of the Visitor Center. The advertising campaign uses a combination of newspaper ads, magazine ads, and television for national advertising to promote tourist visitation. Other marketing strategies include an aggressive convention sales program, sports marketing initiatives, a public relations program, a comprehensive research program and related collateral materials. The development of new markets is important to maintain and to increase the number of visitors to the City, especially during the shoulder seasons.

For the first time visitor inquiries exceeded the 3 million mark with a total of 3,080,814 inquiries representing a 26% increase over 2006 inquiries. Virginia Beach continues to have a strong presence on the web with 76.8% of visitors using the Internet to obtain vacation information and 46.5% of visitors using the Internet to purchase some travel service.

Tourism Growth Investment Fund (TGIF) - established by the City Council to provide a dedicated resource for tourism related projects. The sources of funding come from 2.5 cents from the Hotel tax, 0.5 cents of the Meal tax, the 10% Admissions tax, and other tourist related taxes and fees. This revenue is used for special events, entertainment, operation and maintenance of the beach and boardwalk, and debt service payments on capital projects located in the resort area.

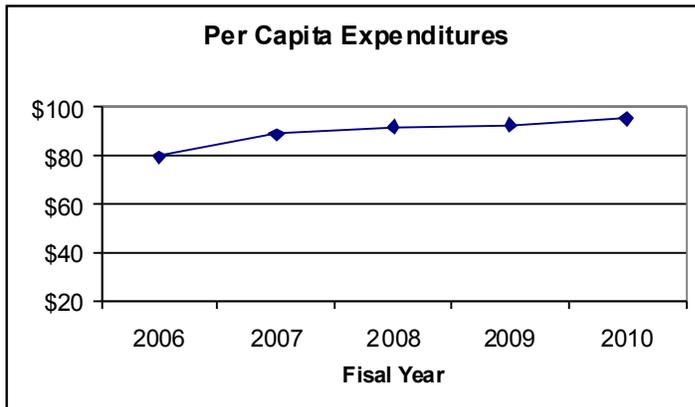
Convention Promotion and Facility - provides for the operations and marketing for the City's convention center as a destination for meetings. This division promotes the City and convention center on a nation-wide basis as a venue to host conferences, trade shows, and meetings with the objective of increasing the number and quality of events.

Resort Area Events - schedules and coordinates special events at the Oceanfront and Resort Area and plans and programs the entertainment events. This office facilitates the development of resort business opportunities, supports the Resort Advisory Commission's initiatives, and coordinates CIP projects in the resort area.

Parking Enterprise Fund - Predominantly, parking services are performed from April 1st to September 30th each year during the peak resort season. Parking management has three main goals: 1) the provision of managed parking in municipal-owned parking facilities and on-street parking spaces, 2) the enforcement of the Residential Parking Permit Program, and 3) shuttle bus and satellite parking operations for major holiday weekends and special events at the Oceanfront. Operationally, the department administers service contracts to provide managed parking at nine parking lots at the Oceanfront, Croatan, and Sandbridge, and six parking garages (two at the Oceanfront and four at Town Center).

Productivity and Results

- The opening of the complete Virginia Beach Convention Center, and the transfer of \$1 million to the CIP, from the Tourism Growth Investment Fund for stormwater outfall improvements at the beachfront raised the per capita expenditure level in FY 2007-08.



- The Convention Center, fully open in January 2007, is expected to host 423 events (including 48 conventions, trade shows, and sporting events), in FY 2007-08, resulting in 155,438 room nights, and producing \$47.8 million in direct spending. In addition, the Convention Center was home to 75 community events including 27 consumer shows. To date the Center has received eight awards including Virginia Green and has made a commitment to energy savings through its partnership with the Energy Star program.

- Dedicated funding in the Tourism Advertising Program will generate over \$9 million for advertising and over \$1 million to fund Visitor Information Center operations.
- The Tourism Growth Investment Fund will provide \$3 million for events and entertainment at the oceanfront including: Neptune Festival, Beach Street USA, 31st Street Entertainment, American Music Festival, Holiday Lights, and other general entertainment.

Direct Revenue from Tourism - The 2006 Virginia Beach Tourism Annual Economic Impact Study indicates that almost 2.8 million out-of-town visitors arrived in Virginia Beach in 2006, spending \$857 million and generating \$73.2 million in direct revenue. This represents an increase of \$2.7 million over the prior year. The City's visitor-related expenditures associated

with tourism totaled \$64.4 million, an increase over prior years due to the City's capital investments in resort, which produced a net direct dollar return of \$8.8 million, an average rate of return of 13.7%.

The following data reflects the impact on the City's hotel industry as a result of actions taken to promote tourism, conventions, and special events in the City.

Hotel/Industry Performance for Calendar Year 2007	
Hotel Occupancy	63.5% (2.9% increase)
Average Daily Rate	\$106.21 (4.1% increase)
Revenue Per Average Room	\$67.41 (7.1% increase)
Room Nights Booked	2,526,254 (4.5% increase)
Hotel Room Sales	8.3% increase
Restaurant Sales	3.3% increase
Visitor Inquiries	3.1 million (26.3% increase)

Biennial Budget Analysis

- To control rising costs the department decreased certain operating accounts including postal services, office supplies, and some marketing travel.
- To replace loss revenues, some existing fees were increased, while other new ones are implemented. Following are fees that have recently, or will be implemented:
 - Rental rates: these will increase 4% annually. The annual increases are included in the rates quoted to potential clients who may wish to book dates beyond the current year.
 - Event Costs: as a service to clients, the Convention Center procures services from the local market. Clients are charged the services procured plus a 20% service charge, formerly the service charge was 15%.
 - Food Service: the Convention Center receives a percentage of concession sales based on a sliding scale. With the increased volume, the Convention Center's percentage has increased by 1.8%.
 - Sales to Major Attractions: the Visitor Information Center acts as a sales outlet to major tourism attractions, such as Busch Gardens, Water Country USA, and Ocean Breeze Water Park, and receives 10% or 20% of gross ticket prices.

Council Amendment

On May 13, 2008, City Council voted to use TGIF Reserve for Contingencies to provide \$100,000 each year for the Patriotic Festival for FY 2008-09 and FY 2009-10. There was no change in the overall budget totals as a result of this action.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director's Office	\$932,056	\$995,421	\$1,011,127	\$15,706	\$1,033,802	\$22,675
Resort Programs and Special Events	772,862	1,347,301	597,037	-750,264	612,265	15,228
Tourism Marketing and Sales	364,196	370,250	412,787	42,537	422,056	9,269
Sports Marketing	511,057	560,959	540,531	-20,428	552,076	11,545
Convention Marketing and Sales	1,028,605	1,071,560	1,074,453	2,893	1,098,990	24,537
Virginia Beach Convention Center	4,923,607	5,725,078	6,734,195	1,009,117	6,824,263	90,068
Total 002 Fund	\$8,532,383	\$10,070,569	\$10,370,130	\$299,561	\$10,543,452	\$173,322
152 Tourism Growth Investment Fund						
TGIF - Oceanfront Special Events	\$2,709,818	\$2,932,369	\$3,163,119	\$230,750	\$3,234,763	\$71,644
Reserve for Contingencies	0	168,304	668,376	500,072	1,516,714	848,338
Transfer to Other Funds	11,924,801	13,717,463	13,750,077	32,614	13,502,319	-247,758
Total 152 Fund	\$14,634,619	\$16,818,136	\$17,581,572	\$763,436	\$18,253,796	\$672,224
163 Tourism Advertising Program Special Revenue Fund						
Visitor Information Center	\$745,213	\$1,199,365	\$1,003,690	\$-195,675	\$1,024,685	\$20,995
Tourism and Convention Advertising	8,524,613	8,455,338	8,653,230	197,892	8,981,406	328,176
Reserve for Contingencies	0	37,048	28,071	-8,977	16,375	-11,696
Transfer to Other Funds	54,631	55,724	55,724	0	56,838	1,114
Total 163 Fund	\$9,324,457	\$9,747,475	\$9,740,715	\$-6,760	\$10,079,304	\$338,589
253 Parking Enterprise Fund						
Parking Enterprise Fund	\$1,510,957	\$1,983,287	\$1,696,889	\$-286,398	\$1,728,666	\$31,777
Reserve for Contingencies	0	352,812	0	-352,812	0	0
Transfer to Other Funds	852,717	849,131	849,425	294	849,085	-340
Total 253 Fund	\$2,363,674	\$3,185,230	\$2,546,314	\$-638,916	\$2,577,751	\$31,437
Total Program Summary	\$34,855,133	\$39,821,410	\$40,238,731	\$417,321	\$41,454,303	\$1,215,572

Position Summary by Program

002 General Fund						
Director's Office	11.54	10.54	10.54	0.00	10.54	0.00
Resort Programs and Special Events	6.00	6.00	6.00	0.00	6.00	0.00
Tourism Marketing and Sales	4.00	4.00	5.00	1.00	5.00	0.00
Sports Marketing	3.00	3.00	3.00	0.00	3.00	0.00
Convention Marketing and Sales	13.00	13.00	13.00	0.00	13.00	0.00
Virginia Beach Convention Center	80.91	82.80	82.80	0.00	82.80	0.00
Total 002 Fund	118.45	119.34	120.34	1.00	120.34	0.00
163 Tourism Advertising Program Special Revenue Fund						
Visitor Information Center	9.39	9.39	8.39	-1.00	8.39	0.00
Tourism and Convention Advertising	2.00	2.00	2.00	0.00	2.00	0.00
Total 163 Fund	11.39	11.39	10.39	-1.00	10.39	0.00
253 Parking Enterprise Fund						
Parking Enterprise Fund	6.00	6.00	5.00	-1.00	5.00	0.00
Total 253 Fund	6.00	6.00	5.00	-1.00	5.00	0.00
Total Position Summary by Program	135.84	136.73	135.73	-1.00	135.73	0.00

Resource Summary Notes

The Reduction in Resort Programs and Special Events for FY 2008-09 reflects reductions in events sponsorship including the Patriotic Festival.

The nearly \$1 million increase in the Virginia Beach Convention Center budget provides for increased utilities, operating, and support costs for the Center. The additional costs will be funded from increased revenues (i.e. amusement taxes, rent, concessions, staff services) as a direct result of increased Convention Center usage.

The decrease in the Parking Enterprise Fund is due to a general decline in metered on-street parking spaces and an accounting change in garage operations. Previous accounting of gross revenues less expenses has been replaced with net revenues only reporting in accordance with the management contract for garage operations.

Housing and Neighborhood Preservation Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$4,096,139	\$4,644,957	\$4,673,564	\$28,607	\$4,792,367	\$118,803
Operating	14,686,468	17,405,764	17,819,959	414,195	16,462,589	-1,357,370
Capital	0	0	33,680	33,680	0	-33,680
Reserves	0	14,162	0	-14,162	741	741
Transfers	123,129	125,592	125,592	0	128,104	2,512
Total	<u>\$18,905,736</u>	<u>\$22,190,475</u>	<u>\$22,652,795</u>	<u>\$462,320</u>	<u>\$21,383,801</u>	<u>\$-1,268,994</u>
Fees	\$2,156,188	\$1,214,295	\$1,824,030	\$609,735	\$576,850	\$-1,247,180
Federal	18,476,815	18,061,419	17,979,178	-82,241	17,898,811	-80,367
Transfers	578,648	1,213,352	1,155,846	-57,506	1,175,466	19,620
Total	<u>\$21,211,651</u>	<u>\$20,489,066</u>	<u>\$20,959,054</u>	<u>\$469,988</u>	<u>\$19,651,127</u>	<u>\$-1,307,927</u>
General City Support	<u>\$-2,305,915</u>	<u>\$1,701,409</u>	<u>\$1,693,741</u>	<u>\$-7,668</u>	<u>\$1,732,674</u>	<u>\$38,933</u>
Total FTE Count	69.00	69.00	69.00	0.00	69.00	0.00

Mission Statement

Creating quality solutions that expand housing opportunities and promote vibrant, well maintained neighborhoods.

Objectives

Perform outreach to developers, lenders, and real estate agents in order to solicit participation in the Work Force Housing Program.

To abate 90% of graffiti cases (including those in the rental inspection zones) referred to City contractor within 14 days.

To bring 90% of building maintenance code violation cases into compliance within 120 days of initial notification.

To conduct community outreach efforts that communicate the availability of programs or services and/or educate the community about issues pertaining to housing and neighborhood preservation.

To ensure receipt of Federal funds by adhering to reporting and compliance stipulations.

To operate a quality Federal Section 8 rental subsidy program that provides assistance to the maximum number of households in accordance with voucher funding allocation.

To provide assistance to individuals in the region via Housing Opportunities for People with AIDS grant.

To provide down payment, closing cost and/or rehabilitation assistance to first time home buyers.

To provide emergency shelter to individuals/families during the fiscal year.

To provide low/moderate income individuals/families with housing counseling and/or home ownership education.

To provide mandated certificate of compliance inspections in rental inspection districts.

To provide rehabilitation and emergency repair assistance to homeowners citywide through a variety of programs.

To provide Section 8 inspections prior to occupancy and annual followup inspections.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Initial certificate of compliance inspections	0.00	1,769.00	622.00	1,938.00	1,938.00	1,938.00
Initial number of graffiti cases referred to City contractor	0.00	0.00	314.00	345.00	344.00	344.00
Initial number of properties cited for building maintenance code violations	0.00	0.00	6,280.00	6,908.00	6,908.00	6,908.00
Initial number of property maintenance cases	0.00	0.00	12,182.00	13,400.00	13,400.00	13,400.00
Inoperable vehicles cited for code violations	0.00	0.00	4,903.00	5,393.00	5,393.00	5,393.00
Number of citizens served by the Neighborhood Institute	24.00	25.00	25.00	25.00	25.00	25.00
Number of homes assisted with down payments and closing costs	28.00	15.00	19.00	19.00	19.00	19.00
Number of homes improved or provided rehabilitation & emergency repair assistance	76.00	83.00	76.00	77.00	63.00	63.00
Number of households served by Section 8 rental subsidy program	1,700.00	1,800.00	1,750.00	1,900.00	1,900.00	1,900.00
Number of non-profit contracts executed to deliver housing services	21.00	19.00	17.00	17.00	20.00	20.00
Number of persons assisted with emergency shelter	1,500.00	1,300.00	1,200.00	1,200.00	1,553.00	1,553.00
Persons provided housing assistance (short & long term) via Housing Opportunities for People with Aids grant	1,000.00	1,000.00	900.00	900.00	608.00	608.00
<u>Quality</u>						
Inoperable vehicles made compliant by owners	0.00	0.00	4,591.00	5,050.00	5,050.00	5,050.00
Percent of properties cited for building maintenance code violations compliant within 120 days	0.00	0.00	76.31	90.00	90.00	90.00
Percent of properties referred to City contractor for graffiti compliant within 14 days	0.00	0.00	73.10	90.00	90.00	90.00
Percent of rental dwellings in rental inspection districts receiving certificate of compliance inspections	0.00	14.00	5.00	25.00	25.00	25.00
<u>Efficiency</u>						
Costs per graffiti abatement	0.00	0.00	169.89	177.00	159.42	162.61
Inoperable vehicles removed by City contractor	0.00	0.00	312.00	343.00	343.00	343.00

Performance Measurement Explanation

Measures for the Certificate of Compliance inspection program changed for FY 2006-07 due to changes in the program mandated by the State requiring the City to initiate inspections by identifying & notifying landlords that their properties are subject to inspection, & mandating 4 year exemptions from inspections when dwellings pass inspection. The rate of inspections should level off to approximately 25% of the eligible rental dwellings being inspected FY 2007-08 onward so that all rental dwellings are inspected on a 4 year cycle.

Code Enforcement data prior to FY 2006-07 not available due to change in method of tracking data.

Program Description

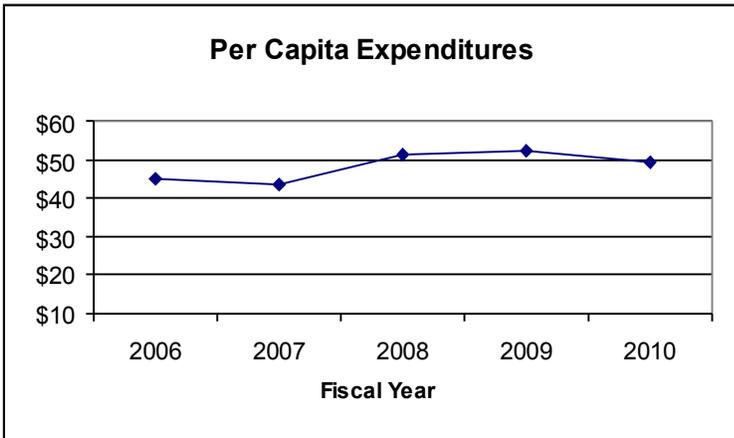
The core services provided by the Department of Housing and Neighborhood Preservation are divided into the following areas:

Code Enforcement of the City's building and property maintenance codes including response to citywide complaints, systematic exterior inspections of properties, Certificate of Compliance and Section 8 inspections of rental property, monitoring of commercial trash collection in the resort area, citations for violations such as junk, overgrown vegetation, buildings in disrepair, inoperable vehicles, and enforcement of repair of unsafe gas appliances.

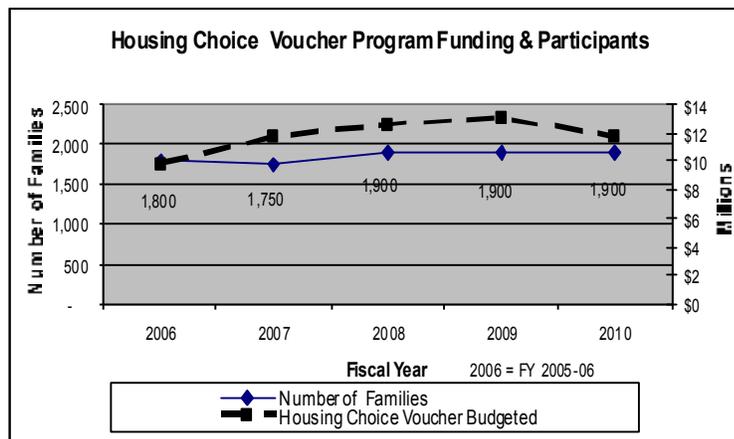
Rental Housing includes various rental subsidy programs to provide affordable rental housing, mainly the Federal Section 8 housing voucher program, and including Family Self Sufficiency, Portability, Project Based HUD Mortgage conversion, FEMA Disaster Housing Assistance Program (DHAP) grant (FY 2007-08 through FY 2008-09 for Hurricane Katrina victims), and special allocations for groups such as the disabled and homeless. Also, housing counseling is provided related to the Section 8 program, to existing renters and those seeking rental housing.

Housing Development in various areas including: workforce housing planning, development and review; use of Federal Community Development Block Grant (CDBG) and HOME funds to assist low and moderate-income homeowners with rehabilitation and emergency repair assistance; provision of Federal funding to non-profit organizations for housing acquisition and rehabilitation to provide affordable housing for low and moderate-income households; and provision of down payment and closing cost assistance to first-time home buyers. To prevent homelessness, a Federal Emergency Shelter grant provides funding to non-profits to provide emergency shelter to over 1,500 persons, while the Housing Opportunities for People with Aids grant provides short and long-term housing assistance and support services to over 600 persons regionally.

Productivity and Results



- The cost per capita (based on all funding sources) for existing services provided by Housing has increased 2% from FY 2007-08 to FY 2008-09 (\$51 to \$52) and is anticipated to decline to \$49 in FY 2009-10. The cost increase for FY 2008-09 was minimized by lower than normal growth in staffing costs due to retirements and replacement with lower cost staff. The cost per capita decrease for FY 2009-10 is mainly due to the use of one-time funding of \$1.29 million in FY 2008-09 from unused Section 8 rental subsidy vouchers from FY 2007-08 residing in the fund balance of the Federal Section 8 Program Special Revenue Fund.



- Federal funding covers 85% of the cost of this department's services, with the City providing 12.5% and fees the remainder. City funding covers Code Enforcement and administrative costs not funded by Federal funds (CDBG, HOME, HOME/American Dream Down Payment Initiative, ESG, FEMADHAP, HOPWA, and Section 8).

- Code Enforcement inspectors are anticipated to issue 20,308 citations in FY 2008-09 for violations of City property and building maintenance codes. While the number of inoperable vehicles cited for code violation is expected to increase from 4,903 in FY 2006-07 to 5,393 in FY 2008-09, the percent of these vehicles brought into compliance by owners is anticipated to be about 94%.

The majority of this department's operating budget and Federal funding for FY 2008-09 (\$12.9 million) is for the Section 8 Housing Choice Voucher program that serves over 1,900 persons (shown in the graph) with rental subsidy assistance to secure safe, decent, affordable housing. The average monthly subsidy budgeted per family is about \$570 for FY 2008-09 and FY 2009-10. In the actual market place the rate is about \$600.

Biennial Budget Analysis

- Graffiti Abatement: A \$55,000 graffiti abatement contract will fund the removal of approximately 344 incidents of graffiti in FY 2008-09 (at a cost of approximately \$160 per incident). For the first time, Housing will use \$22,000 of CDBG funds to cover costs for graffiti abatement occurring in the federally funded certificate of compliance rental inspection zones. City funding of \$33,000 will cover the remainder of the contract.
- Code Enforcement Administrative and Rental Inspection Fees: For FY 2008-09, some existing fees will be increased and new fees created to cover existing costs for services. Specifically, these new and increased fees are needed to cover existing costs to provide these Code Enforcement related services and also to cover the cost of the graffiti abatement contract, and an existing Compliance Specialist position that was reclassified from another position to enhance monitoring of compliance with Federal regulatory requirements. The existing administrative fee for processing cases dealing with violations of the City's property maintenance codes (e.g., overgrown grass and weeds, accumulation of trash and junk, demolition of dilapidated structures, removal of hazardous trees, etc.) will be increased from \$100 to \$150 to cover 100% of the City's cost to process such cases. Also, a \$150 administrative fee will be established to cover 100% of the City's cost to process cases involving towing of inoperable vehicles that are openly stored on private property (estimated at 343 vehicles for FY 2008-09). And, to cover the costs of certificate of compliance inspections for rental dwelling units in rental inspection districts, a \$50 rental inspection fee will be established for the initial certificate of compliance inspection and one re-inspection with an additional \$50 fee established for each additional inspection.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Code Enforcement	\$1,183,291	\$1,731,209	\$1,746,341	\$15,132	\$1,785,274	\$38,933
Nuisance Abatement	240,521	0	0	0	0	0
Total 002 Fund	\$1,423,812	\$1,731,209	\$1,746,341	\$15,132	\$1,785,274	\$38,933
147 Federal Section 8 Program Special Revenue Fund						
Section 8 Operating	\$1,060,872	\$1,344,528	\$1,391,949	\$47,421	\$1,388,448	-\$3,501
Section 8 - Modernization - Rehabilitation	87,109	95,000	31,664	-63,336	0	-31,664
Cloverleaf SRO Vouchers	0	0	108,494	108,494	110,664	2,170
Portability Payments	0	150,000	75,000	-75,000	75,000	0
Section 8 Vouchers - Housing Choice	11,759,168	12,578,789	12,986,960	408,171	11,695,960	-1,291,000
Reserve for Contingencies	0	452	0	-452	0	0
Total 147 Fund	\$12,907,149	\$14,168,769	\$14,594,067	\$425,298	\$13,270,072	-\$1,323,995
180 Community Development Special Revenue Fund						
Certificate of Compliance Program	\$687,684	\$638,143	\$668,947	\$30,804	\$671,108	\$2,161
Rehabilitation and Construction	521,763	593,338	644,440	51,102	661,731	17,291
Director's Office	1,041,231	1,430,982	1,177,441	-253,541	1,200,085	22,644
Neighborhood Services	251,921	0	0	0	0	0
Strategy, Policy and Resource Division	0	0	321,063	321,063	328,214	7,151
Reserve for Contingencies	0	13,765	0	-13,765	741	741
Transfer to Other Funds	123,129	125,592	125,592	0	128,104	2,512
Total 180 Fund	\$2,625,728	\$2,801,820	\$2,937,483	\$135,663	\$2,989,983	\$52,500
181 CD Loan and Grant Fund						
Loan and Grants	\$202,297	\$937,425	\$782,586	-\$154,839	\$782,586	\$0
Total 181 Fund	\$202,297	\$937,425	\$782,586	-\$154,839	\$782,586	\$0
182 Federal Housing Assistance Grant Fund						
Federal HOME Grants	\$933,681	\$1,414,430	\$1,466,556	\$52,126	\$1,466,907	\$351
American Dream Down payment	20,667	29,435	11,893	-17,542	11,542	-351
Total 182 Fund	\$954,348	\$1,443,865	\$1,478,449	\$34,584	\$1,478,449	\$0
183 Grants Consolidated Fund						
Housing Grants	\$685,550	\$937,055	\$968,000	\$30,945	\$968,000	\$0
Housing Grants - ESG	106,852	110,387	109,437	-950	109,437	0
FEMA - Disaster Housing Assistance	0	60,000	36,432	-23,568	0	-36,432
Reserve for Contingencies	0	-55	0	55	0	0
Total 183 Fund	\$792,402	\$1,107,387	\$1,113,869	\$6,482	\$1,077,437	-\$36,432
Total Program Summary	\$18,905,736	\$22,190,475	\$22,652,795	\$462,320	\$21,383,801	-\$1,268,994

Position Summary by Program

002 General Fund						
Code Enforcement	18.00	24.00	24.00	0.00	24.00	0.00
Nuisance Abatement	3.00	0.00	0.00	0.00	0.00	0.00
Total 002 Fund	21.00	24.00	24.00	0.00	24.00	0.00
147 Federal Section 8 Program Special Revenue Fund						
Section 8 Operating	12.00	15.00	16.00	1.00	16.00	0.00
Total 147 Fund	12.00	15.00	16.00	1.00	16.00	0.00

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Position Summary by Program

180 Community Development Special Revenue Fund

Certificate of Compliance Program	10.00	7.00	7.00	0.00	7.00	0.00
Rehabilitation and Construction	9.00	9.00	9.00	0.00	9.00	0.00
Director's Office	10.00	14.00	9.00	-5.00	9.00	0.00
Neighborhood Services	7.00	0.00	0.00	0.00	0.00	0.00
Strategy, Policy and Resource Division	0.00	0.00	4.00	4.00	4.00	0.00
Total 180 Fund	36.00	30.00	29.00	-1.00	29.00	0.00
Total Position Summary by Program	69.00	69.00	69.00	0.00	69.00	0.00

Resource Summary Notes

Staffing and resources have been shifted between program areas as the result of department strategic planning and reorganization that occurred during FY 2007-08.

CDBG funding was reduced by \$106,628 in FY 2008-09, which resulted in reduced funding for the CD Loan and Grant fund for home repair program that provides grants to individual homeowners, and grants to Virginia Beach Community Development Corporation for acquisition and rehabilitation of rental housing units.

Included in the 147 Federal Section 8 Program Special Revenue Fund are portability payments from other localities, which are estimated to decrease from \$150,000 in FY 2007-08 to \$75,000 in FY 2008-09 7 FY 2009-10. Section 8 Housing Choice Vouchers show increased cost and revenue in FY 2008-09 and subsequent decrease in FY 2009-10 due to the use of \$1.29 million in unspent rental assistance vouchers from FY 2007-08.

Economic Development Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Transfers	\$6,988	\$0	\$0	\$0	\$0	\$0
Personnel	1,336,143	1,417,576	1,482,629	65,053	1,515,669	33,040
Operating	1,894,654	1,853,578	2,654,906	801,328	2,634,323	-20,583
Reserves	0	283,564	133,564	-150,000	711,660	578,096
Transfers	3,147,634	3,033,870	5,296,567	2,262,697	5,381,054	84,487
Total	\$6,385,419	\$6,588,588	\$9,567,666	\$2,979,078	\$10,242,706	\$675,040
Fees	\$4,606,829	\$5,319,487	\$6,858,880	\$1,539,393	\$7,558,975	\$700,095
Total	\$4,606,829	\$5,319,487	\$6,858,880	\$1,539,393	\$7,558,975	\$700,095
General City Support	\$1,778,590	\$1,269,101	\$2,708,786	\$1,439,685	\$2,683,731	\$-25,055
Total FTE Count	16.00	17.00	17.00	0.00	17.00	0.00

Mission Statement

The Department of Economic Development develops, implements, and maintains programs that facilitate the creation of a diversified, continually expanding, dynamic economy through the development of and investment in new, targeted businesses and the enhancement of existing businesses by creating quality jobs, higher wages, and lower tax rates, as well as encouraging retention and expansion activities and enhancing the overall quality of life in Virginia Beach.

Objectives

Create new capital investment through the location of new businesses and retention and expansion of existing firms in order to increase the City's tax base.

Create new employment opportunities with emphasis on higher paying jobs to increase per capita income.

Use the Economic Development Investment Program (EDIP) to assist in locating new businesses.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of new employment opportunities created	2,209.00	1,400.00	1,618.00	1,500.00	1,500.00	1,500.00
Value of new capital investment (in millions of \$)	303.00	148.00	163.00	100.00	100.00	100.00
<u>Quality</u>						
Average return (in years) on investment and payback assessment (total EDIP funds provided/total estimated local tax payments)	1.50	1.88	5.02	2.50	2.50	2.50
Per capita income (\$)	34,646.00	35,581.00	36,542.00	38,003.00	39,523.00	41,105.00
Tax revenue resulting from new investment (\$)	3,099,690.00	1,465,200.00	1,450,700.00	890,000.00	890,000.00	890,000.00
<u>Efficiency</u>						
Average new capital investment per \$1.00 in EDIP funds (total capital investment/total EDIP funds provided) (\$)	45.70	35.00	40.00	35.00	35.00	35.00
New companies located and existing companies expanded	94.00	86.00	75.00	45.00	45.00	45.00

Performance Measurement Explanation

The amounts shown in the various years are "stand alone" values, which do not accumulate from the previous years. For example, the "value of new capital investment" includes only the new investments for that year, and does not include the values from previous years.

The relatively high average return on investment in FY 2006-07 was a result of a grant for a redevelopment area. Incentives for redevelopment areas generally have a longer payback period.

Program Description

The department encourages and assists in the retention and expansion of existing businesses and international trade opportunities. Specific outcomes of the Economic Development Program are: 1) a growing local economy, 2) economic opportunity and prosperity for residents, and 3) revenue growth to fund City services.

Staff Support to the Virginia Beach Development Authority (VBDA) - is appointed by the City Council, with the goal of facilitating the expansion of the tax base through increased business investment. The VBDA facilitates business/industry location and retention by acquiring, developing and reselling land, and issuing Industrial Revenue Bonds. The VBDA also administers the Economic Development Investment Program (EDIP), which provides a dedicated funding stream (10 cents of the Cigarette tax) to fund the provision of off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA). To qualify for use of EDIP funds, a company must meet at least one of the following three criteria. However, the vast majority of approved projects meet all three.

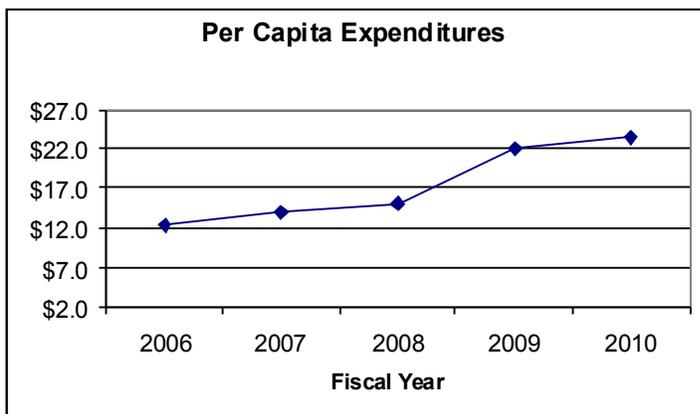
- Return on Investment and Payback Time Assessment: 2.5 years
- Capital Investment Assessment: \$1.00 in EDIP funds yields an average of \$25.00 in capital investment
- Job Assessment: \$1,000 in EDIP funds yields an average of 1 FTE employment opportunity

Minority Business Program - data indicate that the City does not have a large supply of minority-owned businesses. At its August 2004 retreat, the City Council established strengthening participation by minority-owned businesses as a top priority. Small businesses are responsible for the creation of many jobs in Virginia Beach's economy, and most of the women-owned and minority businesses are small businesses. Nurturing these businesses can help create jobs and expand the City's tax base. By providing some business development services such as referrals, "one-stop" services, and incentives, minority-owned businesses will be encouraged to develop in or relocate to Virginia Beach.

Workforce Development - works with our Community to focus resources on the development of a qualified workforce, matching the needs of employers and potential employees.

Town Center Special Service District - oversees the Town Center Special Service District. In accordance with the Town Center Development Agreement, this district was created in FY 2002-03 to provide annual operations and maintenance costs associated with the core parking facilities as well as security, street sweeping, pressure washing sidewalks, landscaping, and refuse collection at public waste receptacles within the Town Center core area. The rate was established at 57¢ annually based on estimated operations and maintenance costs. This rate has changed as other projects near completion and based on the level of maintenance desired by the property owners. In FY 2007-08, the rate was lowered to 50¢. The FY 2008-09 budget includes an additional reduction in the rate to 45¢. Rates will be adjusted based on costs and current funding capacity. Currently, seven blocks (3, 4, 5, 8, 10, 11, and 12) of the Town Center core area are in the special district, and the district will expand as other blocks are developed. It should be noted that only property owners within the designated special tax district area are subject to paying the associated increased tax rate.

Productivity and Results



- The 45% increase in FY 2008-09 is due to several items. First is \$500,000 to provide for implementing strategic growth area and related plans. This will provide staff management and consulting services in support of the ongoing planning and plan implementation activities in the Strategic Growth Areas. In conjunction with this, there is \$3,000,000 per year programmed in CIP project #9-081 Strategic Growth Area Program, to coordinate actions between contractual project management and consulting expertise involving relocation, legal expertise, infrastructure needs, and land acquisition in the strategic growth areas. The Strategic Growth Area program is being funded through an 11¢ increase in the cigarette tax and a 90¢ increase in the machinery and tools tax.

- Second is the reclassification of an Administrative Technician position to a Business Development Coordinator position to allow for a more aggressive economic development strategy to attract new business to our area.

- Third is increased debt service from the construction of the Town Center Garage. The debt service is paid from dedicated revenues in the Town Center TIF Fund. FY 2008-09 marks the first full year's principal and interest payments due for the \$21.6 million debt issued for the garage.
- Fourth is to allow for increased contractual services in the Town Center Special Service District for operational and maintenance expenses. Expenditures in this fund are also supported by dedicated revenues.
- Financial analysis of the Town Center Special Service District Fund shows that a 5¢ rate reduction, from 50¢ to 45¢ in the real estate surcharge, is viable without sacrificing the operation and long-term maintenance of the parking garages and the surrounding areas. The reduction is reflected in this budget.

Biennial Budget Analysis

- Due to reduced funding levels, requests for operating accounts such as promotional literature, marketing travel, minority business initiatives, and office supplies were lower than in previous years. The reduction for these items totaled \$40,517.
- The Town Center Special Service District Fund has accumulated retained earnings, which have been designated for future capital projects. In FY 2008-09, \$1.1 million of this fund's retained earnings will be appropriated to capital project #9-083, Town Center Garage and Plaza Capital Maintenance, to provide a comprehensive maintenance program to protect and maximize the useful life of the parking garages at Town Center.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director of Economic Development	\$2,530,958	\$2,175,522	\$2,657,158	\$481,636	\$2,683,274	\$26,116
Total 002 Fund	\$2,530,958	\$2,175,522	\$2,657,158	\$481,636	\$2,683,274	\$26,116
169 Central Business District - South TIF (Town Center) Fund						
Reserve for Contingencies	\$0	\$0	\$0	\$0	\$187,830	\$187,830
Transfer to Other Funds for Debt Service	3,154,622	3,033,870	5,296,567	2,262,697	5,381,054	84,487
Total 169 Fund	\$3,154,622	\$3,033,870	\$5,296,567	\$2,262,697	\$5,568,884	\$272,317
174 Town Center Special Service District						
Town Center Parking Operations	\$699,839	\$1,095,632	\$1,480,377	\$384,745	\$1,466,718	\$-13,659
Reserve for Contingencies	0	283,564	133,564	-150,000	523,830	390,266
Total 174 Fund	\$699,839	\$1,379,196	\$1,613,941	\$234,745	\$1,990,548	\$376,607
Total Program Summary	\$6,385,419	\$6,588,588	\$9,567,666	\$2,979,078	\$10,242,706	\$675,040

Position Summary by Program

002 General Fund						
Director of Economic Development	16.00	17.00	17.00	0.00	17.00	0.00
Total 002 Fund	16.00	17.00	17.00	0.00	17.00	0.00
Total Position Summary by Program	16.00	17.00	17.00	0.00	17.00	0.00

Resource Summary Notes

Reserves in the Town Center Special Service Tax District are to fund future maintenance.

Commonwealth's Attorney Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$6,244,760	\$7,021,903	\$7,274,027	\$252,124	\$7,440,326	\$166,299
Operating	391,542	548,681	589,800	41,119	598,396	8,596
Capital	66,400	59,105	59,105	0	59,105	0
Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$6,702,702</u>	<u>\$7,629,689</u>	<u>\$7,922,932</u>	<u>\$293,243</u>	<u>\$8,097,827</u>	<u>\$174,895</u>
Fees	\$7,052	\$4,381	\$160,000	\$155,619	\$160,000	\$0
State	2,656,027	2,776,599	2,795,779	19,180	2,935,414	139,635
Transfers	<u>72,506</u>	<u>79,437</u>	<u>63,043</u>	<u>-16,394</u>	<u>67,042</u>	<u>3,999</u>
Total	<u>\$2,735,585</u>	<u>\$2,860,417</u>	<u>\$3,018,822</u>	<u>\$158,405</u>	<u>\$3,162,456</u>	<u>\$143,634</u>
General City Support	<u>\$3,967,117</u>	<u>\$4,769,272</u>	<u>\$4,904,110</u>	<u>\$134,838</u>	<u>\$4,935,371</u>	<u>\$31,261</u>
Total FTE Count	82.90	91.90	91.40	-0.50	91.40	0.00

Mission Statement

The Office of the Commonwealth's Attorney is responsible for reviewing and prosecuting all felony cases, domestic violence and City/State misdemeanor cases required by law or court order, and to provide legal training and advice to police officers, magistrates, and other local officials. The Office also provides services and support for the victims and witnesses involved in the various cases handled by the Office.

Objectives

Achieve at least a 60% conviction rate on domestic violence defendants.

Achieve at least a 90% conviction rate for violent felony defendants (performance measures for serious narcotics violations are shown separately).

Achieve at least a 90% conviction rate on City Code misdemeanors.

Achieve at least a 90% conviction rate on serious narcotics violations.

Achieve at least a 95% conviction rate on property crime defendants (non-violent felony cases).

To provide information on the prosecutorial process to at least 95% of victims and witnesses of felony and domestic violence crimes within 3 days of request.

To provide restitution collection and monitoring for victims of felony crimes and initiate court proceedings in event of nonpayment.

To support at least 85% of felony and domestic violence victims through the court process and facilitate their input into the prosecution and parole process.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of complaints received by Consumer Affairs Division	810.00	905.00	620.00	600.00	0.00	0.00
Number of consumer inquiries received by Consumer Affairs Division	6,866.00	7,107.00	6,209.00	6,500.00	0.00	0.00
Number of domestic violence defendants	2,213.00	2,208.00	2,485.00	2,508.00	2,550.00	2,550.00
Number of drug defendants prosecuted	927.00	1,045.00	955.00	994.00	1,100.00	1,100.00
Number of property crime defendants prosecuted	1,676.00	1,928.00	1,790.00	1,825.00	1,850.00	1,850.00
Number of responses to victim and witness phone calls and letters	26,250.00	36,000.00	34,500.00	37,000.00	40,000.00	42,000.00
Number of victims and witnesses supported	23,000.00	21,850.00	26,000.00	28,000.00	31,000.00	34,000.00
Number of victims receiving restitution services (phone calls/letters/payments)	11,713.00	10,515.00	13,750.00	14,000.00	14,500.00	16,000.00
Number of violent felony defendants prosecuted	754.00	776.00	815.00	805.00	800.00	800.00
<u>Quality</u>						
Conviction rate for domestic violence defendants (50% is the national average)	69.00	67.00	64.00	65.00	65.00	65.00
Conviction rate for property crimes (87% is the national average)	93.00	94.00	95.00	95.00	95.00	95.00
Conviction rate for violent felony defendants (83% is the national average)	96.00	97.00	97.00	95.00	95.00	95.00
Conviction rate of drug cases (74% is the national average)	90.00	94.00	94.00	90.00	90.00	90.00
Percent of all victims and witnesses supported	99.00	99.00	99.00	99.00	99.00	99.00
Percent of all victims supported by restitution services	100.00	100.00	100.00	100.00	100.00	100.00
<u>Efficiency</u>						
Percent of opened domestic violence cases that were closed	94.00	84.00	90.00	90.00	90.00	90.00
Percent of opened drug cases that were closed	91.00	95.00	94.00	93.00	93.00	93.00
Percent of opened property crimes cases that were closed	91.00	97.00	97.00	95.00	95.00	95.00
Percent of opened serious felony cases that were closed	97.00	98.00	97.00	96.00	96.00	96.00
Total staff hours spent on monitoring/collecting for victim restitution	4,316.00	3,885.00	4,220.00	4,400.00	4,400.00	4,400.00
Total staff hours spent on responses to victim and witness inquiries	5,200.00	5,275.00	5,350.00	5,400.00	5,400.00	5,400.00
Total staff hours spent on support of victims and witnesses	20,800.00	21,100.00	21,350.00	22,000.00	22,000.00	22,000.00

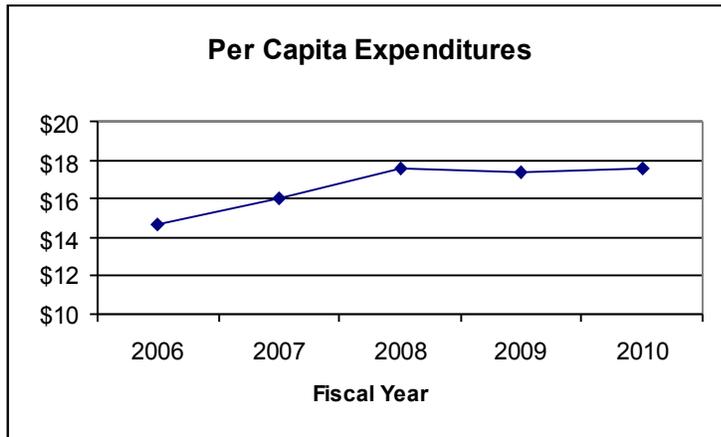
Performance Measurement Explanation

Consumer Affairs: This program is being eliminated at the City level beginning with the FY 2008-09 budget.

Program Description

The Commonwealth's Attorney is an elected, constitutional, law enforcement official who is independent in his duties from both the City and the Commonwealth. The primary responsibilities of the Commonwealth's Attorney's Office are to review all felony and selected misdemeanor cases and the prosecution of those cases where there is sufficient evidence; to provide legal training and advice to local officials, law enforcement, and other public safety agencies when requested; to prepare the Circuit Court criminal docket and handle preliminary hearings on felony cases in the General District Court and the Juvenile and Domestic Relations Court.

Productivity and Results

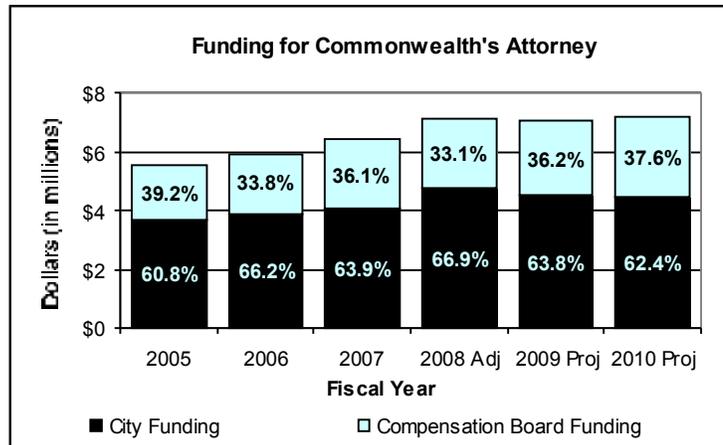


- The increase from FY 2005-06 to FY 2007-08 is primarily attributable to personnel cost increases, including eight additional positions granted by the Compensation Board.
- The percentage of funding provided by the City to the Commonwealth's Attorney's Office had been steadily increasing from FY 2000-01 (55.2%) through FY 2003-04 (64.8%) mainly because the compensation provided by the City outpaced the growth in the Compensation Board reimbursement from the State.
- As shown in the funding graph, this trend has fluctuated over the past few years. The Compensation Board has provided annual salary increases closer to the increases

provided by the City in recent years. The decline in the percentage of City funding in FY 2008-09 and FY 2009-10 demonstrates the fiscal impact of eliminating the City-funded Consumer Affairs Office in the local Commonwealth's Attorney's Office.

Biennial Budget Analysis

- Felony and misdemeanor prosecutions will continue at current levels in the upcoming biennium.
- This budget eliminates the City-funded Consumer Affairs Office and the associated four full-time positions. Their services included investigating and mediating consumer complaints; pursuing consumer protection cases in court; and providing literature and education to the public on consumer issues. While the Consumer Affairs Program is a beneficial and valued service for our citizens, it is being eliminated because this service is offered (at a basic level) by the State. The impact of not funding this service locally will be that our citizens will experience delays in addressing their complaints and some issues may not be addressed at all if the State office institutes a minimum value in order to handle the increased caseload resulting from the closure of our local office.



- A part-time caseworker (0.5 FTE) was eliminated from the Victim/Witness Grant program due to a reduction in funding from the Virginia Department of Criminal Justice Services.
- The Commonwealth's Attorney's Office has been evaluating a merger of the departmental information technology functions with the City's Communications and Information Technology Department. The City Council will be advised of any reorganization of these functions if they occur.

Council Amendment

On May 13, 2008, City Council voted to restore the Consumer Affairs Program, including 4.0 full-time employees, at a cost of \$339,142.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Commonwealth's Attorney	\$5,747,319	\$6,537,469	\$6,912,705	\$375,236	\$7,071,152	\$158,447
Consumer Affairs	372,551	354,031	346,037	-7,994	353,903	7,866
Victim/Witness	273,397	238,167	201,409	-36,758	205,992	4,583
Total 002 Fund	\$6,393,267	\$7,129,667	\$7,460,151	\$330,484	\$7,631,047	\$170,896
142 DEA Seized Property Special Revenue Fund						
DEA - Commonwealth's Attorney	\$5,805	\$160,000	\$160,000	\$0	\$160,000	\$0
Total 142 Fund	\$5,805	\$160,000	\$160,000	\$0	\$160,000	\$0
183 Grants Consolidated Fund						
Commonwealth's Attorney - Grants	\$303,630	\$340,022	\$302,781	-\$37,241	\$306,780	\$3,999
Total 183 Fund	\$303,630	\$340,022	\$302,781	-\$37,241	\$306,780	\$3,999
Total Program Summary	\$6,702,702	\$7,629,689	\$7,922,932	\$293,243	\$8,097,827	\$174,895

Position Summary by Program

002 General Fund						
Commonwealth's Attorney	66.90	77.90	77.90	0.00	77.90	0.00
Consumer Affairs	5.00	4.00	4.00	0.00	4.00	0.00
Victim/Witness	4.00	3.00	3.00	0.00	3.00	0.00
Total 002 Fund	75.90	84.90	84.90	0.00	84.90	0.00
183 Grants Consolidated Fund						
Commonwealth's Attorney - Grants	7.00	7.00	6.50	-0.50	6.50	0.00
Total 183 Fund	7.00	7.00	6.50	-0.50	6.50	0.00
Total Position Summary by Program	82.90	91.90	91.40	-0.50	91.40	0.00

Resource Summary Notes

The Victim Witness Grant was reduced \$20,847 by the Virginia Department of Criminal Justice Services in FY 2008-09. As a result, a part-time (0.5 FTE) caseworker was eliminated from this program.

Other services were maintained fully; however, reduced funding is provided to some divisions compared to the FY 2007-08 adjusted budget due to improved life insurance and retirement rates.

Courts and Courts' Support Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$3,835,539	\$3,945,959	\$4,067,876	\$121,917	\$4,099,358	\$31,482
Operating	3,656,212	3,313,880	2,665,444	-648,436	2,720,933	55,489
Transfers	0	0	0	0	0	0
Total	<u>\$7,491,751</u>	<u>\$7,259,839</u>	<u>\$6,733,320</u>	<u>\$-526,519</u>	<u>\$6,820,291</u>	<u>\$86,971</u>
Fees	\$11,450,614	\$95,258	\$98,172	\$2,914	\$98,402	\$230
State	2,361,964	2,267,801	1,833,046	-434,755	1,866,687	33,641
Total	<u>\$13,812,578</u>	<u>\$2,363,059</u>	<u>\$1,931,218</u>	<u>\$-431,841</u>	<u>\$1,965,089</u>	<u>\$33,871</u>
General City Support	<u>\$-6,320,827</u>	<u>\$4,896,780</u>	<u>\$4,802,102</u>	<u>\$-94,678</u>	<u>\$4,855,202</u>	<u>\$53,100</u>
Total FTE Count	76.00	76.00	76.00	0.00	76.00	0.00
Non-City Budget	\$11,878,343	\$12,185,191	\$13,584,774	\$1,399,583	\$13,992,317	\$407,543

Mission Statement

Three courts, Circuit, General District, and Juvenile and Domestic Relations District, provide an independent, accessible, responsive forum for the just resolution of disputes in order to preserve the rule of law and to protect all rights and liberties guaranteed by the United States and Virginia Constitutions. Clerks of the respective courts docket case files and maintain vital court and public records as required by State statutes, the Virginia Supreme Court and judges of the respective courts. The court support units have various missions: the Virginia Beach Court Service Unit (i.e., Juvenile Probation) provides comprehensive probation, parole, and intake services to the Juvenile and Domestic Relations District Court, Virginia Beach Police Department and the public; the Office of the Magistrate by virtue of the adult criminal and mental health laws is considered the first contact between citizens and the judicial system, and delivers professional and informed judicial services to all citizens, law enforcement, and government agencies twenty-four hours a day 365 days a year.

Objectives

Circuit Court: Compare favorably with State-Wide Court averages for adjudication of felony criminal cases within 120 days of arrest.

Clerk of the Circuit Court: Process and return real estate documents within 3 days of recordation to better serve the public.

General District Court: Try criminal, traffic, and civil cases.

Juvenile and Domestic Relations District Court: Receive, index and docket all new adult and juvenile cases.

Juvenile Probation (Virginia Beach Court Services Unit): To reduce the number of juveniles placed in secure detention by increasing the ratio of juveniles diverted to outreach detention in order to better manage the secure detention population and meet the needs of juveniles for whom secure detention is not the most appropriate choice.

Magistrates: Conduct bail hearings in felony and misdemeanor arrests, and determine the conditions by which the defendant may be released on bail or committed to the Correctional Center.

Magistrates: Conduct probable cause hearings involving criminal felony, misdemeanor and search warrants, and issue criminal processes as required by the Code of Virginia for law enforcement, governmental agencies, citizens and visitors within a reasonable time.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Circuit Court: felony cases - Virginia Beach courts disposition rates within 120 days (%)	54.10	48.60	51.60	49.80	49.80	49.80
Clerk of the Circuit Court: deeds recorded	156,305.00	144,509.00	123,400.00	129,570.00	136,049.00	142,851.00
Clerk of the Circuit Court: total documents recorded	195,238.00	204,821.00	183,647.00	185,483.00	187,338.00	189,212.00
General District Court: new cases filed	176,900.00	180,539.00	194,248.00	206,750.00	214,984.00	215,413.00
Juvenile and Domestic Relations District Court: new case filings	32,071.00	33,563.00	35,140.00	36,792.00	38,521.00	40,332.00
Juvenile Probation: number of children placed in less secure detention facilities	228.00	240.00	254.00	255.00	255.00	255.00
Magistrates: bail hearings conducted	29,567.00	32,721.00	31,793.00	32,747.00	33,729.00	34,741.00
Magistrates: probable cause hearings held within 30 minutes of an appearance before a magistrate	27,890.00	28,996.00	30,455.00	31,369.00	32,309.00	33,279.00
<u>Quality</u>						
Circuit Court: % disposition of criminal felony cases above State average	4.80	1.50	6.40	3.80	3.80	3.80
General District Court: cases tried per judge	26,100.00	26,602.00	27,750.00	29,538.00	30,716.00	31,330.00
Juvenile Probation: number of children placed in detention outreach program	292.00	174.00	198.00	219.00	238.00	275.00
<u>Efficiency</u>						
Clerk of the Circuit Court: % of deeds returned within three days	100.00	100.00	100.00	100.00	100.00	100.00
General District Court: cases tried per clerk	3,200.00	3,267.00	3,350.00	3,566.00	3,659.00	3,732.00
Juvenile Probation: % of juveniles eligible for secure detention who are diverted to the detention outreach program	17.60	29.80	32.40	33.00	33.00	33.00

Performance Measurement Explanation

Juvenile and Domestic Relations District Court, new case filings: cases filed are based on calendar year not fiscal year.

Program Description

The services provided by the Courts and Courts' Support may be divided into the following areas:

Virginia Beach Circuit Court is the trial court of record in the City. This court hears cases such as felonies and misdemeanors originating from grand jury indictments; appeals of felonies and misdemeanors committed by juveniles; cases involving juveniles 14 or older that have been certified to the Circuit Court by the Juvenile and Domestic Relations District Court; civil cases (exclusive for almost all claims exceeding \$15,000 and concurrent jurisdiction with the General District Court for claims from \$4,500 to \$15,000); equity suits; adoptions; name changes; appeals from General District Court; appeals from Juvenile and Domestic Relations District Court; and writs of mandamus, prohibition, and certiorari involving proceedings arising from actions of the local governing body.

General District Court hears cases such as traffic violations; civil cases (exclusive original jurisdiction for almost all claims not exceeding \$4,500) and concurrent jurisdiction with the Circuit Court claims from \$4,500 to \$15,000; criminal misdemeanors; preliminary hearings for criminal felonies; bond hearings and arraignments. This Court also conducts preliminary hearings in adult felony cases, all traffic infractions involving adults, and conducts mental commitment hearing.

Juvenile and Domestic Relations District Court hears such cases as delinquents; juveniles accused of traffic violations; children in need of services; children in need of supervision; children who have been subjected to abuse or neglect; family or household members who have been subjected to abuse; adults accused of child abuse or neglect or of offenses against members of their own family (juvenile or adult); adults involved in disputes concerning the support, visitation, parentage, or custody of a child; adults involved in criminal matters where children or family/household members are named victims; abandonment of children; foster care and entrustment agreements; court-ordered rehabilitation services; and court consent for certain medical treatments. The judges also present operator's licenses to approximately 100 juveniles on Wednesdays.

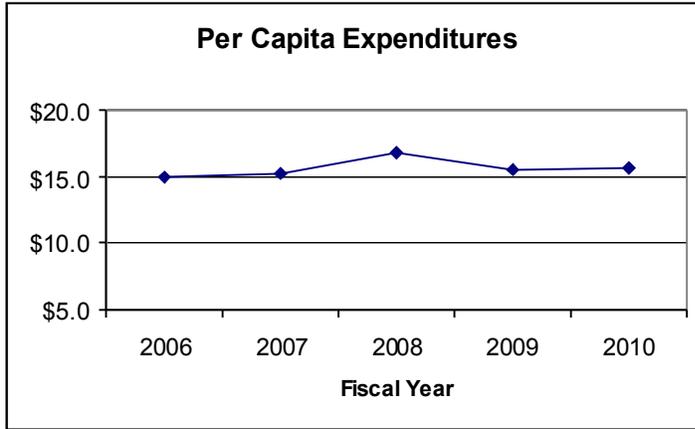
Clerk of the Circuit Court provides a reliable records system and administers the Courts responsively and fairly for the legal community and the general public. This unit is charged with the custody, safekeeping, and proper indexing of legal and quasi-legal papers deposited in the Clerk's Office. This office records land documents and plats; files and docket Civil, Criminal, and Chancery cases; assigning a deputy clerk to each courtroom to assist the Circuit Court judges; handling the probate of wills; issuing hunting and fishing licenses; issuing marriage licenses; processing notary public applications; docketing judgments and financial statements; recording military discharge forms (DD-214); and recording business assumed-name certificates.

The Magistrate conducts an independent, unbiased review of all criminal complaints, probable cause search warrant hearings, specifically defined civil complaints and all involuntary mental commitment hearings as presented by law enforcement officers, local, State, or Federal governmental agencies, citizens, and visitors to Virginia Beach. The Magistrate serves as a neutral judicial officer of the court and is often the first contact and may be the only access that a citizen may have into the court system. The Magistrate's office issues arrest warrants; issues search warrants; admits to bail or commits to jail; issues summonses in misdemeanor cases and subpoenas; issues civil warrants; accepts prepayment for certain offenses (certain traffic and minor misdemeanor violations); issues emergency custody orders; issues temporary mental detention orders; issues medical emergency detention orders; issues emergency protective orders (family abuse cases); and issues out of service orders (this prohibits a person who has been found to have a measurable amount of alcohol in his/her blood from driving a commercial motor vehicle for a period of twenty-four hours).

Court Services Unit (Juvenile Probation) provides probation supervision to children placed on probation by the Juvenile Court and parole services to those youth who have been committed to the Department of Juvenile Justice. The Court Services Unit processes all petitions for the Juvenile Court and provides intake services to the Virginia Beach Police and the general public. Support services are provided to victims of spousal abuse. The Unit prepares all social history background investigations for the Juvenile Court and refers juveniles who are before the Court to community-based systems of sanctions, programs, and services.

Productivity and Results

- The increase in FY 2008 is due to a mid-year increase totaling \$526,100 of State funding for the Clerk of the Circuit Court for technology.



- The State continues to hold funding for the Courts constant, or in some cases, has reduced funding. City Council's policy of not supplanting State funding has resulted in very little change in the budget amounts.
- According to State Supreme Court standards, the Clerk of the Circuit Court, General District Court, and the Magistrates Office are considered understaffed, but State budgetary constraints prevent the providing of additional personnel. Despite this, these units are above the State average in efficiency. The Circuit Court is projected at 3.8% above the State average.

computer hardware and software costs over to the Commonwealth, and by replacing City owned magistrate police video conferencing equipment with State owned equipment.

- Through the years, the Magistrate has been able to keep City operating costs low by transferring City

Biennial Budget Analysis

- Pre-dispositional services provide shelter care and alternative options to juveniles before their sentences are determined by a judge. These services account for the largest portion of the Court Services Unit and total \$1.6 million in FY 2008-09. Post-dispositional City funding which provides additional funding above State provided amount for temporary beds for juveniles was reduced in FY 2008-09 by approximately \$50,000.
- The State Supreme Court recommends an additional eighth judge for the General District Court. With an additional judge, there would be two additional deputy clerks as support staff. The State budget does not fund these positions. If ever approved by the State, the City would be responsible for providing office space.
- The shortage of office space and the lack of secure storage of court records remains a problem for the court units.
- To meet budgetary constraints, the Clerk of the Circuit Court had to reduce contracted manpower, office supplies, and other accounts totaling \$54,358. Should the State budget reduce reimbursements to localities, budget units such as the Clerk's may have to resort to reduced hours of operations or the furloughing of employees.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
<u>Program Summary</u>						
002 General Fund						
Circuit Court	\$958,766	\$1,032,619	\$996,122	\$-36,497	\$1,018,312	\$22,190
General District Court	284,090	329,171	315,772	-13,399	322,087	6,315
Juvenile and Domestic Relations District Court	133,423	155,480	166,299	10,819	163,504	-2,795
Clerk of the Circuit Court	2,682,951	2,699,329	2,818,599	119,270	2,826,636	8,037
Magistrates	131,726	140,181	128,343	-11,838	130,910	2,567
Juvenile Probation	1,919,092	2,044,438	2,013,696	-30,742	2,053,706	40,010
Juvenile Probation CHINS Unit	219,872	333,621	294,489	-39,132	305,136	10,647
Total 002 Fund	\$6,329,920	\$6,734,839	\$6,733,320	\$-1,519	\$6,820,291	\$86,971
950 Circuit Court Clerk Technology Fund						
Circuit Court Clerk Technology Fund	\$1,161,831	\$525,000	\$0	\$-525,000	\$0	\$0
Total 950 Fund	\$1,161,831	\$525,000	\$0	\$-525,000	\$0	\$0
Total Program Summary	\$7,491,751	\$7,259,839	\$6,733,320	\$-526,519	\$6,820,291	\$86,971
<u>Position Summary by Program</u>						
002 General Fund						
Circuit Court	12.00	12.00	12.00	0.00	12.00	0.00
Clerk of the Circuit Court	58.00	58.00	58.00	0.00	58.00	0.00
Juvenile Probation	1.00	1.00	1.00	0.00	1.00	0.00
Juvenile Probation CHINS Unit	5.00	5.00	5.00	0.00	5.00	0.00
Total 002 Fund	76.00	76.00	76.00	0.00	76.00	0.00
Total Position Summary by Program	76.00	76.00	76.00	0.00	76.00	0.00

Resource Summary Notes

It is anticipated that State funding will be allocated to the Circuit Court Clerk Technology Fund during both FY 2008-09 and FY 2009-10. An ordinance will be forwarded to City Council once the amount is known.

Emergency Medical Services Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$4,236,444	\$4,385,659	\$4,625,456	\$239,797	\$4,732,400	\$106,944
Operating	2,638,064	2,829,963	2,675,886	-154,077	2,743,568	67,682
Capital	<u>22,718</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$6,897,226</u>	<u>\$7,215,622</u>	<u>\$7,301,342</u>	<u>\$85,720</u>	<u>\$7,475,968</u>	<u>\$174,626</u>
Fees	\$9,712	\$1,440	\$1,440	\$0	\$1,440	\$0
State	<u>362,192</u>	<u>305,000</u>	<u>311,100</u>	<u>6,100</u>	<u>323,100</u>	<u>12,000</u>
Total	<u>\$371,904</u>	<u>\$306,440</u>	<u>\$312,540</u>	<u>\$6,100</u>	<u>\$324,540</u>	<u>\$12,000</u>
General City Support	<u>\$6,525,322</u>	<u>\$6,909,182</u>	<u>\$6,988,802</u>	<u>\$79,620</u>	<u>\$7,151,428</u>	<u>\$162,626</u>
Total FTE Count	56.50	56.50	56.50	0.00	56.50	0.00

Mission Statement

The mission of the Department of Emergency Medical Services (EMS) is to respond to the community to preserve life, improve health, and promote safety through emergency response, public education, and safety initiatives that are valued by our customers and achieve the City Council goals and vision for the future. This mission is accomplished through the effective and efficient utilization of volunteer rescue squad members, career paramedics and Fire Department first responders. Virginia Beach is the only large City in America to rely heavily on volunteers to provide emergency medical care.

Objectives

To continue to make volunteers a key component in the provision of comprehensive emergency services.

To actively recruit and retain qualified and dedicated volunteers.

To maintain a minimum of 8 ambulances staffed continuously, with the capability to increase that number to 9 or greater in peak demand times based on call volume.

To provide adequate advanced life support coverage citywide, through the use of volunteer and career staff.

To provide rapid and appropriate basic and advanced patient care and rescue services to the public.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of ALS personnel recertified	19.00	19.00	25.00	25.00	25.00	25.00
Number of EMTs certified	35.00	72.00	90.00	90.00	90.00	90.00
Number of ALS personnel certified (new ALS providers) by EMS training	15.00	15.00	30.00	15.00	15.00	15.00
Number of EMS calls for service	35,649.00	36,718.00	37,820.00	38,954.00	40,122.00	41,326.00
Number of rescues performed by the Marine response team	18.00	18.00	19.00	19.00	19.00	19.00
<u>Quality</u>						
Percent of time that nine ambulances are continuously staffed	0.00	85.00	84.00	82.00	80.00	80.00
<u>Efficiency</u>						
Number of operational volunteers	381.00	400.00	425.00	425.00	425.00	425.00

Performance Measurement Explanation

Number of ALS personnel recertified - ALS recertifications are required for providers every 2 years and BLS recertifications are required every 3 years. There is an expected increase in these figures as career positions are now a possibility for volunteers if certified.

The number of EMTs certified has tripled due to the fact that two training positions that were constantly vacant have now been filled allowing EMS to offer more classes.

Number of ALS personnel certified by EMS training - these numbers include only volunteers. An increase occurred in FY 2006-07 as several providers were closer to meeting the ALS requirements due to their time in service.

The percent of the time that nine ambulances are staffed was a new measure in FY 2005-06 and has limited prior data.

The number of volunteers counts only those members who are on ambulances.

Program Description

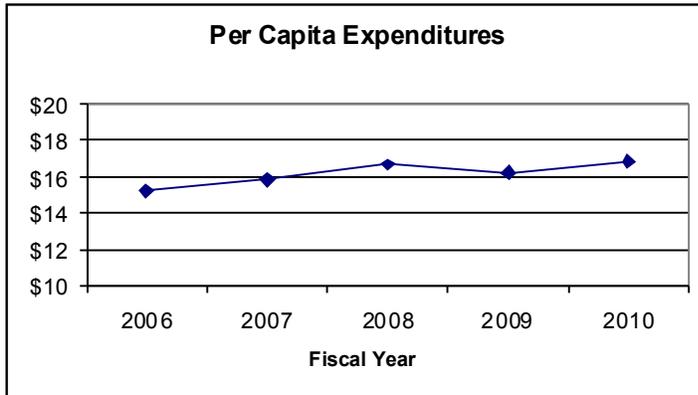
The Core Services of the Emergency Medical Services Department is divided into three broad areas:

Operations and Emergency Response includes the basic medical services that respond to emergency calls in the City.

Regulation and Enforcement primarily is comprised of the lifeguard contract covering the oceanfront, Sandbridge and several other beaches in the City.

Training includes the mandatory cost of keeping personnel certified to work on ambulances and perform medical duties.

Productivity and Results



- The Lifeguard contract has been reduced by over \$260,000 in EMS' budget in FY 2008-09 which explains the decrease in the graph.
- Given Council's decision to increase the VRS Multiplier for public safety employees in FY 2007-08 and use General Increases in FY 2008-09 to offset this cost, the salaries for the EMS Department are relatively flat between FY 2007-08 and FY 2008-09.
- The EMS Department continues to see a steady increase in the number of calls for service. The average annual increase in the number of calls for service since FY 2002 is

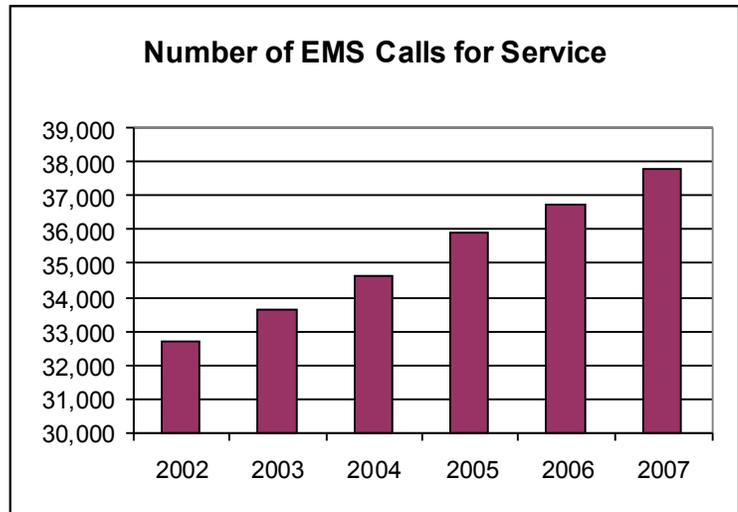
2.9%. While this number may not seem significant, the difference in call volume from FY 2002 to FY 2007 is 15%. City Council has addressed this issue by adding paid paramedics to supplement the volunteer service.

- The volunteer rescues squads have also launched a campaign to attract new volunteers to the system which will also help with the increase in calls for service.

Biennial Budget Analysis

- The Four-for-Life Fund (158) is eliminated in this budget. These funds will now be shown in the Grants Consolidated Fund. This is an accounting change and will have no impact on the City's use of this funding source.

- The Lifeguard Contract for the City is kept in the EMS budget and is reduced by more than \$260,000 in FY 2008-09. Despite this reduction, lifeguarding service will continue at the resort area until dusk from May to September. Lifeguard services at Sandbridge and Croatan will be reduced.



Council Amendment

On May 13th the City Council adopted a budget that restored \$225,336 of funding to the lifeguard contract which is in the EMS budget. This will restore funding to ensure full lifeguard coverage at Sandbridge beaches.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% and swom officers from 0 to 1% for FY 2008-09, effective July 1, 2008. The proposed budget did not include a general increase for swom officers due to previous City Council action that enhanced the retirement benefits for swom officers with the increase costs offset by approximately 1.5% of a general increase. In FY 2009-10, all positions, including swom officers, will receive a 2.5% increase. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director's Office	\$587,403	\$623,111	\$608,350	\$-14,761	\$624,298	\$15,948
Operations	1,143,949	1,255,209	1,180,970	-74,239	1,217,858	36,888
Emergency Response System	2,703,675	2,896,605	2,963,884	67,279	3,032,959	69,075
Training	586,503	581,669	586,526	4,857	599,982	13,456
Regulation and Enforcement	1,594,441	1,554,028	1,650,512	96,484	1,677,771	27,259
Total 002 Fund	\$6,615,971	\$6,910,622	\$6,990,242	\$79,620	\$7,152,868	\$162,626
183 Grants Consolidated Fund						
Emergency Medical Services Grants	\$281,255	\$305,000	\$311,100	\$6,100	\$323,100	\$12,000
Total 183 Fund	\$281,255	\$305,000	\$311,100	\$6,100	\$323,100	\$12,000
Total Program Summary	\$6,897,226	\$7,215,622	\$7,301,342	\$85,720	\$7,475,968	\$174,626
Position Summary by Program						
002 General Fund						
Director's Office	7.50	7.50	7.50	0.00	7.50	0.00
Operations	2.00	2.00	2.00	0.00	2.00	0.00
Emergency Response System	37.00	37.00	37.00	0.00	37.00	0.00
Training	7.00	7.00	7.00	0.00	7.00	0.00
Regulation and Enforcement	3.00	3.00	3.00	0.00	3.00	0.00
Total 002 Fund	56.50	56.50	56.50	0.00	56.50	0.00
Total Position Summary by Program	56.50	56.50	56.50	0.00	56.50	0.00

Fire Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$36,067,856	\$38,648,136	\$38,977,540	\$329,404	\$39,980,848	\$1,003,308
Operating	3,633,115	4,792,290	4,331,189	-461,101	4,456,127	124,938
Capital	662	0	0	0	9,742	9,742
Reserves	0	0	0	0	0	0
Transfers	0	0	400,000	400,000	400,000	0
Total	<u>\$39,701,633</u>	<u>\$43,440,426</u>	<u>\$43,708,729</u>	<u>\$268,303</u>	<u>\$44,846,717</u>	<u>\$1,137,988</u>
Fees	\$350,355	\$160,000	\$474,922	\$314,922	\$472,252	-\$2,670
Federal	52,914	1,071,571	42,000	-1,029,571	52,000	10,000
State	<u>1,078,527</u>	<u>600,159</u>	<u>1,000,000</u>	<u>399,841</u>	<u>1,010,757</u>	<u>10,757</u>
Total	<u>\$1,481,796</u>	<u>\$1,831,730</u>	<u>\$1,516,922</u>	<u>-\$314,808</u>	<u>\$1,535,009</u>	<u>\$18,087</u>
General City Support	<u>\$38,219,837</u>	<u>\$41,608,696</u>	<u>\$42,191,807</u>	<u>\$583,111</u>	<u>\$43,311,708</u>	<u>\$1,119,901</u>
Total FTE Count	472.91	469.66	469.84	0.18	481.84	12.00

Mission Statement

The Virginia Beach Fire Department is a customer service organization partnering with communities, members, citizens and visitors to foster the feeling of safety any place, any time through planning, mitigation, response and restoration for fire and other related emergencies.

Objectives

Actively participate in the effective and timely delivery of comprehensive emergency services through a seamless and integrated response system.

Attain a clearance rate for arson cases that meets or exceeds the national average.

Ensure fire safety code compliance for all facilities inspected by the Fire Marshal's Office.

Provide basic fire and emergency medical training to new career members as well as providing training in unique volunteer opportunities.

Provide mandated, career development, and organizational enhancement training to all department personnel.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of training hours for career personnel	51,676.00	53,408.00	125,984.00	152,000.00	155,000.00	155,000.00
Number of training hours for volunteers	8,252.00	7,975.00	15,445.00	18,000.00	19,200.00	20,400.00
Number of arson incidents	245.00	163.00	158.00	165.00	170.00	170.00
Number of fire inspections completed	8,690.00	5,477.00	5,967.00	6,400.00	5,600.00	5,700.00
Number of fire responses that were actual fires	1,128.00	1,353.00	1,397.00	1,453.00	1,511.00	1,571.00
Number of fire responses to EMS calls	15,136.00	14,992.00	16,758.00	18,769.00	21,021.00	23,544.00
<u>Quality</u>						
Retention rate for certified recruits	90.00	95.00	95.00	95.00	95.00	95.00
Retention rate for non-certified recruits	80.00	85.00	85.00	85.00	85.00	85.00
Percent of arson cases cleared	40.00	59.00	23.00	20.00	20.00	20.00

Performance Measurement Explanation

The increase in training hours for career personnel is due to two additional in-service trainings conducted, starting in FY 2006-07.

The increase in training hours for volunteer personnel is due to an increase in Support Technicians and training sessions held.

Due to a significant decrease in the number of juvenile arsons since FY 2004-05, the total number of arson incidents has decreased.

The number of fire inspections are expected to decrease in FY 2008-09 and FY 2009-10 with the loss of Fire Inspectors.

Fire calls include all fires, such as structure, vehicle, dumpster, and brush fires, etc.

With a significant decrease in the number of juvenile arsons, the percent of arson cases cleared is declining. Generally, the juvenile arson cases are the easiest to clear.

Program Description

The core services provided by the Fire Department can be divided into the following areas:

Fire Marshall's Office which includes the inspection of buildings and review of fire codes and arson inspectors along with most of the department's administrative staff.

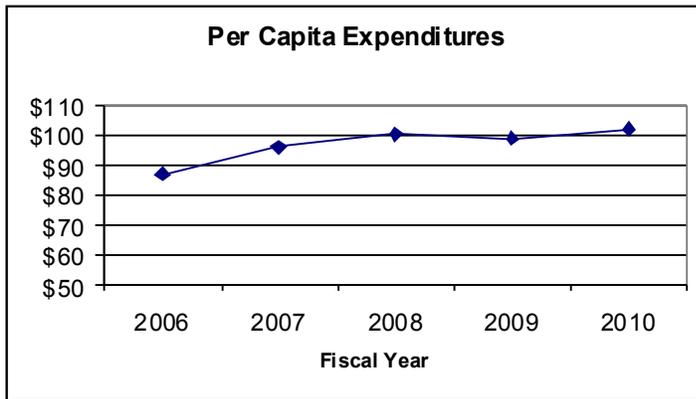
Fire Operations includes the firefighters in the field who respond to emergency calls along with operational equipment.

Emergency Management handles Citywide emergency planning.

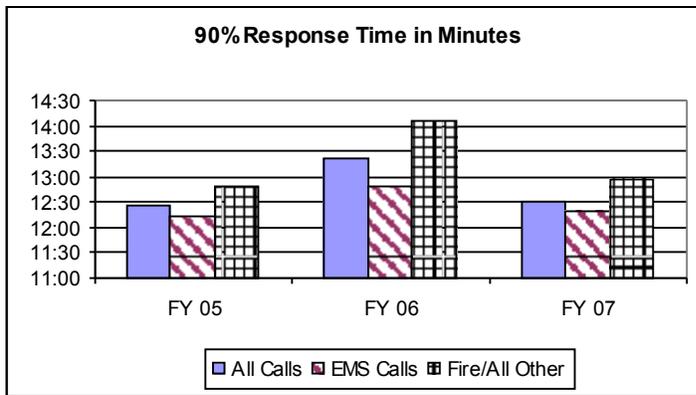
Fire Training shows the costs of the department's training at the Fire Training Center on Birdneck Road.

Grants Funding mostly represents the Fire Programs which is State revenue.

Productivity and Results



- 12 new positions are added in FY 2009-10 for the ladder truck at the Thalia Firestation. These positions are not expected to start until February 2010.
- In FY 2007-08, City Council voted to increase the Virginia Retirement System Multiplier for uniform public safety positions. In order to fund this increased cost, Council agreed that these positions would not receive a 1.5% General Increase in FY 2008-09 that all other employees would receive. This applies to all uniformed positions within the Fire Department. However, a 1.5% General Increase is included for these employees in FY 2009-10.



- This graph shows the 90% response time for the Fire Department (from the time a call is placed until the first Fire unit arrives on-scene). The graph shows the Fire Department's response time to 90% of their calls.
- Emergency Medical Service (EMS) Calls are medical incidents only, responded to by Fire Department personnel.
- Fire/All Other calls include all fires (structure, vehicle, brush, etc), Hazmat, technical rescue incidents, miscellaneous, and non-emergency requests for assistance.

- Due to more accurate reporting of data, the response times for the Fire Department were higher in FY 2005-06 than FY 2006-07.

Biennial Budget Analysis

- The Fire Marshall's Office has proposed a new \$50 inspection fee for all buildings that are inspected. This new fee will help recover more of the actual inspection costs and will be charged at each inspection. This revenue is expected to bring in approximately \$320,000 each year.
- The FEMA program was removed from the Department's budget due to timing issues with the Federal Government's awards. The actual grant awards from FEMA came in 4-5 months after the budget was adopted and required more adjustments. Instead, these grants will be appropriated by City Council when they are actually received. It should be noted that the FEMA program is still 100% Federally funded, and this change in the budget will have no affect on operations. The FY 2007-08 adjusted budget will show a reduction of 3.25 FTEs and by approximately \$1 million in expenditures for this adjustment.

- The Fire Programs fund has been eliminated and these funds have been moved into the Grants Consolidated Fund. Due to the increase in revenue, \$600,000 of Fire Programs is budgeted in the Operating Budget and \$400,000 is budgeted as a transfer to CIP #3-133 Fire Training Center Improvements.
- There is an increase of 0.18 FTEs due to a part-time storekeeper position working more hours in FY 2008-09.
- Five Lifesafety Educators, have been eliminated in this budget. This will reduce the Department's FTE count by 5. These educators will no longer make presentations in Schools or other public displays.
- Four part-time inspectors have been eliminated in this budget. This will reduce the Department's FTE count by 1.96. This will likely alter the inspection schedule for light office and light commercial buildings that have a limited public presence from inspections every three years to inspections every four years or more. Buildings that have heavy public presence will still be inspected once a year.

Council Amendment

On May 13, 2008, City Council voted to restore the part-time fire inspectors, which increased the FTE's by 1.96, at a cost of \$78,507 and to restore the Life Safety educators, which includes 5 FTE's, at a cost of \$301,159.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% and sworn officers from 0 to 1% for FY 2008-09, effective July 1, 2008. The proposed budget did not include a general increase for sworn officers due to previous City Council action that enhanced the retirement benefits for sworn officers with the increase costs offset by approximately 1.5% of a general increase. In FY 2009-10, all positions, including sworn officers, will receive a 2.5% increase. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Fire Marshall's Office	\$3,931,235	\$3,892,879	\$4,808,799	\$915,920	\$4,916,212	\$107,413
Emergency Management	0	231,915	252,317	20,402	258,081	5,764
Fire Operations	33,771,746	36,264,064	36,514,318	250,254	37,502,574	988,256
Fire Training	1,492,741	1,431,838	1,133,295	-298,543	1,159,093	25,798
Total 002 Fund	\$39,195,722	\$41,820,696	\$42,708,729	\$888,033	\$43,835,960	\$1,127,231
183 Grants Consolidated Fund						
Fire - Grants	\$283	\$1,019,571	\$0	-\$1,019,571	\$0	\$0
Fire Program Grants	505,628	600,159	600,000	-159	610,757	10,757
Transfer to Other Fund	0	0	400,000	400,000	400,000	0
Total 183 Fund	\$505,911	\$1,619,730	\$1,000,000	-\$619,730	\$1,010,757	\$10,757
Total Program Summary	\$39,701,633	\$43,440,426	\$43,708,729	\$268,303	\$44,846,717	\$1,137,988

Position Summary by Program

002 General Fund						
Fire Marshall's Office	41.96	38.96	55.84	16.88	55.84	0.00
Emergency Management	0.00	3.00	3.00	0.00	3.00	0.00
Fire Operations	408.00	408.00	400.00	-8.00	412.00	12.00
Fire Training	18.70	18.70	10.00	-8.70	10.00	0.00
Total 002 Fund	468.66	468.66	468.84	0.18	480.84	12.00
183 Grants Consolidated Fund						
Fire - Grants	3.25	0.00	0.00	0.00	0.00	0.00
Fire Program Grants	1.00	1.00	1.00	0.00	1.00	0.00
Total 183 Fund	4.25	1.00	1.00	0.00	1.00	0.00
Total Position Summary by Program	472.91	469.66	469.84	0.18	481.84	12.00

Resource Summary Notes

The Emergency Management budget unit was added in FY 2007-08 budget and did not have a prior history.

Police Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$69,384,155	\$75,983,548	\$75,869,073	\$-114,475	\$77,525,047	\$1,655,974
Operating	11,287,126	12,429,911	11,664,463	-765,448	11,892,658	228,195
Capital	54,998	0	2,284	2,284	0	-2,284
Reserves	0	1,157	622	-535	1,592	970
Total	<u>\$80,726,279</u>	<u>\$88,414,616</u>	<u>\$87,536,442</u>	<u>\$-878,174</u>	<u>\$89,419,297</u>	<u>\$1,882,855</u>
Fees	\$536,938	\$700,640	\$3,547,769	\$2,847,129	\$2,699,958	\$-847,811
Federal	152,262	61,582	71,893	10,311	73,841	1,948
State	794,011	814,784	646,000	-168,784	775,200	129,200
Transfers	741,204	0	0	0	0	0
Total	<u>\$2,224,415</u>	<u>\$1,577,006</u>	<u>\$4,265,662</u>	<u>\$2,688,656</u>	<u>\$3,548,999</u>	<u>\$-716,663</u>
General City Support	<u>\$78,501,864</u>	<u>\$86,837,610</u>	<u>\$83,270,780</u>	<u>\$-3,566,830</u>	<u>\$85,870,298</u>	<u>\$2,599,518</u>
Total FTE Count	1,016.02	1,015.02	1,005.86	-9.16	1,005.86	0.00

Mission Statement

The Virginia Beach Police Department is committed to providing a safe community and improving the quality of life for all people. This is accomplished by delivering quality police services and enforcing laws with equity and impartiality. In partnership with the community, the Department reduces crime through public education, prevention, and awareness. In meeting this objective, the Police Department demands of its officers the highest professional standards and dedication to core values.

Objectives

Maintain a clearance rate for burglaries that exceeds the national large City average of 10.5%.

Maintain a clearance rate for Part I Violent Crime (homicide, rape, robbery, and aggravated assault) that exceeds the national large City average of 38.6%.

Maintain a timely response to emergency calls for service.

Provide basic training to police recruits.

Provide in-service training to sworn and auxiliary officers.

Teach crime prevention courses to students in all Virginia Beach Public Schools.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Average percent of sworn positions vacant	6.00	4.00	4.00	2.00	2.00	2.00
Hours of basic training provided to all recruits	42,750.00	56,050.00	49,521.00	50,000.00	47,000.00	47,000.00
Number of students participating in Crime Prevention Unit Programs	12,900.00	11,952.00	10,170.00	11,000.00	11,000.00	11,000.00
Number of uniform patrol emergency calls for service	13,360.00	12,657.00	13,243.00	14,534.00	15,000.00	15,000.00
Total sworn turnover rate	8.10	7.80	9.70	9.00	9.00	9.00
<u>Quality</u>						
Part I percentage of property crime cleared	23.70	23.80	25.20	25.90	25.00	25.00
Average police response time to emergency calls	6.10	6.30	6.50	6.30	6.40	6.40
Part I property crime rate per 1,000 population	31.40	30.80	29.70	29.70	30.00	30.00
Part I total crime rate per 1,000 population	33.70	33.80	32.70	32.30	32.70	32.70
Part I violent crime clearance rate for Virginia Beach	62.60	51.50	54.20	57.80	55.00	55.00
Part I violent crime rate per 1,000 population	2.30	2.80	2.90	2.50	2.70	2.70

Program Description

The Police Department is divided into the following major categories:

Uniform Patrol includes the basic patrol of the City.

Administration and Analysis handles the Department's day-to-day operations as well as analysis of crime statistics and field deployment.

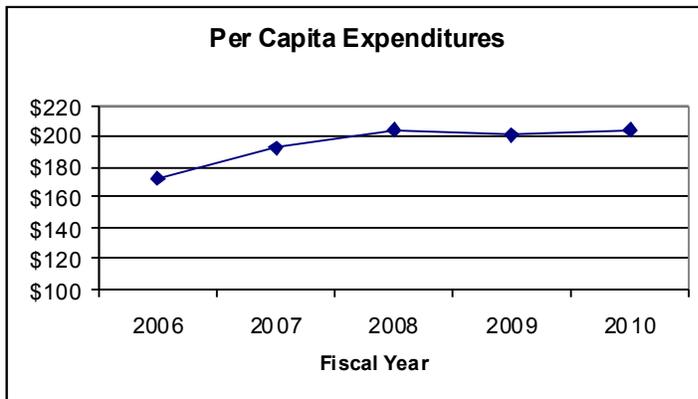
Crime Investigation performs follow up investigations and works to find and apprehend suspects.

Animal Control deals with emergency service calls for dogs, cats and other animals that are a problem for the community.

Mounted Patrol includes officers on horseback who patrol heavily crowded areas such as the summertime oceanfront patrol, high school football games, and for special events such as 4th of July and Neptune Festival.

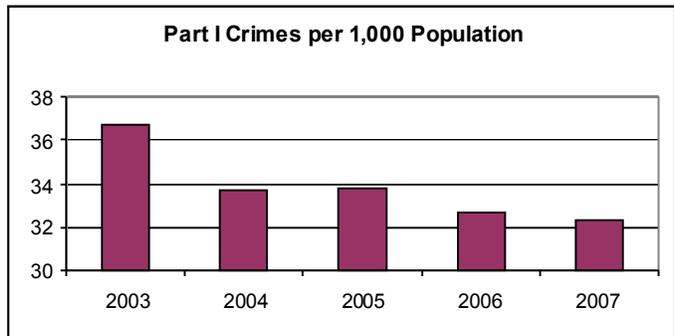
Marine Patrol ensures safety of waterways and the Atlantic Ocean inside of Coast Guard patrolled areas.

Productivity and Results



- Most of the increases in the Police Department's budget are related to the public safety pay plan implemented in FY 2006-07, continuing in FY 2007-08.
- In FY 2007-08, City Council voted to increase the Virginia Retirement System Multiplier for uniform public safety positions. In order to fund this increased cost, Council agreed that these positions would not receive a 1.5% General Increase in FY 2008-09 that all other employees would receive. This applies to all sworn positions within the Police Department. However, a 1.5% General Increase is included for these employees in FY 2009-10.

- Part I Crimes include homicide, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson. While the overall trend has been down for these crimes, the violent crime rate (homicide, rape, robbery, and aggravated assault) has recently increased (2.3 in 2003 and 2004; 2.8 in 2005; 2.9 in 2006; and 2.5 in 2007), primarily as a result of an increase in robberies.



Biennial Budget Analysis

- A Master Police Officer in Uniform Patrol was converted to an Animal Control Supervisor in Animal Control. This has reduced the department's sworn staffing by one position. This will increase staffing in the Animal Control bureau by one FTE. A Superintendent of Animal Control was converted into a Police Lieutenant in Animal Control. This will increase the department's sworn staffing by one position.
- The Police Extraditions Special Revenue Fund (146) has been eliminated. These functions will still be carried out but in the General Fund instead. This program is 100% offset by State funding.
- Two part-time Police Officers are added to assist with the Red Light Camera Program (total of 1.6 FTEs). These positions are backed by revenues generated by the red light camera program. Ten additional cameras are also included in this budget, which provides 20 red light cameras scheduled for operation in FY 2008-09.
- Two part-time Account Clerks are added to assist with a new false alarm program (total of 1.75 FTEs). The program would charge residential owners \$150 after two false alarms and commercial owners \$250 after two false alarms. The

program is expected to generate \$1,113,909 in the first year but drop significantly (due to better compliance) to \$461,257 in FY 2009-10.

- The Courtesy Patrol (7.88 FTEs) is eliminated in this budget. These part-time employees assist at the resort area during the summer with tourists and residents who need help with non-emergency situations.
- The Community Service Officers is reduced in this budget by 2.7 FTEs. This will require sworn officers to spend more of their time assisting with non-emergency situations (directing traffic when power is out, waiting for tow trucks, etc.)
- A part-time background investigator (0.93 FTE) is reduced in this budget.
- An administrative assistant (1 FTE) in Crime Prevention has been eliminated.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% and sworn officers from 0 to 1% for FY 2008-09, effective July 1, 2008. The proposed budget did not include a general increase for sworn officers due to previous City Council action that enhanced the retirement benefits for sworn officers with the increase costs offset by approximately 1.5% of a general increase. In FY 2009-10, all positions, including sworn officers, will receive a 2.5% increase. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director's Office	\$1,592,979	\$1,735,016	\$1,676,534	\$-58,482	\$1,720,175	\$43,641
Auxiliary Police	9,042	38,080	0	-38,080	0	0
False Alarms	0	0	85,344	85,344	79,860	-5,484
Personnel and Training	3,093,570	3,268,034	3,892,225	624,191	3,954,542	62,317
Crime Prevention	832,593	931,703	818,622	-113,081	837,429	18,807
Support	3,661,499	4,052,475	3,882,502	-169,973	3,964,499	81,997
K-9 Unit	1,311,824	1,516,425	1,596,890	80,465	1,610,006	13,116
Helicopter Unit	541,854	599,805	1,162,015	562,210	1,186,768	24,753
Uniform Patrol	46,093,881	50,996,581	48,320,122	-2,676,459	49,264,220	944,098
Red Light Camera Program	0	305,000	1,255,169	950,169	1,278,911	23,742
Mounted Patrol	1,151,759	1,339,148	1,372,144	32,996	1,404,181	32,037
Marine Patrol	800,568	863,451	924,414	60,963	949,477	25,063
School Resource Officer Program	2,216,697	2,390,837	2,456,522	65,685	2,517,161	60,639
Investigative Division	11,284,024	12,211,894	12,241,279	29,385	12,541,086	299,807
Special Investigative Unit	4,420,013	4,966,086	4,813,042	-153,044	5,006,747	193,705
Commercial Extraditions	593,466	814,784	666,239	-148,545	679,564	13,325
Animal Control	2,153,423	2,303,315	2,281,917	-21,398	2,330,870	48,953
Police Store	0	20,400	19,569	-831	19,960	391
Total 002 Fund	\$79,757,192	\$88,353,034	\$87,464,549	\$-888,485	\$89,345,456	\$1,880,907
120 Federal Police Department Grant Fund						
Uniform Patrol Grant - FY 2004	\$234,040	\$0	\$0	\$0	\$0	\$0
Uniform Patrol Grant - FY 2005	603,203	0	0	0	0	0
Total 120 Fund	\$837,243	\$0	\$0	\$0	\$0	\$0
142 DEA Seized Property Special Revenue Fund						
DEA - Uniform Patrol Grant	\$21,999	\$0	\$0	\$0	\$0	\$0
DEA - K-9	4,900	0	0	0	0	0
DEA - Uniform Patrol	58,000	0	0	0	0	0
DEA - Mounted Patrol	14,315	0	0	0	0	0
Total 142 Fund	\$99,214	\$0	\$0	\$0	\$0	\$0
183 Grants Consolidated Fund						
Police - Uniform Patrol Grants	\$32,630	\$60,425	\$71,271	\$10,846	\$72,249	\$978
Reserve for Contingencies	0	1,157	622	-535	1,592	970
Total 183 Fund	\$32,630	\$61,582	\$71,893	\$10,311	\$73,841	\$1,948
Total Program Summary	\$80,726,279	\$88,414,616	\$87,536,442	\$-878,174	\$89,419,297	\$1,882,855

Position Summary by Program

002 General Fund						
Director's Office	15.80	15.80	16.80	1.00	16.80	0.00
False Alarms	0.00	0.00	1.75	1.75	1.75	0.00
Personnel and Training	27.65	29.65	30.72	1.07	30.72	0.00
Crime Prevention	9.00	9.00	8.00	-1.00	8.00	0.00
Support	56.00	56.00	55.00	-1.00	55.00	0.00
K-9 Unit	16.00	16.00	16.00	0.00	16.00	0.00
Helicopter Unit	5.00	5.00	5.00	0.00	5.00	0.00
Uniform Patrol	576.11	589.11	575.53	-13.58	575.53	0.00
Red Light Camera Program	0.00	0.00	1.60	1.60	1.60	0.00
Mounted Patrol	16.00	16.00	16.00	0.00	16.00	0.00
Marine Patrol	10.46	10.46	10.46	0.00	10.46	0.00
School Resource Officer Program	30.00	30.00	30.00	0.00	30.00	0.00
Investigative Division	148.00	147.00	147.00	0.00	147.00	0.00
Special Investigative Unit	58.00	57.00	57.00	0.00	57.00	0.00

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Position Summary by Program						
002 General Fund						
Animal Control	33.00	33.00	34.00	1.00	34.00	0.00
Total 002 Fund	1,001.02	1,014.02	1,004.86	-9.16	1,004.86	0.00
120 Federal Police Department Grant Fund						
Uniform Patrol Grant - FY 2004	4.00	0.00	0.00	0.00	0.00	0.00
Uniform Patrol Grant - FY 2005	10.00	0.00	0.00	0.00	0.00	0.00
Total 120 Fund	14.00	0.00	0.00	0.00	0.00	0.00
183 Grants Consolidated Fund						
Police - Uniform Patrol Grants	1.00	1.00	1.00	0.00	1.00	0.00
Total 183 Fund	1.00	1.00	1.00	0.00	1.00	0.00
Total Position Summary by Program	1,016.02	1,015.02	1,005.86	-9.16	1,005.86	0.00

Resource Summary Notes

The Federal Police Department Grant Fund (120) does not have funding since this fund handles the COPS program where the City is partially reimbursed for hiring new Police Officers.

The DEA Seized Property Special Revenue Fund (142) does not have funding because these funds are appropriated mid-year by City Council as the department identifies how much funding is available.

Sheriff and Corrections Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$26,508,973	\$27,785,067	\$28,204,383	\$419,316	\$28,271,074	\$66,691
Operating	6,739,436	6,876,959	7,924,560	1,047,601	7,552,219	-372,341
Capital	36,450	39,000	640,506	601,506	0	-640,506
Reserves	0	1,681	0	-1,681	0	0
Transfers	278,517	274,551	274,551	0	274,551	0
Total	<u>\$33,563,376</u>	<u>\$34,977,258</u>	<u>\$37,044,000</u>	<u>\$2,066,742</u>	<u>\$36,097,844</u>	<u>\$-946,156</u>
Fees	\$3,150,411	\$3,264,195	\$4,220,044	\$955,849	\$3,270,925	\$-949,119
Federal	217,558	321,200	240,900	-80,300	321,200	80,300
State	18,466,507	17,994,323	19,373,660	1,379,337	19,381,205	7,545
Transfers	12,379,464	13,397,540	13,209,396	-188,144	13,124,514	-84,882
Total	<u>\$34,213,940</u>	<u>\$34,977,258</u>	<u>\$37,044,000</u>	<u>\$2,066,742</u>	<u>\$36,097,844</u>	<u>\$-946,156</u>
General City Support	<u>\$-650,564</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total FTE Count	512.12	523.37	524.37	1.00	524.37	0.00

Mission Statement

The Sheriff's Department is responsible for the care and custody of persons placed in the Virginia Beach Correctional Center by the Courts. This includes the initial booking of the individual, providing food and medical care during their incarceration, and access to educational and work opportunities. This Department is also responsible for courtroom security and serving civil documents. In addition, the Department also works with elementary School children to teach them how to avoid many of the problems associated with drug use.

The Department is dedicated to the efficient and effective provision of Sheriff's services to our community. The commitment of the Department focuses on competent, expeditious, and courteous services that enhance citizen safety while providing value for their tax dollar. For example, the Sheriff's Work Force saves the citizens thousands of dollars each year by providing services that would otherwise have been paid for through tax revenues.

Objectives

Maintain incarceration facilities to house pre-trial and convicted City, State, and Federal inmates 365 days a year.

Process arrestees for all law enforcement agencies and record all processes to ensure prompt return of police officers to the streets.

Provide needed services to the community through the use of inmate labor, while providing the inmates an opportunity for skill and self development.

Provide the opportunity for persons unable to post bond prior to trial to be released from the jail.

Screen and monitor inmates assigned to work release and electronic home monitoring 24 hours per day to relieve jail overcrowding while providing safety and security to the public.

Teach D.A.R.E. curriculum to participating Virginia Beach elementary School children.

To provide safety and security for the judiciary (20 courtrooms) and public, 284 days per year.

To serve legal documents within time required by law.

Results

Indicator	<u>Actual</u>			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of inmates in Work Release (average)	10.00	8.00	12.00	15.00	15.00	15.00
Number of inmates/day (average)	1,277.00	1,365.00	1,544.00	1,606.00	1,678.00	1,754.00
Number of persons screened for release	25,682.00	26,700.00	27,419.00	28,242.00	29,090.00	29,961.00
<u>Quality</u>						
Estimated value of inmate time (\$)	913,920.00	928,427.00	943,160.00	943,160.00	943,160.00	943,160.00
Inmates over State Department of Corrections certified capacity	687.00	476.00	655.00	717.00	789.00	865.00
<u>Efficiency</u>						
Cost per inmate/day	53.55	56.97	57.24	58.67	60.14	61.64
Room and board collected per inmate per day (\$)	1.00	1.00	1.00	1.00	1.00	1.00

Program Description

The services provided by the Department of Sheriff and Corrections may be divided into two primary divisions, each with four operational units:

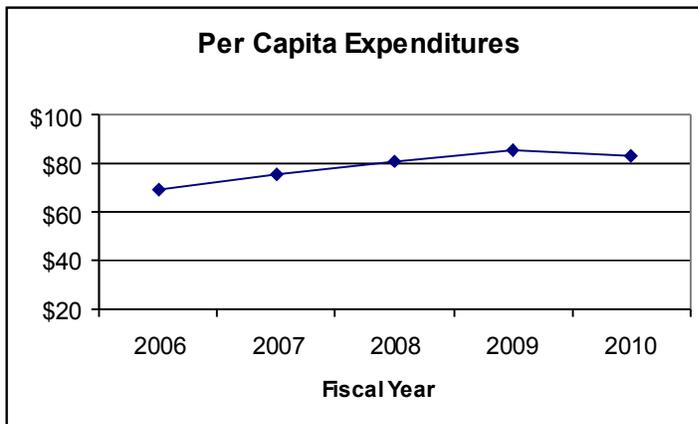
The Community Services Division includes:

- **Administration** - provides personnel, training and financial administration for the Department as well as program development.
- **Court Support** - provides security and order in the various Virginia Beach Courts, and processes and serves civil documents.
- **Workforce Services** - utilizes inmate labor to provide various services to the community at little cost, while providing inmates with the opportunity for skill and self-development.
- **Drug Abuse and Resistance Education (D.A.R.E.) Program** - provides drug education, stranger danger, and gun safety instruction by deputies to students.

The Correctional Services Division includes:

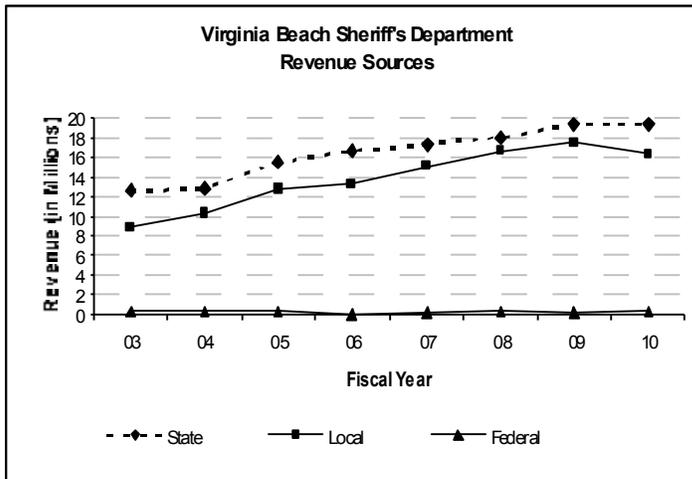
- **Correctional Operations** - provides for the care and custody of persons placed in the Virginia Beach Correctional Center. The functions include safety and security, providing food and medical care during incarceration, and access to educational and work opportunities.
- **Work Release Program** - allows the inmate to work daily and return to the jail at night.
- **Central Booking** - processes all arrestees for all law enforcement agencies utilizing the Virginia Beach Correctional Center. This involves fingerprinting and photographing of each arrestee.
- **Inmate Services** - provides additional services to inmates financed by inmate fees. These services include GED classes, substance abuse counseling, and provision of Alcoholics and Narcotics Anonymous.

Productivity and Results



- As the per capita expenditure graph to the left indicates, Sheriff's Department expenditures have increased each year between FY 2005-06 and FY 2008-09.
- The decline in FY 2009-10 is due to a one-time use of Fund Balance in the previous fiscal year to purchase equipment and supplies.
- The large increases other than personnel costs between FY 2005-06 and FY 2009-10 are related to increased costs to provide food and medical care to inmates and additional positions for security (see resource summary notes).

- As the graph below illustrates, State revenue continues to remain as the largest proportion of funding provided to support the Sheriff's Department.



- Federal revenue is based solely on the number of Federal prisoners per day which is less than 1% of total revenue for the Department.
- Local revenue includes City support to provide entry level Sheriff Deputy salaries at two pay ranges below an entry level police officer as well as providing funding for medical and food to inmates. Local revenue is 47% of the total revenue in FY 2008-09. The Sheriff's Department collects over \$3 million in local revenue for fees generated through programs such as workforce services, electronic monitoring and court security.

Biennial Budget Analysis

- FY 2008-09 and FY 2009-10 include funding for the inmate food and medical contracts as well as an additional security contract to provide maintenance and repairs for the jail.
- A Systems Analyst I (1.0 FTE) was added to both years of the biennium in the Inmate Services Fund and is 100% supported by revenue to provide computer maintenance and infrastructure support.
- One-time purchases such as bullet & shank proof vests, furniture and computers, a document tracking system for Civil Process, an industrial shredder, and a training system that offers interactive training, such as corrections scenario's, personal interaction and decision making are supported by fund balance from the Sheriff's Special Revenue Fund in FY 2008-09. The decline in FY 2009-10 funding is attributable to this one-time funding.
- Five x-ray machines are provided for FY 2008-09; two machines are to be purchased using City funds, two machines using fund balance from the Sheriff's Special Revenue Fund and one purchased from CIP #3-441. The five machines will provide a state of the art security system for the Court buildings that include bomb detection technology.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
149 Sheriff's Department Special Revenue Fund						
Sheriff's Office	\$2,061,164	\$2,223,125	\$2,312,764	\$89,639	\$1,767,251	\$-545,513
Court Support Services	2,938,583	3,427,463	3,706,219	278,756	3,277,355	-428,864
Correctional Operations	24,386,724	24,817,980	26,162,205	1,344,225	26,164,621	2,416
Work Release Facility	99,651	109,533	132,426	22,893	134,097	1,671
Centralized Booking	1,674,793	1,729,722	2,029,301	299,579	2,041,392	12,091
D.A.R.E. - Sheriff	434,582	675,936	680,572	4,636	682,335	1,763
Sheriff's Workforce	1,014,191	1,025,516	938,095	-87,421	941,478	3,383
Law Enforcement Training	138,393	116,667	137,955	21,288	139,536	1,581
Transfers to Other Funds	3,966	0	0	0	0	0
Total 149 Fund	\$32,752,047	\$34,125,942	\$36,099,537	\$1,973,595	\$35,148,065	\$-951,472
150 Inmate Services Special Revenue Fund						
Inmate Services	\$536,778	\$575,084	\$669,912	\$94,828	\$675,228	\$5,316
Reserve for Contingencies	0	1,681	0	-1,681	0	0
Transfer to Other Funds	274,551	274,551	274,551	0	274,551	0
Total 150 Fund	\$811,329	\$851,316	\$944,463	\$93,147	\$949,779	\$5,316
Total Program Summary	\$33,563,376	\$34,977,258	\$37,044,000	\$2,066,742	\$36,097,844	\$-946,156

Position Summary by Program

149 Sheriff's Department Special Revenue Fund						
Sheriff's Office	25.43	25.43	23.43	-2.00	23.43	0.00
Court Support Services	61.59	70.84	63.84	-7.00	63.84	0.00
Correctional Operations	351.60	351.60	362.60	11.00	362.60	0.00
Work Release Facility	1.00	1.00	1.00	0.00	1.00	0.00
Centralized Booking	35.00	37.00	37.00	0.00	37.00	0.00
D.A.R.E. - Sheriff	11.00	11.00	11.00	0.00	11.00	0.00
Sheriff's Workforce	15.00	15.00	13.00	-2.00	13.00	0.00
Law Enforcement Training	1.00	1.00	1.00	0.00	1.00	0.00
Total 149 Fund	501.62	512.87	512.87	0.00	512.87	0.00
150 Inmate Services Special Revenue Fund						
Inmate Services	10.50	10.50	11.50	1.00	11.50	0.00
Total 150 Fund	10.50	10.50	11.50	1.00	11.50	0.00
Total Position Summary by Program	512.12	523.37	524.37	1.00	524.37	0.00

Resource Summary Notes

Between FY 2006-07 and FY 2007-08, 11.25 FTEs were added. This included funding 2.0 full-time Record Technicians to support Central Booking. In addition, the Code of Virginia allowed localities to increase the assessment per conviction of a violation of any criminal or traffic violation from \$5 to \$10 per conviction. An additional 4.0 full-time Deputies and 5.25 part-time Court Security Screeners were added and are supported by this increase in revenue.

The increase between FY 2006-07 and FY 2007-08 is attributable to an increase in funding for the food and medical contract as well as the addition of new personnel.

The increase between FY 2007-08 and FY 2008-09 is attributable to one-time purchases using the Sheriff's Fund Balance, an increase in personnel costs and increases in City funding to support Sheriff equipment purchases including x-ray machines and contracts.

Planning and Community Development Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$8,693,783	\$9,222,124	\$9,316,379	\$94,255	\$9,524,590	\$208,211
Operating	3,571,017	4,036,040	4,688,952	652,912	4,669,402	-19,550
Capital	<u>149,052</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$12,413,852</u>	<u>\$13,258,164</u>	<u>\$14,005,331</u>	<u>\$747,167</u>	<u>\$14,193,992</u>	<u>\$188,661</u>
Fees	\$5,665,352	\$5,195,236	\$5,432,715	\$237,479	\$5,340,370	\$-92,345
Federal	15,000	0	0	0	0	0
Transfers	<u>1,022,831</u>	<u>879,885</u>	<u>919,585</u>	<u>39,700</u>	<u>933,311</u>	<u>13,726</u>
Total	<u>\$6,703,183</u>	<u>\$6,075,121</u>	<u>\$6,352,300</u>	<u>\$277,179</u>	<u>\$6,273,681</u>	<u>\$-78,619</u>
General City Support	<u>\$5,710,669</u>	<u>\$7,183,043</u>	<u>\$7,653,031</u>	<u>\$469,988</u>	<u>\$7,920,311</u>	<u>\$267,280</u>
 Total FTE Count	 128.00	 127.00	 125.00	 -2.00	 125.00	 0.00

Mission Statement

The Mission of the Department of Planning is to ensure the economic, social and physical quality of the community by: ensuring that the department is, and stays, aligned with Council's destination points; providing effective planning assistance and support to the City Council, City Manager and various Boards and Commissions; formulating a comprehensive plan for the orderly development and regeneration of the City with our citizens and through teamwork with other agencies; preserving the City's outstanding environmental resources; and providing quality customer service in the plan review, inspection, code enforcement, and administration process.

Objectives

Conduct at least 28 public presentations annually on planning matters.

Enforce and administer the City Zoning Ordinance.

Enhance public mobility by offering a wide range of innovative public transportation services that meet the needs of a wide range of user groups.

Hear and decide appeals from orders, requirements or decisions made by the zoning administrator.

Inspect and ensure code compliance with local, State, and Federal structural and environmental ordinances on a daily basis.

Issue building, plumbing, electrical and mechanical permits on a daily basis.

Provide approvable applications within 120 days of submission to Planning Commission, City Council, or Wetlands Board.

Provide waterfront plan review for Joint Permit Applications.

Provide written evaluation of all Chesapeake Bay Preservation Area site plans and Preliminary Project Request.

Provide written evaluation of all development plans.

Review for approval in a timely manner all site plans submitted for building permits; business licenses; peddler permits; mobile home permits; sign permits.

To hold a monthly workshop, field trip, and a formal public hearing in order for the Planning Commission to act on approximately 11 agenda items per month.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of applications processed to: City Council, Planning Commission, Chesapeake Bay Preservation Area Board, Wetlands Board, and Board of Zoning Appeals	1,017.00	925.00	874.00	779.00	750.00	750.00
Number of building permits, plumbing, electrical and mechanical inspections completed.	108,495.00	101,735.00	106,615.00	114,684.00	114,700.00	114,700.00
Number of building, plumbing, electrical, and mechanical permits issued	50,708.00	42,572.00	50,708.00	51,000.00	47,400.00	47,400.00
Number of waterfront plans reviewed for joint permit applications	362.00	353.00	313.00	225.00	225.00	200.00
Number of zoning inspections	31,032.00	33,059.00	32,988.00	27,612.00	27,500.00	27,500.00
Provide written evaluations of all development plans	3,708.00	3,701.00	3,064.00	3,256.00	2,950.00	2,950.00

Performance Measurement Explanation

The number of building, plumbing and electrical inspections is expected to remain fairly constant since these measures take into account existing structures and new structures. Inspections are constant also due to home renovations.

Many of the building permits, zoning inspections, and plans for new construction are expected to decrease through FY 2009-10 due to the slowdown in the housing market. This is different than the number of inspections.

Program Description

The Planning Department's budget supports five key functional areas:

Long Range Planning coordinates and implements policies and programs that manage the physical growth of the City.

Boards and Commissions is staffing support for planning items to City Council, Planning Commission, Wetlands Board, Board of Zoning Appeals, Chesapeake Bay Preservation Area Board, and Historic Review Board.

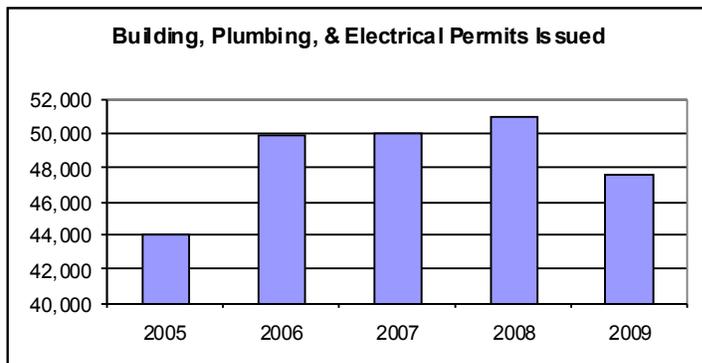
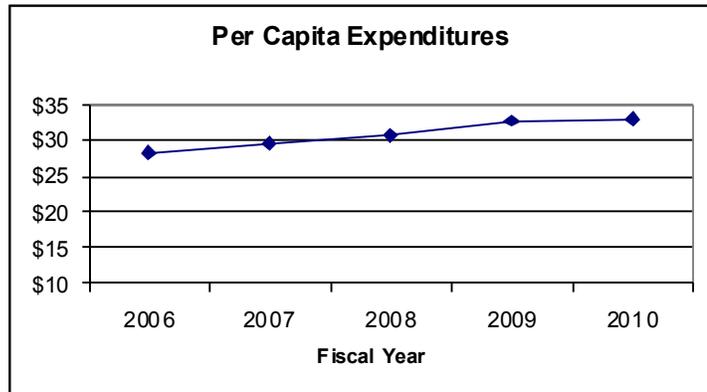
Development Services reviews and approves various plans including those for Commercial Sites, Subdivision Construction, Land Management and Chesapeake Bay Preservation Area Single Family.

Building Permits and Inspections issues permits for and performs inspections on building, plumbing, electrical and mechanical related items.

Mass Transit Operations is the City's Hampton Roads Transit (HRT) contribution. This includes contributions from the Lynnhaven TIF for routes that serve the Lynnhaven Mall, and the Tourism Growth Investment Fund to help offset the cost of trolleys at the Oceanfront.

Productivity and Results

- Most of the increase in the Planning Department's budget in FY 2008-09 is due to the increased cost for Hampton Roads Transit (HRT) and funding for the Comprehensive Plan. The City's entire HRT contribution is budgeted in the Planning Department.
- Due to increases in fuel costs and the new HRT labor agreement, the City's contribution to HRT is expected to increase by \$680,000 (21%) in FY 2008-09.
- A key measure for the Planning Department is the number of building, plumbing, and electrical permits issued. These measures have been



increasing along with the housing market. Permits are expected to decrease in FY 2009 because most economic forecasts are predicting continued decline in the housing market.

Biennial Budget Analysis

- \$94,000 is included in FY 2008-09 for the Comprehensive Plan Update. This funding will achieve effective public outreach to ensure active citizen participation, provide materials needed for public information meetings and public review of documents and maps, and hire outside professional services to improve the graphic quality and readability of the comprehensive plan. This

funding is not included in FY 2009-10 since the expenses will be incurred in FY 2008-09.

- A Planning Aide (1 FTE) and a Code Inspector (1 FTE) have been eliminated in FY 2008-09 due to the decrease in building permits.
- The Planning Department has reduced operating supplies across various budget units.

Council Amendment

On May 13, 2008, City Council voted to reduce the HRT contribution by \$207,997. This reduction came about as HRT was finalizing their cost estimates for the City. This figure was reported too late in the process to change the City Manager's proposed budget but is updated in the City Council's adopted budget. This reduction in cost is not a reduction in services.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
<u>Program Summary</u>						
002 General Fund						
Director's Office	\$1,399,406	\$1,397,718	\$1,470,275	\$72,557	\$1,502,991	\$32,716
Comprehensive Planning	547,119	633,831	726,272	92,441	646,650	-79,622
Environmental Management Center	232,044	211,975	216,173	4,198	221,258	5,085
Development Services	1,554,899	1,678,930	1,703,261	24,331	1,742,885	39,624
PU - Development Services	243,940	256,439	263,603	7,164	269,723	6,120
Current Planning	1,899,879	1,995,727	1,926,553	-69,174	1,965,206	38,653
Permits Administration	1,217,033	1,338,139	1,215,909	-122,230	1,241,739	25,830
Building Inspections	2,676,667	2,818,761	2,865,564	46,803	2,930,305	64,741
Zoning Board of Appeals	41,366	43,304	46,866	3,562	47,803	937
Mass Transit Operations	1,966,754	2,333,635	2,879,034	545,399	2,924,775	45,741
Wetlands Board	7,783	14,204	14,100	-104	14,382	282
Total 002 Fund	\$11,786,890	\$12,722,663	\$13,327,610	\$604,947	\$13,507,717	\$180,107
152 Tourism Growth Investment Fund						
TGIF - Mass Transit Operations	\$376,962	\$384,501	\$427,721	\$43,220	\$436,275	\$8,554
Total 152 Fund	\$376,962	\$384,501	\$427,721	\$43,220	\$436,275	\$8,554
165 Lynnhaven Mall Tax Increment Financing Fund						
Lynnhaven TIF - Mass Transit Operations	\$250,000	\$151,000	\$250,000	\$99,000	\$250,000	\$0
Total 165 Fund	\$250,000	\$151,000	\$250,000	\$99,000	\$250,000	\$0
Total Program Summary	\$12,413,852	\$13,258,164	\$14,005,331	\$747,167	\$14,193,992	\$188,661

Position Summary by Program

002 General Fund						
Director's Office	15.00	15.00	15.00	0.00	15.00	0.00
Comprehensive Planning	7.00	7.00	7.00	0.00	7.00	0.00
Environmental Management Center	2.00	2.00	2.00	0.00	2.00	0.00
Development Services	20.00	20.00	20.00	0.00	20.00	0.00
PU - Development Services	3.00	3.00	3.00	0.00	3.00	0.00
Current Planning	25.00	24.00	24.00	0.00	24.00	0.00
Permits Administration	14.00	14.00	13.00	-1.00	13.00	0.00
Building Inspections	42.00	42.00	41.00	-1.00	41.00	0.00
Total 002 Fund	128.00	127.00	125.00	-2.00	125.00	0.00
Total Position Summary by Program	128.00	127.00	125.00	-2.00	125.00	0.00

Public Utilities Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Depreciation and Bad Debt Expense	\$382,438	\$428,400	\$425,000	\$-3,400	\$433,500	\$8,500
Personnel	24,784,330	26,262,705	27,166,035	903,330	27,991,388	825,353
Operating	37,467,722	40,172,908	40,548,458	375,550	41,495,158	946,700
Capital	1,314,253	1,688,268	324,843	-1,363,425	89,844	-234,999
Debt Service	6,578,213	14,486,826	15,461,289	974,463	17,232,514	1,771,225
Reserves	0	1,597,312	4,215,966	2,618,654	3,630,149	-585,817
Transfers	11,749,846	12,123,581	13,331,732	1,208,151	14,467,857	1,136,125
Total	<u>\$82,276,802</u>	<u>\$96,760,000</u>	<u>\$101,473,323</u>	<u>\$4,713,323</u>	<u>\$105,340,410</u>	<u>\$3,867,087</u>
Fees	\$99,833,795	\$96,510,935	\$101,216,786	\$4,705,851	\$105,076,177	\$3,859,391
Transfers	241,811	249,065	256,537	7,472	264,233	7,696
Total	<u>\$100,075,606</u>	<u>\$96,760,000</u>	<u>\$101,473,323</u>	<u>\$4,713,323</u>	<u>\$105,340,410</u>	<u>\$3,867,087</u>
General City Support	<u>\$-17,798,804</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 Total FTE Count	 399.50	 399.50	 401.50	 2.00	 404.50	 3.00

Mission Statement

The mission of the Department of Public Utilities is to provide public water, including water for fire protection, and public sanitary sewer service to the urban areas of Virginia Beach. The goals of this department include: 1) operate as a revenue supported enterprise; 2) provide quality public service at reasonable costs; 3) plan, build, operate, and maintain its facilities to meet the community needs, environmental responsibilities and regulatory requirements; and 4) develop an environment that fosters innovation, creative ideas, and adaptability to change in meeting the needs of our customers.

Objectives

Expand, improve, and rehabilitate the water and wastewater system through proper planning, design, construction, and inspection in accordance with the Capital Improvement Program to provide safe, reliable water and wastewater service to the community.

Maintain full compliance with Federal and State laws to ensure public health, welfare, and safety of water and sanitary sewer customers.

Maintain over 8,000 fire hydrants in good working condition for fire protection.

Maintain programs that ensure accurate measurement of water consumption by replacing on an annual basis meters that are 15-years old, and calibrating all commercial meters within a 24-month period.

Maintain uncollectible accounts at or below 1% of billed revenues.

Meet DEQ Consent Order compliance requirements including flow monitoring, sanitary sewer evaluation studies (SSES), and management operation and maintenance (MOM).

Provide safe drinking water that surpasses all standards of the Federal Safe Drinking Water Act.

Receive, evaluate, and dispatch locating requests from Miss Utility Notification Center to locate and mark utility water and sanitary sewer facilities within 48 hours of receipt to minimize construction damage.

Reduce sanitary sewer overflows (SSO's) by rehabilitating, replacing, or repairing the sanitary sewer system through the Aging Infrastructure Program.

Respond to water line breaks and sanitary sewer system defects within 2 hours on a 24/7 basis to ensure the public health, welfare, and safety of our customers.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Annual water quality samples tested	2,704.00	2,750.00	2,700.00	2,700.00	2,700.00	2,700.00
Fire hydrants serviced per year	1,386.00	1,453.00	1,386.00	1,600.00	1,600.00	1,600.00
Lineal feet of pipe rehabilitated, replaced, or repaired	33,195.00	16,500.00	33,195.00	40,000.00	43,000.00	46,000.00
Number of active water connections	129,376.00	130,005.00	130,647.00	131,976.00	131,805.00	132,405.00
Number of milestones achieved to meet mandated DEQ requirements	0.00	0.00	0.00	7.00	14.00	3.00
Number of sanitary sewer stoppage requests from customers	3,718.00	5,227.00	3,718.00	5,000.00	4,750.00	4,500.00
Number of sanitary sewer system defects per 1,000 miles of main	544.00	710.00	550.00	550.00	550.00	550.00
Number of water main leaks per 1,000 miles of main	132.00	129.00	128.00	127.00	128.00	127.00
Number of water meters replaced	4,073.00	5,765.00	7,000.00	7,000.00	7,000.00	7,000.00
Sewer pump stations maintained	404.00	405.00	405.00	410.00	410.00	415.00
Telephone calls per year received by the Business Division	242,845.00	252,500.00	250,000.00	250,000.00	250,000.00	250,000.00
<u>Quality</u>						
Number of water quality samples testing positive	19.00	19.00	12.00	12.00	12.00	12.00
On-time arrival percentage (within 2 hours) by sanitary sewer repair crew	95.10	95.00	95.00	95.00	95.00	95.00
On-time arrival percentage (within 2 hours) by water repair crew	95.00	97.00	97.00	97.00	97.00	97.00
Percent of annual milestones completed	0.00	0.00	0.00	100.00	100.00	100.00
Percent of bad debt of billed revenue	0.59	0.53	0.44	0.50	0.46	0.45
Percent of under construction water and sewer capital projects that are on, or ahead of schedule	92.30	85.00	92.30	89.00	82.00	90.00
Reported number of sanitary sewer overflows	74.00	106.00	74.00	66.00	62.00	58.00
Sewer pump stations per crew	20.20	20.25	20.25	20.50	20.50	20.75
<u>Efficiency</u>						
Percent of total milestones completed (all must be completed on or ahead of schedule to avoid DEQ penalties)	0.00	0.00	0.00	20.00	60.00	69.00
Yearly sanitary sewer overflows reported per 100 miles of sanitary sewer mains	4.80	6.80	4.80	4.30	4.10	3.90

Performance Measurement Explanation

The amount of lineal feet of pipe rehabilitated or repaired is dependent on the amount of funding provided.

The DEQ Consent Order was effective September 26, 2007, therefore no milestone data prior to FY 2007-08.

The number of water main leaks varies based on weather conditions and construction damage.

Compliance with the Safe Drinking Water Act Total Coliform Rule requires that monthly, no more than 5% of the samples can be positive for coliform.

The goal is for each 2-person crew to maintain 20 sewer pump stations each.

Program Description

The core services provided by Public Utilities may be divided into the following general areas:

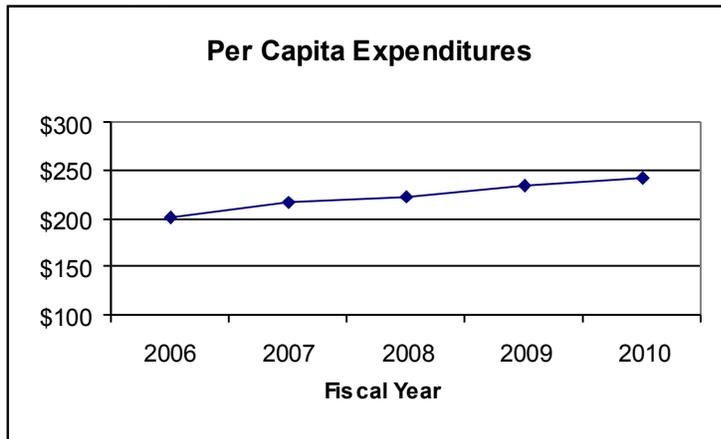
Engineering and Capital Construction includes review, development and implementation (project management and construction inspection) of the Capital Improvement Program (CIP) for the water and sanitary sewer systems; coordination of department efforts to reduce/eliminate sanitary sewer overflows to comply with the Clean Water Act and other requirements of the U.S. Environmental Protection Agency (EPA) and Virginia Department of Environmental Quality (DEQ) 2007 Hampton Roads consent order; assessment of the City's water supply needs; operation and maintenance of the Lake Gaston and Stumpy Lake Water Supply Projects and administration of the Norfolk Water Services contract; and provision of engineering technical support in other areas such as water quality, groundwater monitoring, map maintenance, record keeping, and regional water and sanitary sewer issues.

Operations and Maintenance includes provision of continuous, 24-hour per day water supply services and sanitary sewer collection system to meet customer demand; monitoring, maintenance and repair of the City's water and sanitary sewer systems including 9 Water Pump Stations, 12 Storage Facilities, 410 Sanitary Sewer Pump Stations, over 8,000 fire hydrants, and other components of the utility systems; protection of the utility systems by locating facilities in accordance with the Underground Utility Damage Prevention Act; compliance with Safe Drinking Water Act by collecting and analyzing monthly, quarterly, semi-annual and annual water samples; and flushing water distribution lines to maintain water quality.

Business Operations includes management of the department's water and sanitary sewer Customer Call Center that receives 250,000 calls annually, customer accounting of about 131,000 water accounts (e.g., account initiation, billings, payment arrangements, revenue collection), field service orders, and service discontinuance; ensures the fiscal integrity and budgetary self-sufficiency of the water and sewer utility enterprise fund including compliance with the requirements of the Master Bond Resolution; and administration of various public education and awareness programs including water conservation, Fats Oils & Grease (FOG), and backflow prevention.

Productivity and Results

- As the graph illustrates, costs increased 4.9% in FY 2008-09 and 3.8% in FY 2009-10 to maintain and expand existing



staffing and services. Some costs are growing faster than inflation, such as operations of Lake Gaston for electricity and maintenance contracts, maintenance of sanitary sewer pump stations, and anticipated fuel/energy and roadway paving cost increases. Also, costs were increased \$250,000 for FY 2008-09 to establish a water bill assistance program administered by the Department of Human Services for the City's lowest income residents. The expansion of the Water and Sewer CIP from \$25 million in FY 2007-08 to \$35 million in FY 2009-10 is reflected in the operating budget, and is financed by debt, pay-as-you go/cash contributions, and use of retained earnings from the Water and Sewer Utility Enterprise Fund for the remainder.

- A key service and cost driver is the increased volume and cost for maintenance, repair and replacement of aging water and sanitary sewer infrastructure funded over a 15-to-20 year cycle in the CIP. Recently, this task was compounded and accelerated by the EPA and DEQ's unfunded mandate with the issuance of a consent order for Hampton Roads (effective September 26, 2007) from FY 2008 to FY 2023 that is estimated to cost the City \$217 million. Funding is solely from Public Utilities revenue streams and only covers 50%-to-60% of the cost. Phase I of the Consent Order involves analysis of the sanitary sewer system with a deadline of FY 2013. Phase II is from FY 2013 to FY 2023 and involves comprehensive sanitary sewer system rehabilitation. The Consent Order will require major expenditures through implementation of a Capacity, Management, Operations and Maintenance (CMOM) program to perform: monitoring and evaluating the performance of the sanitary sewer system; smoke testing; closed circuit television (CCTV) inspection; flow monitoring; the establishment of a Fats, Oils and Grease (FOG) program consisting of education, monitoring, inspections, enforcement and database management; the creation of a root control program; Hot Spot Cleaning program; find and fix rehabilitation; and the development of a comprehensive Sanitary Sewer System Rehabilitation Plan. In addition, a sanitary sewer hydraulic model (integrated with the Hampton Roads Sanitation District (HRSD) model) and extensive engineering analysis are required to support the development of a Regional Wet Weather Management Plan. Thus far, this Federal/State mandate resulted in expanding the CIP and adding staff for program and project management (4 FTEs by FY 2009-10) and construction inspection (1 FTE by FY 2009-10) of three additional projects totaling \$27 million over the FY 2008-09 to FY 2013-14 CIP period (of which \$6.3 million is in FY 2008-09 and \$6 million is in FY 2009-10).

- The water and sanitary sewer system is extensive and has an estimated replacement cost exceeding \$3 billion. More than half of the system was constructed by the mid 1980's, by private developers and did not have today's materials or standards. As shown in the table below, nearly 40% of the sewer system is over 25 years old and will require a substantial financial investment to replace over the next 30 years. The number of sanitary sewer defects per 1,000 miles of sanitary sewer mains is anticipated to remain at about 550 annually from FY 2007-08 through FY 2009-10 until the expanded sewer replacement and renewal CIP gets underway and starts showing results.

Public Utilities Infrastructure as of FY 2007-08

<u>Asset</u>	<u>Existing Inventory</u>	<u>Annual Increase</u>	<u>Greater Than 25 Years Old</u>	<u>% of Total</u>
Water and Sewer Lines (miles)	3,031	24	1,300	42.9%
Pump Stations	410	5	150	36.6%
Fire Hydrants	8,000	170	4,900	61.3%
Water Services	130,647	600	72,000	55.1%
Sewer Manholes	28,000	75	12,000	42.9%
Sewer Laterals	127,000	250	50,000	39.4%

Biennial Budget Analysis

- Years 4 and 5 (FY 2008-09 and FY 2009-10) of the 5-year fee increases** approved by Council in FY 2005-06: Based on the cost of service rate study completed in January, 2005 and the need to increase rehabilitation and replacement of the aging water and sanitary sewer infrastructure, as well as cover increased construction cost, inflation, and reduced growth in customer revenues, Council approved a 5-year rate increase in the FY 2005-06 operating budget. For FY 2008-09 and FY 2009-10, the following rates & fees will be increased:

<u>Rates/Fees</u>	<u>Current FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
Water usage rate per 1,000 gallons	\$3.80	\$3.95	\$4.10
Sanitary sewer monthly charge (for a single family residence shown)	\$17.72	\$18.61	\$19.54

- Development related fees** were increased in FY 2008-09 and FY 2009-10 including water resource recovery fee (Water DFU fees from \$66 FY 2007-08 to \$79 FY 2008-09 and \$92 FY 2009-10) and sewer main extensions (Sewer DFU fees from \$56 FY 2007-08 to \$59 FY 2008-09), pro-rata pump station capacity fees (from \$325 FY 2007-08 to \$756 FY 2008-09 and actual cost by 2009-10), portable pump fee (from \$1,000 FY 2007-08 to \$1,333 FY 2008-09 and actual cost by FY 2009-10), and landscaping fee (from \$1,000 FY 2007-08 to \$1,570 FY 2008-09 and actual cost by FY 2009-10) to recover the actual cost to the City for the capital investment in sanitary sewer pump stations and sewer facilities arising from property development. Currently, the fees cover only 30% of the associated capital cost of property development. Fee increases will be phased over 2 years covering 50% of the costs in FY 2008-09 and 100% by FY 2009-10. These fee increases will be reflected in the City Code. These revenues (\$558,337 in FY 2008-09 and \$569,504 in FY 2009-10) will be used as increased pay-as-you-go to the CIP to reduce the amount of revenue bonds needed.
- New late fee is established** based on a flat fee of \$1.50 each time an account becomes delinquent. This charge is based on the recovery of the cost associated with printing, mailing, account research and collection efforts associated with delinquent accounts. Creation of this fee will entail changes to the existing ordinance. This new fee will be used to support compliance with the Sanitary Sewer Consent Order (program proposal for increased staffing of 2 FTE's in FY 2008-09 totaling 5 FTE's by FY 2009-10 and an additional sewer cleaning truck) to assist in addressing the increased capital construction and maintenance associated with the regional consent order.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
241 Water and Sewer Fund						
Director's Office	\$380,085	\$373,457	\$401,700	\$28,243	\$410,865	\$9,165
Engineering	6,422,100	7,509,447	7,182,329	-327,118	7,631,130	448,801
Lake Gaston Facilities	1,833,533	2,199,774	2,887,450	687,676	2,954,199	66,749
Water Services Contract	25,195,203	26,225,386	26,373,000	147,614	27,164,190	791,190
Operations Administration	2,783,034	2,980,526	2,947,303	-33,223	3,011,032	63,729
Water Distribution	3,664,038	4,021,833	3,652,767	-369,066	3,733,296	80,529
Water Pump Stations	2,457,249	2,784,303	2,642,980	-141,323	2,701,081	58,101
Meter Operations	3,359,113	3,628,472	3,378,269	-250,203	3,375,572	-2,697
Sewer Collection	5,968,819	6,127,946	5,976,592	-151,354	5,791,173	-185,419
Sewer Pump Stations	5,924,365	5,987,553	6,126,900	139,347	6,196,635	69,735
Business Division	5,961,204	6,713,584	6,895,046	181,462	7,040,717	145,671
Debt Service	6,578,213	14,486,826	15,461,289	974,463	17,232,514	1,771,225
Reserve for Contingencies	0	1,597,312	4,215,966	2,618,654	3,630,149	-585,817
Transfer to Other Funds	11,749,846	12,123,581	13,331,732	1,208,151	14,467,857	1,136,125
Total 241 Fund	\$82,276,802	\$96,760,000	\$101,473,323	\$4,713,323	\$105,340,410	\$3,867,087
Total Program Summary	\$82,276,802	\$96,760,000	\$101,473,323	\$4,713,323	\$105,340,410	\$3,867,087

Position Summary by Program

241 Water and Sewer Fund						
Director's Office	3.00	3.00	3.00	0.00	3.00	0.00
Engineering	76.00	76.00	78.00	2.00	81.00	3.00
Operations Administration	21.00	21.00	21.00	0.00	21.00	0.00
Water Distribution	41.00	41.00	41.00	0.00	41.00	0.00
Water Pump Stations	25.00	25.00	25.00	0.00	25.00	0.00
Meter Operations	45.00	45.00	45.00	0.00	45.00	0.00
Sewer Collection	64.00	64.00	64.00	0.00	64.00	0.00
Sewer Pump Stations	59.00	59.00	59.00	0.00	59.00	0.00
Business Division	65.50	65.50	65.50	0.00	65.50	0.00
Total 241 Fund	399.50	399.50	401.50	2.00	404.50	3.00
Total Position Summary by Program	399.50	399.50	401.50	2.00	404.50	3.00

Resource Summary Notes

Transfers to other funds expenses for FY 2008-09 and FY 2009-10 reflect increased costs for: building maintenance (painting, roof and cornice repairs and general exterior maintenance) of the sanitary sewer pump stations, existing staff provided by the Department of Plannings Permits and Inspections and Development Services Center, and increased pay-as-you-go contribution to the Water and Sewer CIP.

The increases in the reserves for contingencies in FY 2008-09 and FY 2009-10 are mainly due to the compensation and health insurance reserves (\$1.1 million in FY 2008-09 and \$1.4 million in FY 2009-10), energy/fuel and roadway paving reserves (\$908,000 in both years), and rolling stock replacement reserves (\$1.5 million in FY 2008-09 and \$1.6 million in FY 2009-10)

The 5 additional positions for Engineering include 4 Engineer III's and 1 Construction Inspector II to oversee and inspect capital projects related to the EPA and DEQ regional consent order to reduce and control sanitary sewer overflows.

Public Works Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$48,598,526	\$51,791,577	\$52,891,941	\$1,100,364	\$54,099,635	\$1,207,694
Operating	55,560,158	55,203,963	56,378,813	1,174,850	57,445,182	1,066,369
Capital	3,033,675	2,958,259	3,071,553	113,294	2,309,094	-762,459
Debt Service	495,577	1,284,195	2,011,810	727,615	2,011,002	-808
Reserves	0	517,869	100,000	-417,869	100,000	0
Transfers	9,001,615	9,724,340	10,226,713	502,373	12,943,747	2,717,034
Total	<u>\$116,689,551</u>	<u>\$121,480,203</u>	<u>\$124,680,830</u>	<u>\$3,200,627</u>	<u>\$128,908,660</u>	<u>\$4,227,830</u>
Fees	\$35,680,741	\$33,840,746	\$35,903,813	\$2,063,067	\$38,192,752	\$2,288,939
State	34,872,062	36,213,517	37,199,830	986,313	38,759,758	1,559,928
Transfers	3,959,065	4,041,812	3,671,790	-370,022	3,756,555	84,765
Total	<u>\$74,511,868</u>	<u>\$74,096,075</u>	<u>\$76,775,433</u>	<u>\$2,679,358</u>	<u>\$80,709,065</u>	<u>\$3,933,632</u>
General City Support	<u>\$42,177,683</u>	<u>\$47,384,128</u>	<u>\$47,905,397</u>	<u>\$521,269</u>	<u>\$48,199,595</u>	<u>\$294,198</u>
Total FTE Count	874.38	873.38	877.38	4.00	877.38	0.00

Mission Statement

The Department of Public Works exists to sustain and improve the physical and environmental quality of the City for the benefit of its citizens. To this end, we plan for, acquire, build, operate and maintain public infrastructure; manage the automotive fleet; manage residential solid waste; and provide mosquito control services.

Objectives

Apply chemical mosquito control treatments at least two times per month, conditions permitting, in areas requiring services to reduce mosquito populations, disease transmission, and citizen dissatisfaction.

Enhance Coastal and Beach recreational opportunities.

Enhance Storm Water quality to include capital, maintenance, and operations.

Maintain or exceed 35,000 tons of recycled material through our recycling contract.

Manage and maintain the Public Works portion of the City's Capital Improvement Program to complete projects within scope, budget, and schedule.

Operate the City of Virginia Beach Landfill II while maintaining satisfactory compliance with standards established by regulatory agencies.

Provide maintenance and repair of public infrastructure to preserve the City's investment and the effective functioning of public facilities.

Provide waste collection services to residential customers one day per week with less than 1% complaints.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of capital projects managed by Public Works/Engineering Division	225.00	225.00	273.00	230.00	230.00	230.00
Number of inspections of the City's landfill conducted by regulating agencies	8.00	8.00	8.00	8.00	8.00	8.00
Number of tons recycled	39,195.00	39,195.00	39,587.00	39,983.00	39,587.00	39,983.00
Number of waste collections made to residential customers	6,405,152.00	6,448,000.00	6,405,152.00	6,448,000.00	6,474,000.00	6,500,000.00
Number/frequency of mosquito adulticiding treatments per month	2.00	2.00	2.00	2.00	2.00	2.00
Total square yards of concrete roadway, curbs, gutters and sidewalks repaired and/or replaced	32,437.00	33,246.00	33,325.00	33,325.00	33,325.00	33,325.00
Work orders for maintenance and repair of City buildings for electrical, heating and air conditioning, plumbing, carpentry, painting, exterminating, and building inspections	18,692.00	18,900.00	21,808.00	22,000.00	22,000.00	22,000.00
Work orders for storm water maintenance completed	5,628.00	4,913.00	5,158.00	10,500.00	10,500.00	10,500.00
<u>Quality</u>						
Customer satisfaction level with in-house custodial services (4=Excellent, 3=Good, 2=Fair, 1=Poor)	3.00	3.00	3.00	3.00	3.00	3.00
Percentage of concrete inventory (roadway, curbs, gutters and sidewalks) replaced annually	0.14	0.14	0.14	0.14	0.14	0.14
Percentage of regulatory inspections of the City's landfill indicating a satisfactory rating	100.00	100.00	100.00	100.00	100.00	100.00
Resurfacing cycle (in years; includes CIP funding) for City's roadways	19.80	19.80	20.60	22.70	23.00	23.00
<u>Efficiency</u>						
Average number of capital projects per project manager within Public Works/Engineering Division	16.00	12.00	12.00	12.00	12.00	12.00
Percentage of waste collections receiving complaints from residential customers	0.04	0.04	0.04	0.04	0.04	0.04

Performance Measurement Explanation

The types of capital projects managed by the Public Works/Engineering Division include roadways, buildings, parks and recreation, storm water, and coastal.

Program Description

The core services provided by the Public Works Department may be divided into the following areas:

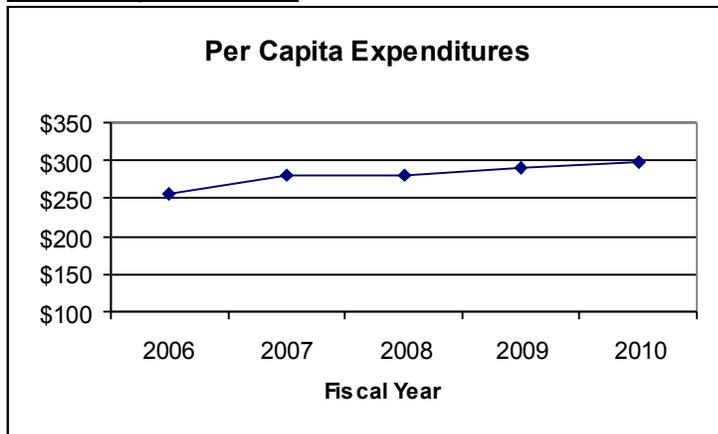
Infrastructure Maintenance and Repair - includes maintenance and repair of the City's roadways, bridges, curbs, gutters, storm water drainage and water quality systems, public beaches, dredging, traffic control systems, City-owned buildings, and the City fleet. The department maintains an infrastructure inventory and utilizes systems to determine appropriate maintenance cycles, methods and resource requirements needed to preserve the City's infrastructure investment. The department also operates and maintains all mechanical systems within City-owned buildings, provides janitorial services and coordinates delivery of all utility services, and provides mosquito control services.

Capital Construction and Replacement - includes system planning, design, acquisition of property, project management and inspection of all new and replacement roadways, storm water, coastal and facilities, including parks and recreation capital projects, and other large capital projects. This effort includes development of project scopes, coordination with numerous City, State and Federal agencies, coordination with citizens, effective right-of-way and site acquisition, development of designs that are functional, low maintenance, yet aesthetically pleasing, and ensuring quality control during the construction phase.

Waste Management - includes long-range waste management planning, providing residential automated, manual and special (bulky) solid waste collections throughout the City, providing containers for residents to dispose of large quantities of yard debris, centralizing the City's recycling effort, operating a City landfill, and serving as a conduit between the City and the Southeastern Public Service Authority (SPSA), which is the responsible agency for the regional waste disposal program.

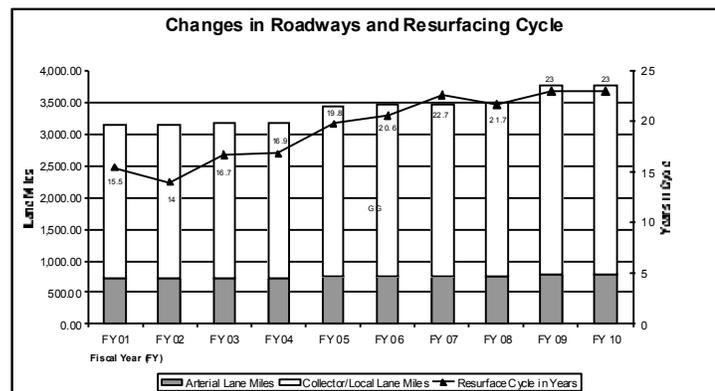
Automotive Services - provides both routine and preventive maintenance and full life-cycle services to the City's rolling stock inventory of about 3,700 major pieces of equipment including automobiles, construction vehicles and equipment, fire and rescue apparatus, helicopters, boat motors and generators. Annual recommendations regarding fleet replacement are provided through a customer team. Fuel services and a motor pool are also provided to all City agencies.

Productivity and Results



- Department expenditures will increase about 3% each year over the next two years. Much of this increase is tied to the rising cost of materials being used in routine street and storm water infrastructure repairs and increases in utilities, such as electricity.
- The Department continues to support an increasing number of City special events with equipment and personnel. The City's cost associated with special events has grown from \$92,000 for 57 events in FY 1994-95 to \$372,451 for 50 events in FY 2005-06.

- Various factors are compounding maintenance needs and costs for roadways, such as aging infrastructure, increasing demand, and the significant increase in the cost of petroleum-based products. The average overlay cycle should be every 15 years to maintain level of service, and avoid costly deterioration and reconstruction. Over 80% of the City's roadways are currently over 15 years old, and that percentage has been increasing at a rate of about 2% each year since FY 1997-98. At the same time, traffic volume demands placed on the roadways have increased 13% to 15% since FY 1997-98. Concurrently, the costs related to roadway maintenance have increased at a rate much faster than inflation with the increase costs of petroleum products. The result has been dramatic increases in the cycle time for overlays, from 15 to 22 years, which will not sustain the inventory in an acceptable level of service and lead to more costly repairs in the long term.



Biennial Budget Analysis

- For FY 2008-09, the Yard Debris Container Program will initiate a modified fee schedule that varies the fee according to when containers are used during the week (weekday vs. weekend). This is expected to provide additional revenue to cover the cost of the program.
- In FY 2008-09 the City will convert 14 municipal buildings from contract custodial services to in-house custodial services. This will increase the number of employees in the Custodial Services operation by 8, but is expected to provide over \$50,000 in savings in FY 2008-09 and over \$60,000 in savings in FY 2009-10.
- This budget includes an increase in the Storm Water Utility Equivalent Residential Unit (ERU) fee of two cents each year over the next three years. The fee will increase from 18.1¢ per day in FY 2007-08 to 24.1¢ per day by FY 2010-11. The increased revenue from the fee will provide funding for CIP projects #7-004 (Storm Water Infrastructure Rehabilitation) and #7-183 (Storm Water Quality Enhancements) and will pay debt service on funding for CIP project #7-033 (Rosemont Forest Drainage Improvements).
- Also included is an increase in the boat tax, which will provide funding for three Coastal CIP projects #8-005 (Western Branch Lynnhaven River Maintenance Dredging), #8-007 (Rudee Inlet Outer Channel Maintenance Dredging), and #8-110 (Eastern Branch Lynnhaven River Dredging [Partial]).
- The Vehicle Replacement Fund is reduced by \$1,600,000, which will result in 46 items of rolling stock not being replaced and an increase in maintenance costs at the City Garage of about \$20,000 in FY 2008-09 and an additional \$20,000 in FY 2009-10.
- One Engineer III and one Construction Inspector III, previously budgeted in the Major Projects Fund, have been eliminated since the two primary projects associated with those positions - the new Convention Center and the Sandler Center for the Performing Arts - are now completed.
- One Electrician II position is eliminated. This position addresses light outages and provides electrical support to vendors that are on the boardwalk and weekend coverage for special events in the Resort Area.
- One Custodial Worker II position is eliminated. This position provides custodial services to the offices of Public Safety, 911, Risk Management, and the Magistrate.
- Funding in the amount of \$1,221,976 for various operating expenses throughout the Department of Public Works has been eliminated.

Council Amendment

On May 13, 2008, City Council voted to make the following changes to funding due to the elimination of the increase in the boat tax:

Increase VDOT Maintenance of Roads revenue in the General Fund by \$678,000 and reduce VDOT Maintenance of Roads revenue in the Storm Water Utility Fund correspondingly.

Reduce the transfer from the Storm Water Utility Fund to Storm Water capital projects by \$678,000.

Reduce the transfer from the General Fund to Coastal capital projects by \$299,000.

(See Council Amendments to the Quality Physical Environment section of the CIP for details on the capital projects affected by these reductions.)

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director's Office	\$214,986	\$330,772	\$182,701	\$-148,071	\$186,912	\$4,211
Administration Services	636,562	574,658	6,101,918	5,527,260	6,225,477	123,559
Contracts	400,863	433,615	442,638	9,023	452,616	9,978
Coastal Engineering	467,015	498,993	582,129	83,136	595,655	13,526
Administration	855,650	976,220	979,641	3,421	1,001,717	22,076
Bureau of Waste Disposal	13,044,172	12,413,121	12,481,690	68,569	12,733,720	252,030
Bureau of Waste Collection	10,511,659	10,857,359	11,504,455	647,096	11,748,000	243,545
Recycling	5,495,448	5,256,382	5,171,549	-84,833	5,325,766	154,217
Real Estate	946,017	964,292	977,785	13,493	1,000,191	22,406
Administration	768,168	805,757	762,777	-42,980	779,230	16,453
Design	245,311	281,201	273,624	-7,577	280,044	6,420
Surveys	1,029,685	1,159,424	1,158,023	-1,401	1,183,998	25,975
Engineering Support Services	461,442	452,054	559,001	106,947	457,884	-101,117
Traffic Engineering	6,772,643	6,522,745	1,515,659	-5,007,086	1,550,780	35,121
Project Management - Roadways	1,327,871	1,566,486	1,025,026	-541,460	1,048,930	23,904
Construction	938,570	1,096,197	1,152,446	56,249	1,175,145	22,699
Project Management - Buildings	0	0	756,755	756,755	774,569	17,814
Street Light Installations	0	0	500,000	500,000	510,000	10,000
Customer Services/Administration	923,219	931,917	938,699	6,782	959,581	20,882
Planning, Estimating, and Scheduling	772,817	760,366	654,047	-106,319	668,924	14,877
System Support Services	581,825	657,888	717,048	59,160	732,952	15,904
Infrastructure Maintenance Contracts	720,800	721,248	634,773	-86,475	649,194	14,421
Technical Services	276,684	312,875	307,134	-5,741	314,322	7,188
Support Services	877,812	865,304	877,034	11,730	896,695	19,661
Street Maintenance	4,709,967	4,448,589	4,427,681	-20,908	4,513,723	86,042
Dredge Maintenance	1,526,864	1,627,795	1,654,402	26,607	1,690,008	35,606
Mosquito Control	1,893,814	2,025,765	2,020,095	-5,670	2,063,421	43,326
Traffic Operations	4,063,443	4,026,106	3,990,522	-35,584	4,075,002	84,480
Beach Operations	1,072,684	1,216,719	1,232,015	15,296	1,257,324	25,309
Bridge Maintenance	344,788	410,292	337,712	-72,580	344,917	7,205
Management and Support	7,716,588	6,823,025	8,199,334	1,376,309	8,365,509	166,175
Electrical	1,533,331	1,758,990	1,567,078	-191,912	1,601,520	34,442
Heat and Air Conditioning	1,823,278	1,899,406	1,726,653	-172,753	1,765,480	38,827
General Maintenance	2,992,480	3,098,853	3,280,006	181,153	3,351,704	71,698
Custodial	3,415,807	3,917,709	3,656,910	-260,799	3,714,847	57,937
Resort Building Maintenance	602,533	613,319	585,741	-27,578	597,948	12,207
Total 002 Fund	\$79,964,796	\$80,305,442	\$82,934,701	\$2,629,259	\$84,593,705	\$1,659,004
151 Parks and Recreation Special Revenue Fund						
Kempsville Recreation Center Maintenance	\$491,478	\$479,505	\$495,723	\$16,218	\$505,866	\$10,143
Bow Creek Recreation Center Maintenance	315,756	290,622	303,517	12,895	308,445	4,928
Seatack Community Center Maintenance	236,090	229,548	236,491	6,943	241,308	4,817
Great Neck Recreation Center Maintenance	510,537	636,123	522,585	-113,538	532,048	9,463
Bayside Recreation Center Maintenance	519,304	510,085	545,313	35,228	555,298	9,985
Princess Anne Recreation Center Maintenance	481,223	528,522	547,907	19,385	557,920	10,013
Reserve for Contingencies	0	-372	0	372	0	0
Total 151 Fund	\$2,554,388	\$2,674,033	\$2,651,536	\$-22,497	\$2,700,885	\$49,349

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
152 Tourism Growth Investment Fund						
TGIF Beach Operations	\$302,684	\$341,307	\$351,460	\$10,153	\$359,087	\$7,627
TGIF Resort Building Maintenance	312,881	404,813	411,520	6,707	439,146	27,626
Reserve for Contingencies	0	36,806	0	-36,806	0	0
Total 152 Fund	\$615,565	\$782,926	\$762,980	\$-19,946	\$798,233	\$35,253
172 Open Space Special Revenue Fund						
Open Space - Surveys	\$0	\$15,300	\$15,000	\$-300	\$15,300	\$300
Total 172 Fund	\$0	\$15,300	\$15,000	\$-300	\$15,300	\$300
173 Major Projects Special Revenue Fund						
Major Project Construction Management	\$169,967	\$199,185	\$0	\$-199,185	\$0	\$0
Major Project Construction Inspection	152,950	159,540	0	-159,540	0	0
Reserve for Contingencies	0	6,395	0	-6,395	0	0
Total 173 Fund	\$322,917	\$365,120	\$0	\$-365,120	\$0	\$0
174 Town Center Special Service District						
Town Center Operations	\$47,245	\$32,344	\$0	\$-32,344	\$0	\$0
Town Center Street Sweeping	26,023	39,041	22,000	-17,041	22,766	766
Total 174 Fund	\$73,268	\$71,385	\$22,000	\$-49,385	\$22,766	\$766
183 Grants Consolidated Fund						
Public Works - Grants	\$15,000	\$15,000	\$15,000	\$0	\$15,000	\$0
Total 183 Fund	\$15,000	\$15,000	\$15,000	\$0	\$15,000	\$0
255 Storm Water Utility Enterprise Fund						
SWU - Project Management	\$1,201,467	\$1,346,407	\$1,338,544	\$-7,863	\$1,377,512	\$38,968
SWU - Customer Service	109,281	128,473	147,051	18,578	150,910	3,859
SWU - Operations and Maintenance	7,924,457	8,383,153	8,647,214	264,061	7,996,311	-650,903
SWU - Inspections and Environmental Spill Response	335,161	338,257	416,226	77,969	428,670	12,444
SWU - Residential Street Sweeping	59,639	67,006	66,408	-598	68,341	1,933
Debt Service	495,577	1,284,195	2,011,810	727,615	2,011,002	-808
Reserve for Contingencies	0	297,529	0	-297,529	0	0
Transfer to Other Funds	9,001,615	9,724,340	10,226,713	502,373	12,943,747	2,717,034
Total 255 Fund	\$19,127,197	\$21,569,360	\$22,853,966	\$1,284,606	\$24,976,493	\$2,122,527
606 City Garage Internal Service Fund						
Automotive Services	\$8,703,330	\$9,850,858	\$9,694,280	\$-156,578	\$9,940,006	\$245,726
Motor Pool	135,756	59,331	67,498	8,167	68,848	1,350
Reserve for Contingencies	0	92,597	0	-92,597	0	0
Total 606 Fund	\$8,839,086	\$10,002,786	\$9,761,778	\$-241,008	\$10,008,854	\$247,076
616 Fuels Internal Service Fund						
Fuels	\$5,177,334	\$5,593,937	\$5,663,869	\$69,932	\$5,777,424	\$113,555
Reserve for Contingencies	0	84,914	0	-84,914	0	0
Total 616 Fund	\$5,177,334	\$5,678,851	\$5,663,869	\$-14,982	\$5,777,424	\$113,555
Total Program Summary	\$116,689,551	\$121,480,203	\$124,680,830	\$3,200,627	\$128,908,660	\$4,227,830

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Position Summary by Program

002 General Fund

Director's Office	3.00	3.00	2.00	-1.00	2.00	0.00
Administration Services	5.00	5.00	8.00	3.00	8.00	0.00
Contracts	7.00	7.00	7.00	0.00	7.00	0.00
Coastal Engineering	5.00	5.00	6.00	1.00	6.00	0.00
Administration	15.00	15.00	15.00	0.00	15.00	0.00
Bureau of Waste Disposal	15.00	15.00	15.00	0.00	15.00	0.00
Bureau of Waste Collection	153.00	153.00	152.00	-1.00	152.00	0.00
Recycling	0.50	0.50	0.50	0.00	0.50	0.00
Real Estate	12.00	12.00	12.00	0.00	12.00	0.00
Administration	12.00	12.00	9.00	-3.00	9.00	0.00
Design	3.00	3.00	3.00	0.00	3.00	0.00
Surveys	17.00	17.00	17.00	0.00	17.00	0.00
Engineering Support Services	5.00	5.00	5.00	0.00	5.00	0.00
Traffic Engineering	16.88	16.88	17.88	1.00	17.88	0.00
Project Management - Roadways	17.00	17.00	11.00	-6.00	11.00	0.00
Construction	14.00	14.00	14.00	0.00	14.00	0.00
Project Management - Buildings	0.00	0.00	7.00	7.00	7.00	0.00
Customer Services/Administration	14.00	14.00	14.00	0.00	14.00	0.00
Planning, Estimating, and Scheduling	10.00	10.00	8.00	-2.00	8.00	0.00
System Support Services	10.00	9.00	9.00	0.00	9.00	0.00
Infrastructure Maintenance Contracts	10.00	10.00	8.00	-2.00	8.00	0.00
Technical Services	4.00	4.00	4.00	0.00	4.00	0.00
Support Services	10.00	10.00	10.00	0.00	10.00	0.00
Street Maintenance	69.00	69.00	69.00	0.00	69.00	0.00
Dredge Maintenance	21.00	21.00	21.00	0.00	21.00	0.00
Mosquito Control	34.00	34.00	34.00	0.00	34.00	0.00
Traffic Operations	36.00	36.00	36.00	0.00	36.00	0.00
Beach Operations	9.00	9.00	9.00	0.00	9.00	0.00
Bridge Maintenance	6.00	6.00	6.00	0.00	6.00	0.00
Management and Support	12.00	12.00	12.00	0.00	12.00	0.00
Electrical	22.00	22.00	21.00	-1.00	21.00	0.00
Heat and Air Conditioning	22.00	22.00	22.00	0.00	22.00	0.00
General Maintenance	44.00	44.00	44.00	0.00	44.00	0.00
Custodial	53.00	53.00	61.00	8.00	61.00	0.00
Resort Building Maintenance	3.00	3.00	3.00	0.00	3.00	0.00
Total 002 Fund	689.38	688.38	692.38	4.00	692.38	0.00

151 Parks and Recreation Special Revenue Fund

Kempsville Recreation Center Maintenance	1.00	1.00	1.00	0.00	1.00	0.00
Great Neck Recreation Center Maintenance	1.00	1.00	1.00	0.00	1.00	0.00
Bayside Recreation Center Maintenance	1.00	1.00	1.00	0.00	1.00	0.00
Princess Anne Recreation Center Maintenance	1.00	1.00	1.00	0.00	1.00	0.00
Total 151 Fund	4.00	4.00	4.00	0.00	4.00	0.00

152 Tourism Growth Investment Fund

TGIF Beach Operations	5.00	5.00	5.00	0.00	5.00	0.00
TGIF Resort Building Maintenance	8.00	8.00	8.00	0.00	8.00	0.00
Total 152 Fund	13.00	13.00	13.00	0.00	13.00	0.00

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Position Summary by Program						
173 Major Projects Special Revenue Fund						
Major Project Construction Management	2.00	2.00	0.00	-2.00	0.00	0.00
Major Project Construction Inspection	2.00	2.00	0.00	-2.00	0.00	0.00
Total 173 Fund	4.00	4.00	0.00	-4.00	0.00	0.00
255 Storm Water Utility Enterprise Fund						
SWU - Project Management	11.00	11.00	11.00	0.00	11.00	0.00
SWU - Customer Service	2.00	2.00	2.00	0.00	2.00	0.00
SWU - Operations and Maintenance	65.00	65.00	68.00	3.00	68.00	0.00
SWU - Inspections and Environmental Spill Response	4.00	4.00	5.00	1.00	5.00	0.00
SWU - Residential Street Sweeping	1.00	1.00	1.00	0.00	1.00	0.00
Total 255 Fund	83.00	83.00	87.00	4.00	87.00	0.00
606 City Garage Internal Service Fund						
Automotive Services	81.00	81.00	81.00	0.00	81.00	0.00
Total 606 Fund	81.00	81.00	81.00	0.00	81.00	0.00
Total Position Summary by Program	874.38	873.38	877.38	4.00	877.38	0.00

Resource Summary Notes

The \$500,000 in street light installations is entirely backed by revenue from developers.

Museums Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$4,957,340	\$5,295,086	\$5,721,919	\$426,833	\$5,974,603	\$252,684
Operating	3,747,064	2,676,707	3,452,071	775,364	3,810,221	358,150
Capital	0	3,900	0	-3,900	0	0
Total	<u>\$8,704,404</u>	<u>\$7,975,693</u>	<u>\$9,173,990</u>	<u>\$1,198,297</u>	<u>\$9,784,824</u>	<u>\$610,834</u>
Fees	\$7,011,391	\$6,920,987	\$8,255,033	\$1,334,046	\$8,731,690	\$476,657
Federal	6,729	31,000	31,000	0	31,000	0
Total	<u>\$7,018,120</u>	<u>\$6,951,987</u>	<u>\$8,286,033</u>	<u>\$1,334,046</u>	<u>\$8,762,690</u>	<u>\$476,657</u>
General City Support	<u>\$1,686,284</u>	<u>\$1,023,706</u>	<u>\$887,957</u>	<u>\$-135,749</u>	<u>\$1,022,134</u>	<u>\$134,177</u>
 Total FTE Count	 141.18	 152.43	 151.43	 -1.00	 151.43	 0.00

Mission Statement

The mission of the Department of Museums is to develop a cultural environment in Virginia Beach that encourages public involvement in, and support of, the arts, sciences, and history.

Objectives

To assist in the development, coordination, and implementation of cultural programs, events and activities.

To earn \$30,000 annually through the museum store sales of educational books and products at the Adam Thoroughgood, Francis Land and Lynnhaven Houses.

To earn \$50,000 annually through regular and School admissions and program fees at the Adam Thoroughgood, Francis Land and Lynnhaven Houses.

To generate financial support for the Virginia Aquarium and Marine Science Center through the operations of the Aquarium Store.

To operate an IMAX Theater that attracts visitors to the Virginia Aquarium and Marine Science Center and generates financial support to achieve the educational mission of the Museum.

To promote the Virginia Beach Historical Register program and to facilitate the placement of historic properties on the Register.

To provide curriculum-based educational programs at the Adam Thoroughgood and Francis Land Houses for 15,000 students annually to increase their knowledge and appreciation of the history of Virginia Beach.

To provide high quality exhibits and services that will attract visitors to the Virginia Aquarium and Marine Science Center.

To provide interpretive tours, programs and exhibits to 15,000 visitors at the Adam Thoroughgood and Francis Land Houses and increase their knowledge and appreciation of the history of Virginia Beach.

To provide meaningful educational experiences to students at the Virginia Aquarium and Marine Science Center.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Attendance for school visits and outreach classroom programs at the Adam Thoroughgood, Francis Land, and Lynnhaven Houses	11,906.00	12,344.00	11,935.00	14,500.00	11,200.00	11,200.00
Attendance for tours and special events/programs at the Adam Thoroughgood, Francis Land and Lynnhaven Houses	10,874.00	11,544.00	13,756.00	13,140.00	11,400.00	11,400.00
Number of properties placed on the Virginia Beach Historical Register	6.00	0.00	0.00	2.00	0.00	0.00
Number of student visitors to the Virginia Aquarium and Marine Science Center	57,362.00	55,239.00	46,347.00	45,000.00	60,000.00	65,000.00
Number of visitors to the IMAX Theater	168,321.00	194,985.00	179,860.00	170,000.00	198,000.00	215,000.00
Number of visitors to the Virginia Aquarium and Marine Science Center	601,533.00	620,299.00	643,091.00	575,000.00	660,000.00	715,000.00
<u>Quality</u>						
Total number of properties recorded on the Virginia Beach Historical Register	41.00	41.00	41.00	43.00	43.00	43.00
Admission and special program fees (\$) collected by the Adam Thoroughgood, Francis Land and Lynnhaven Houses	39,696.00	39,814.00	44,118.00	60,050.00	62,650.00	62,650.00
IMAX Theatre revenue (\$)	820,024.00	1,033,816.00	1,016,932.00	915,050.00	1,042,550.00	1,119,690.00
Revenue (\$) generated from operation of the Virginia Aquarium	5,382,253.00	5,806,657.00	6,043,288.00	5,507,024.00	7,327,000.00	7,803,642.00
Total Aquarium Store sales (\$) at the Virginia Aquarium	1,186,594.00	1,291,350.00	1,160,871.00	1,160,871.00	1,350,992.00	1,438,366.00
Total museum store sales (\$) at the Adam Thoroughgood, Francis Land, and Lynnhaven Houses	22,494.00	25,392.00	31,511.00	28,500.00	42,500.00	42,500.00
<u>Efficiency</u>						
Sales (\$) per visitor at the Aquarium Store	1.93	1.91	2.01	2.01	2.05	2.05
Student attendance at the Virginia Aquarium, as a percentage of total attendance	9.53	8.90	7.21	7.82	9.09	9.09

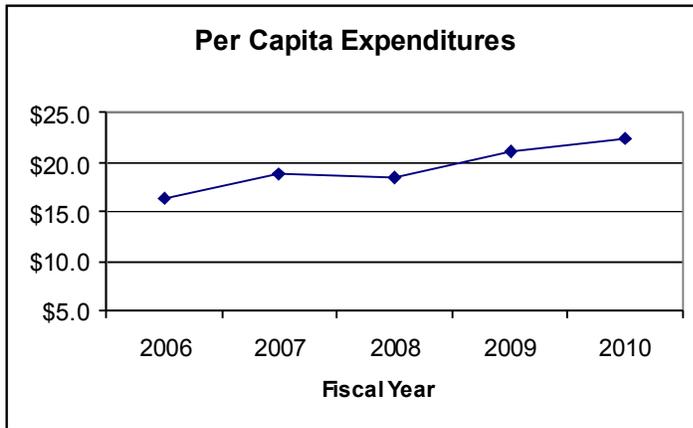
Program Description

The services provided by the Department of Museums are divided into the following areas:

The Virginia Aquarium and Marine Science Center (Aquarium) houses a 3D IMAX® Theater and over 800,000 gallons of aquariums featuring sharks, harbor seals, river otters and a host of other regionally indigenous plant life and animals. The Aquarium’s \$28 million renovation of its 20-year old galleries is scheduled for completion in early 2009 and will feature major exhibits, collectively named Restless Planet which represent Virginia’s environment at various periods of time, including a 120,000-gallon walk-through Aquarium, a misty peat swamp, an arid coastal desert and volcanic region.

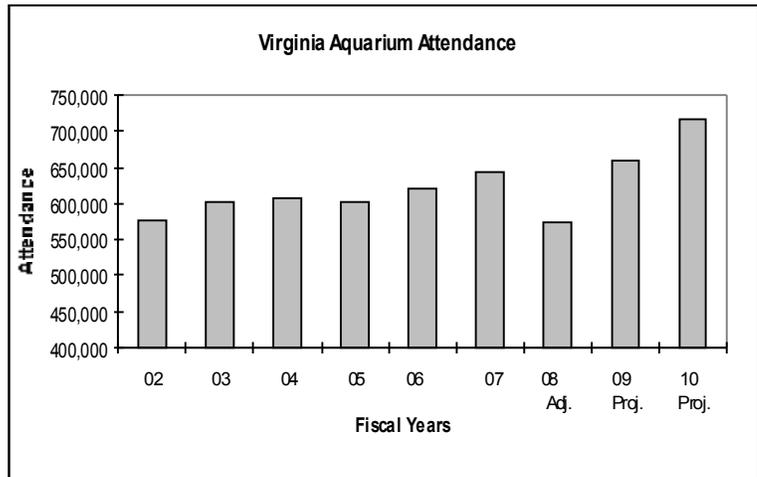
Historic Preservation includes the operation of the Francis Land House, Adam Thoroughgood House, and the Lynnhaven House as well as the management of the Virginia Beach Historic Register. The Historic Preservation division works to identify appropriate properties for historic preservation as well as to provide educational activities on the grounds of the various homes it operates. The division also administers grants to the Atlantic Wildfowl Heritage Museum at the DeWitt Cottage and the Old Coast Guard Station Museum.

Productivity and Results



- As the per capita expenditure graph indicates, several areas within the Aquarium’s FY 2008-09 and FY 2009-10 budgets required significant funding increases. These increases are in anticipation of the Restless Planet exhibits opening in early 2009 with revenue estimates increased accordingly to cover the expenditures.
- The largest increases other than personnel costs are attributable to licensing and film contractual fees for the two theaters the Aquarium will operate.

- As the graph to the right illustrates, attendance at the Virginia Aquarium is projected to reach 715,000 visitors in FY 2009-10; an 8% increase over FY 2008-09.
- The level of attendance for the Aquarium has historically leveled off at about 600,000 visitors annually until the anticipated increase which is attributable to the Restless Planet exhibits grand opening.
- The decrease in attendance in FY 2007-08 was anticipated as part of the year-long exhibit renovation.



Biennial Budget Analysis

- A 4D Theater will be retrofitted into the current Interactive Theater located in the Virginia Aquarium’s Marsh Pavilion. The Theater will target younger audiences with films that include 3D film projection and 4D special effects.
- The Virginia Aquarium and Marine Science Center Special Revenue Fund was eliminated during the FY 2009-10 biennial budget process for accounting and financial reporting purposes. It is expected that the financial and educational support the Aquarium produces for its programs and services will not be affected or minimized by this transition to the General Fund.

- A Virginia Coastal Resources Grant for the Stranding Center is budgeted for the biennium as a recurring grant.
- The Aquarium is currently scheduled to open its Restless Planet exhibits in early 2009 resulting in higher visitation, gift shop sales, membership and IMAX revenues.
- The City of Virginia Beach acquired the Lynnhaven House (circa 1725) from the Association for the Preservation of Virginia Antiquities and an education building adjacent to it is currently being constructed.
- Funding for the DeWitt Cottage was eliminated since the annual trust agreement with the City is no longer needed.
- Funding was reduced to various accounts for Historic Homes including contributions to the Atlantic Wildfowl and the Old Coast Guard Station Museums as well as contracted manpower for preservation research. The two impacted museums will have to reallocate resources for the reduced funding levels.

Council Amendment

On May 13, 2008, City Council voted to fund \$24,000 for the Atlantic Wildfowl Museum at the deWitt Cottage. A dedicated reserve was established for FY 2008-09 in the amount of \$30,000 for the Ferry Plantation House.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Aquarium and Marine Science Center	\$1,465,242	\$1,371,027	\$1,486,049	\$115,022	\$1,584,517	\$98,468
Gift Shop	894,715	860,461	1,025,285	164,824	1,066,406	41,121
Custodial Services	307,897	311,369	335,153	23,784	349,965	14,812
IMAX Theater	949,609	732,076	968,479	236,403	1,119,858	151,379
Education	493,045	588,608	640,177	51,569	687,752	47,575
Exhibits	1,594,135	1,651,085	1,827,686	176,601	1,972,891	145,205
Marketing	530,380	649,029	738,137	89,108	753,455	15,318
Research and Conservation	252,466	285,379	324,466	39,087	381,646	57,180
IMAX Theater - 4D	0	0	325,000	325,000	331,500	6,500
Aquarium Foundation	632,079	754,407	814,987	60,580	834,366	19,379
Francis Land House	255,406	284,002	99,804	-184,198	102,011	2,207
Adam Thoroughgood House	136,115	111,817	100,365	-11,452	102,613	2,248
Lynnhaven House	76,444	141,984	89,164	-52,820	91,133	1,969
Historic Homes Administration	0	0	248,490	248,490	254,049	5,559
Historic Preservation	199,783	203,449	119,748	-83,701	121,662	1,914
Virginia Beach 2007	916,959	0	0	0	0	0
Total 002 Fund	\$8,704,275	\$7,944,693	\$9,142,990	\$1,198,297	\$9,753,824	\$610,834
187 Marine Science Museum Grants Fund						
Museums - Grants	\$129	\$31,000	\$31,000	\$0	\$31,000	\$0
Total 187 Fund	\$129	\$31,000	\$31,000	\$0	\$31,000	\$0
Total Program Summary	\$8,704,404	\$7,975,693	\$9,173,990	\$1,198,297	\$9,784,824	\$610,834

Position Summary by Program

002 General Fund						
Aquarium and Marine Science Center	24.77	24.77	23.77	-1.00	23.77	0.00
Gift Shop	9.47	9.47	9.47	0.00	9.47	0.00
Custodial Services	8.50	8.50	8.50	0.00	8.50	0.00
IMAX Theater	4.26	4.26	4.26	0.00	4.26	0.00
Education	15.91	17.91	17.91	0.00	17.91	0.00
Exhibits	38.53	41.53	41.53	0.00	41.53	0.00
Marketing	4.00	4.00	4.00	0.00	4.00	0.00
Research and Conservation	3.80	3.80	3.80	0.00	3.80	0.00
Aquarium Foundation	26.94	27.94	27.94	0.00	27.94	0.00
Francis Land House	3.00	5.05	2.05	-3.00	2.05	0.00
Adam Thoroughgood House	1.00	2.25	2.25	0.00	2.25	0.00
Lynnhaven House	1.00	2.95	1.95	-1.00	1.95	0.00
Historic Homes Administration	0.00	0.00	4.00	4.00	4.00	0.00
Total 002 Fund	141.18	152.43	151.43	-1.00	151.43	0.00
Total Position Summary by Program	141.18	152.43	151.43	-1.00	151.43	0.00

Resource Summary Notes

In FY 2007-08, a total of 11.25 FTEs were added to the Department of Museums: 5.0 FTEs, including 6 part-time positions totaling 3.0 FTEs, were added to the exhibits and education units to prepare for the opening of the new Aquarium exhibits. 5.25 FTEs were added to the Historic Homes by reducing contracted manpower and increasing revenues. 1.0 FTE was added and fully funded by the Aquarium Foundation to act as the Registrar for the living and non-living objects of the Aquarium.

In FY 2008-09, 1.0 FTE Museums Sales Clerk I was eliminated.

Parks and Recreation Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$31,217,243	\$34,185,584	\$34,688,821	\$503,237	\$35,413,969	\$725,148
Operating	10,448,695	11,562,340	11,972,410	410,070	12,106,458	134,048
Capital	668,515	133,599	190,618	57,019	163,649	-26,969
Reserves	0	650,442	25,000	-625,442	25,000	0
Transfers	4,202,253	4,943,945	5,207,579	263,634	5,187,684	-19,895
Total	\$46,536,706	\$51,475,910	\$52,084,428	\$608,518	\$52,896,760	\$812,332
Fees	\$18,950,557	\$20,140,703	\$20,590,004	\$449,301	\$20,181,954	\$-408,050
Federal	1,083	1,000	1,000	0	1,000	0
State	47,121	60,000	55,000	-5,000	55,000	0
Transfers	16,150,653	17,594,401	18,172,351	577,950	19,108,376	936,025
Total	\$35,149,414	\$37,796,104	\$38,818,355	\$1,022,251	\$39,346,330	\$527,975
General City Support	\$11,387,292	\$13,679,806	\$13,266,073	\$-413,733	\$13,550,430	\$284,357
Total FTE Count	868.97	872.72	877.25	4.53	876.25	-1.00

Mission Statement

The Department's vision is a balanced, sustainable, and value-focused system of parks, recreation, and public spaces that creates a sense of community.

Objectives

Provide landscape maintenance for municipal buildings on a 14 day cycle to ensure a safe, clean, and aesthetically pleasing environment is provided for the public.

To diversify and enrich the quality of our municipally managed and maintained public golf courses.

To enhance our citizens' accessibility to the natural environment thru acquisition of open space and natural areas.

To improve the quality of life of our citizens by providing access to safe, functional and attractive facilities in which to enjoy cultural, recreational, and educational opportunities.

To increase and enhance service delivery by developing additional resources.

To involve the public in litter awareness and control through the use of volunteers participating in hands-on projects to ensure a clean environment and to save tax dollars.

To maintain a minimum average citizen satisfaction rating of 95% for Parks and Recreation services and facilities. (Note: Survey conducted biennially).

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Average mowing cycles for divided roadways	26.45	24.52	15.25	18.00	18.00	18.00
Number of parks visits	4,267,836.00	2,817,724.00	3,713,490.00	2,547,836.00	3,370,784.00	3,471,908.00
Number of recreation center memberships	43,281.00	43,216.00	42,039.00	41,400.00	42,500.00	44,000.00
Open space acres acquired	18.00	99.80	5.62	61.00	50.00	50.00
Rounds of 18 hole equivalents	75,527.00	53,020.00	75,872.00	91,000.00	85,000.00	89,000.00
<u>Quality</u>						
Percent satisfied with parks	92.80	92.80	92.80	95.00	95.00	95.00
Percent satisfied with recreation centers, programs and classes	94.00	94.00	94.00	95.00	95.00	95.00
<u>Efficiency</u>						
Value of sponsorships and donations	567,686.00	465,405.00	397,562.00	417,440.00	438,312.00	460,228.00
Value of volunteers	2,027,500.00	1,880,416.00	2,238,064.00	2,280,662.00	2,394,695.00	2,514,430.00

Performance Measurement Explanation

Additional contractual funding was provided in FY 2006-07 to address the growing trend in longer mowing cycles. The reduction of 9.27 days in the average cycle demonstrates the significant impact.

Recreation center memberships: the declining trend in recreation memberships is related to the increased competition of private gyms and the decrease in the number of school age children. However, the investment in increased marketing is anticipated to have a positive effect.

Golf rounds: the decrease in rounds in FY 2004-05 to FY 2006-07 is due to the closure of Red Wing Lake Golf Course for an 18-month renovation.

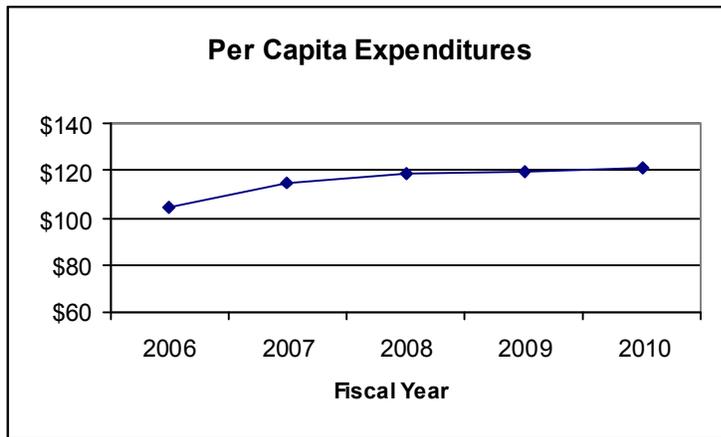
Recreation center and parks satisfaction: survey conducted every other year.

Program Description

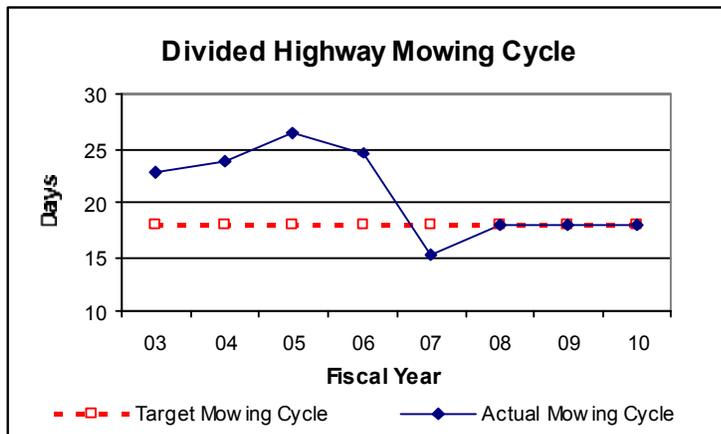
The core services provided by Parks and Recreation are divided into five broad areas:

- **Administration and Business Systems** is responsible for budgeting, human resources, marketing, sponsorships and partnerships, and information systems management for all divisions.
- **Planning, Design and Development** manages the capital improvement program, the City's Open Space Program, and implements the Virginia Beach Outdoors Plan.
- **Programming and Operations** includes all indoor and outdoor recreation and park operations and programs, the Youth Opportunities Office, Before/After School Programs, therapeutic recreation and inclusion services for people with disabilities.
- **Landscape Management** provides landscape services for all public infrastructure, including roadways, public buildings, the resort area, Town Center, public spaces, parks and school sites.
- **Golf Course Operations and Services** manages the five municipal golf courses: Red Wing Lake, Kempsville Greens and Bow Creek are operated by the City; Stumpy Lake and Virginia Beach National are operated through lease agreements.

Productivity and Results



- The increase from FY 2005-06 to FY 2006-07 is attributable to several facilities coming online and enhancements to existing programming. This includes personnel and operating expenses for open space and natural area planning and maintenance, the re-opening of Red Wing Lake Golf Course, and the expansion of the preschool program at Kempsville Recreation Center. There was also an increase in contractual funding for landscape maintenance to address mowing cycles.
- Personnel and operating expenses were added for Providence Park in 2008.



- The Divided Highway Mowing Cycle graph illustrates the historical trend in the landscape maintenance of divided highways. The modest annual increases in the landscape management budget had not kept pace with the cost of maintaining divided roadways. The increase to contractual maintenance in FY 2006-07 had a dramatic effect. The average number of days between mowing cycles dropped to 15.25 in FY 2007 from 24.52 the previous year. The division's goal is not to exceed an 18-day mowing cycle.

Biennial Budget Analysis

- The Department began the strategic planning process in 2005 to provide guidance for the organization for the next 10 – 20 years. The merger of the Landscape Services Division with Parks and Recreation in late 2003 provided an opportunity to rethink how public space maintenance should be structured and delivered. The overall conclusion from dozens of organizational assessments provided by stakeholders, City leadership and the community, was that programs, facilities, maintenance management and business practices as they existed were not sustainable in the current environment of shrinking resources, shifting demographics, and changing community priorities. As a result, the Department of Parks and

Recreation has undertaken a strategic organizational realignment that supports community priorities, increases efficiency and effectiveness, enhances marketing efforts, and improves customer service. In the FY 2008-09 and FY 2009-10 these changes include:

- The elimination of 3 full-time positions in the Golf Course Special Revenue Fund from a streamlining of management operations. The conversion of one full-time position to part-time positions in Golf Operations to offer greater flexibility and realize budgetary savings. A Motor Equipment Operator position was transferred to the Open Space Fund and reclassified as a City Arborist. A Golf Course Superintendent position was transferred to the Parks and Recreation Special Revenue Fund and reclassified as a Business Application Specialist to manage the Hansen software application to improve the department's asset management and work orders system.
- A Groundskeeper position was transferred from the Landscape Management Division to the Parks and Recreation Special Revenue Fund and reclassified as a Graphic Designer to focus on marketing initiatives.
- A number of other positions were transferred within the Parks and Recreation Special Revenue Fund to realign administrative functions and delineate the maintenance bureau of the Princess Anne Athletic Complex.
- A one-time use of fund balance from the Parks and Recreation Special Revenue Fund provides enhancements to the marketing campaign.
- The reorganization of the department will continue over the biennium.
- There are some service enhancements being provided by the department in the upcoming fiscal year as well. Additional part-time employees were added for Afterschool programming and Inclusion Services (2.37 FTEs) and to provide a Teen Camp at Kempsville Recreation Center (2.06 FTEs) in response to citizen demand for these services. The costs associated with these added services are covered by revenues generated from them.
- This budget includes the elimination of the Boys Baseball program and associated revenue in the Athletics Division. The revenue generated by this program does not cover the costs, and private league baseball teams have capacity to provide playing opportunities for the youth who would be affected.
- Due to funding constraints, the School System provided level funding for Grounds Services, a service provided to them by a unit in Landscape Management. As a result, reductions were made to maintenance materials in both years, and a Groundskeeper position is being eliminated in Year 2.
- Operating and maintenance expenses related to CIP projects were added to the department's operating budget. This includes costs from Open Space acquired properties (funded in the Open Space Fund) and landscape maintenance of outdoor recreational facilities and natural areas.
- The number of visits within the City's Park System continues to increase, with approximately 3.7 million visitors in FY 2006-07. Mount Trashmore is still the most popular park, with almost 1.7 million visitors last year.
- By the end of FY 2007-08, sixty-seven playgrounds will have been replaced and upgraded to meet Federal safety standards. This completes the two-year replacement of playgrounds that were sub-standard.
- In FY 2006-07, the Department provided before and after school programs and summer camps to 6,278 youth at 57 elementary schools and 7 middle schools.

- Funding for the department comes through fees, a dedicated general fund transfer from referendum financing, and a non-dedicated general fund transfer. The department annually reviews its fee structure to ensure appropriate pricing of services and that the citizens are getting the most value for their dollars. A schedule of fee changes is shown below.

Description	FY 2007-08 Price	FY 2008-09 Price	Last Increase
Little Island Park Fishing Pier Admissions	\$5	\$6	FY 2007
Munden Point Boat Ramp Launch	\$5	\$6	FY 2007
Boat Ramp Launch (\$12 to \$14 without a saltwater fishing license)	\$6	\$7	FY 2007
Adult Softball Teams	\$450	\$500	FY 2007
Church Basketball Teams	\$450	\$475	FY 2007
Law Enforcement Basketball Teams	\$350	\$375	FY 2007
Adult Volleyball Teams	\$375	\$400	FY 2008
Girls Fast Pitch Softball Teams	\$250	\$300	FY 2008
Open Court Rental	\$6.30 per hour	\$8.75 per hour	FY 2005
Virginia Beach Tennis Players Association Court Rental	\$5 per hour	\$7 per hour	FY 2005
Recreation Center Annual Membership - Adult	\$55	\$66	FY 2007
Recreation Center Annual Membership - Senior	\$44	\$53	FY 2007
Recreation Center Annual Membership - Youth	\$22	\$27	FY 2007
Recreation Center Annual Membership - Non-resident	\$187	\$280	FY 2007
Recreation Center 3 Month Membership - Non-resident	\$59	\$98	FY 2007
KidzQuest - Afterschool Program	\$68 bi-weekly	\$79 bi-weekly	FY 2005
KidzQuest - Summer Camp Program	\$77 per week	\$89 per week	FY 2008
Middle School Mania - Summer Camp Program	\$87 per week	\$89 per week	FY 2008
Afterschool Program	\$100 bi-weekly	\$118 bi-weekly	FY 2005
Summer Camp Program	\$115 per week	\$125 per week	FY 2008
Teen Summer Camp Program	\$130 per week	\$135 per week	FY 2008
Flexaerobics – Land	\$2 per hour	\$3 per hour	FY 2005
Personal Training	Various	All session types increased by 20%	FY 2005

Council Amendment

On May 13, 2008, City Council voted to restore the Boys Baseball Program, increasing the Department's budget by \$29,540 in FY 2009, which is also reflected in revenue from the General Fund. The City Council also added a new program to provide summer camp for the Lake Edward ares, including 2.1 part-time FTE's at a cost of \$61,500.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Landscape Administration	\$2,974,856	\$3,238,370	\$3,216,677	\$-21,693	\$3,284,949	\$68,272
Grounds Maintenance	4,809,773	5,215,089	4,919,069	-296,020	5,024,387	105,318
Parks Maintenance	3,559,613	3,670,756	3,749,180	78,424	3,838,261	89,081
Resort Area Landscaping	1,573,656	1,988,892	1,780,458	-208,434	1,817,713	37,255
Total 002 Fund	\$12,917,898	\$14,113,107	\$13,665,384	\$-447,723	\$13,965,310	\$299,926
151 Parks and Recreation Special Revenue Fund						
Director's Office	\$279,867	\$298,004	\$282,510	\$-15,494	\$288,892	\$6,382
Planning, Design and Development	587,170	606,760	626,340	19,580	640,847	14,507
Business Systems	846,411	859,530	1,002,771	143,241	1,071,983	69,212
Parks and Recreation Human Resources	0	0	385,991	385,991	516,703	130,712
Parks Operations and Services	1,917,223	2,051,358	2,094,393	43,035	2,145,685	51,292
Lynnhaven Boat Ramp and Beach Facility	105,581	113,679	122,165	8,486	124,909	2,744
Parks Special Events	351,544	352,249	298,869	-53,380	305,358	6,489
Sportsplex Operations	401,413	439,600	391,388	-48,212	399,507	8,119
Ow I Creek Municipal Tennis Center	302,003	172,535	414,639	242,104	423,307	8,668
Recreation Centers Landscaping	69,165	90,134	84,391	-5,743	86,079	1,688
CRC - Kempsville	1,938,267	2,291,126	2,333,111	41,985	2,342,255	9,144
CRC - Bow Creek	1,212,086	1,396,968	1,460,217	63,249	1,462,930	2,713
Seatack Community Center	1,025,788	1,187,749	963,532	-224,217	958,010	-5,522
CRC - Great Neck	1,880,467	2,203,403	2,111,561	-91,842	2,159,421	47,860
CRC - Bayside	1,788,074	2,194,912	2,219,132	24,220	2,269,171	50,039
CRC - Princess Anne	2,064,981	2,258,137	2,348,577	90,440	2,401,669	53,092
Programming and Operations Administration	441,947	445,569	392,480	-53,089	471,062	78,582
Resource Development	758,484	1,019,888	1,046,576	26,688	828,815	-217,761
Youth Opportunities Office	143,448	688,448	507,802	-180,646	519,139	11,337
Athletics	1,049,440	1,028,056	1,028,071	15	1,050,558	22,487
Athletic Complex	589,442	711,447	185,228	-526,219	189,564	4,336
Inclusion Services	276,411	253,149	316,457	63,308	323,852	7,395
Community Recreation Services	4,775,843	4,353,721	5,007,833	654,112	5,119,537	111,704
USFHA Field Hockey Training Center	0	0	73,803	73,803	75,476	1,673
Princess Anne Athletic Complex Maintenance	0	0	556,370	556,370	568,101	11,731
Reserve for Contingencies	0	0	0	0	0	0
Transfer to Other Funds	828	69,540	0	-69,540	0	0
Total 151 Fund	\$22,805,883	\$25,085,962	\$26,254,207	\$1,168,245	\$26,742,830	\$488,623
152 Tourism Growth Investment Fund						
TGIF Resort Area Landscaping	\$34,920	\$34,891	\$33,213	\$-1,678	\$33,899	\$686
Total 152 Fund	\$34,920	\$34,891	\$33,213	\$-1,678	\$33,899	\$686
171 Sportsplex Special Revenue Fund						
Sportsplex Operations	\$17,251	\$0	\$0	\$0	\$0	\$0
Total 171 Fund	\$17,251	\$0	\$0	\$0	\$0	\$0
172 Open Space Special Revenue Fund						
Open Space Management and Maintenance	\$78,116	\$101,096	\$226,757	\$125,661	\$231,685	\$4,928
Open Space Planning	86,968	93,682	177,493	83,811	179,704	2,211
Reserve for Contingencies	0	226	0	-226	0	0
Future C.I.P. Commitments	0	473,457	0	-473,457	0	0
Transfer to Other Funds	4,001,425	4,674,405	4,918,029	243,624	4,898,134	-19,895
Total 172 Fund	\$4,166,509	\$5,342,866	\$5,322,279	\$-20,587	\$5,309,523	\$-12,756

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
174 Town Center Special Service District						
Town Center Landscaping	\$35,882	\$31,211	\$37,200	\$5,989	\$37,943	\$743
Total 174 Fund	\$35,882	\$31,211	\$37,200	\$5,989	\$37,943	\$743
175 Golf Course Special Revenue Fund						
Red Wing Golf Course	\$813,526	\$859,517	\$856,369	\$-3,148	\$861,999	\$5,630
Bow Creek Golf Course	622,504	745,436	616,614	-128,822	629,958	13,344
Kempsville Greens Golf Course	741,338	792,591	729,618	-62,973	745,552	15,934
Golf Administration	162,854	177,624	277,004	99,380	282,725	5,721
Reserve for Contingencies	0	65,575	25,000	-40,575	25,000	0
Transfer to Other Funds	200,000	200,000	289,550	89,550	289,550	0
Total 175 Fund	\$2,540,222	\$2,840,743	\$2,794,155	\$-46,588	\$2,834,784	\$40,629
613 School Landscaping Internal Service Fund						
Schools Landscaping	\$3,966,162	\$3,828,026	\$3,867,990	\$39,964	\$3,860,271	\$-7,719
Reserve for Contingencies	0	111,184	0	-111,184	0	0
Total 613 Fund	\$3,966,162	\$3,939,210	\$3,867,990	\$-71,220	\$3,860,271	\$-7,719
908 City Beautification Fund						
Beautification Projects	\$5,855	\$10,200	\$20,000	\$9,800	\$20,400	\$400
Total 908 Fund	\$5,855	\$10,200	\$20,000	\$9,800	\$20,400	\$400
911 Parks and Recreation Gift Fund						
Parks and Recreation Gift Fund	\$6,984	\$30,600	\$30,000	\$-600	\$30,600	\$600
Sponsorships / Partnerships	39,140	47,120	60,000	12,880	61,200	1,200
Total 911 Fund	\$46,124	\$77,720	\$90,000	\$12,280	\$91,800	\$1,800
Total Program Summary	\$46,536,706	\$51,475,910	\$52,084,428	\$608,518	\$52,896,760	\$812,332

Position Summary by Program

002 General Fund						
Landscape Administration	16.00	17.00	17.00	0.00	17.00	0.00
Grounds Maintenance	89.00	89.00	88.00	-1.00	88.00	0.00
Parks Maintenance	61.00	60.00	60.00	0.00	60.00	0.00
Resort Area Landscaping	20.00	20.00	20.00	0.00	20.00	0.00
Total 002 Fund	186.00	186.00	185.00	-1.00	185.00	0.00
151 Parks and Recreation Special Revenue Fund						
Director's Office	2.00	2.00	2.00	0.00	2.00	0.00
Planning, Design and Development	7.00	7.00	7.00	0.00	7.00	0.00
Business Systems	10.00	11.72	13.00	1.28	13.00	0.00
Parks and Recreation Human Resources	0.00	0.00	5.72	5.72	5.72	0.00
Parks Operations and Services	53.45	58.81	57.81	-1.00	57.81	0.00
Lynnhaven Boat Ramp and Beach Facility	4.40	4.40	4.40	0.00	4.40	0.00
Parks Special Events	4.65	4.65	4.65	0.00	4.65	0.00
Sportsplex Operations	3.00	2.00	2.00	0.00	2.00	0.00
Owl Creek Municipal Tennis Center	2.36	2.36	3.36	1.00	3.36	0.00
CRC - Kempsville	51.76	53.20	51.76	-1.44	51.76	0.00
CRC - Bow Creek	36.42	36.42	37.42	1.00	37.42	0.00
Seatack Community Center	26.82	27.77	24.77	-3.00	24.77	0.00
CRC - Great Neck	48.89	48.89	48.89	0.00	48.89	0.00
CRC - Bayside	50.66	50.66	50.66	0.00	50.66	0.00
CRC - Princess Anne	52.69	52.69	53.69	1.00	53.69	0.00
Programming and Operations Administration	7.72	6.00	5.00	-1.00	5.00	0.00
Resource Development	7.00	7.00	6.00	-1.00	6.00	0.00

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Position Summary by Program						
151 Parks and Recreation Special Revenue Fund						
Youth Opportunities Office	2.00	15.11	8.00	-7.11	8.00	0.00
Athletics	14.86	15.66	13.67	-1.99	13.67	0.00
Athletic Complex	11.24	12.24	5.24	-7.00	5.24	0.00
Inclusion Services	9.03	9.03	11.39	2.36	11.39	0.00
Community Recreation Services	161.30	143.39	154.10	10.71	154.10	0.00
USFHA Field Hockey Training Center	0.00	0.00	1.00	1.00	1.00	0.00
Princess Anne Athletic Complex Maintenance	0.00	0.00	8.00	8.00	8.00	0.00
Total 151 Fund	567.25	571.00	579.53	8.53	579.53	0.00
152 Tourism Growth Investment Fund						
TGIF Resort Area Landscaping	1.00	1.00	1.00	0.00	1.00	0.00
Total 152 Fund	1.00	1.00	1.00	0.00	1.00	0.00
172 Open Space Special Revenue Fund						
Open Space Management and Maintenance	4.40	4.40	5.40	1.00	5.40	0.00
Open Space Planning	1.00	1.00	1.00	0.00	1.00	0.00
Total 172 Fund	5.40	5.40	6.40	1.00	6.40	0.00
175 Golf Course Special Revenue Fund						
Red Wing Golf Course	14.08	14.08	12.52	-1.56	12.52	0.00
Bow Creek Golf Course	11.62	11.62	9.15	-2.47	9.15	0.00
Kempsville Greens Golf Course	12.62	12.62	11.65	-0.97	11.65	0.00
Golf Administration	2.00	2.00	3.00	1.00	3.00	0.00
Total 175 Fund	40.32	40.32	36.32	-4.00	36.32	0.00
613 School Landscaping Internal Service Fund						
Schools Landscaping	69.00	69.00	69.00	0.00	68.00	-1.00
Total 613 Fund	69.00	69.00	69.00	0.00	68.00	-1.00
Total Position Summary by Program	868.97	872.72	877.25	4.53	876.25	-1.00

Resource Summary Notes

The increase in General Fund support to the Parks and Recreation Special Revenue Fund from FY 2005-06 to FY 2006-07 is due to the increased funding available from the dedicated referendum tax; non-dedicated support declined due to the elimination of charges for IT services.

The personnel and operating costs for the Sportsplex Special Revenue Fund were consolidated into the Parks and Recreation Special Revenue Fund.

Golf Course expenses were previously consolidated in one bureau, Golf Operations and Services, but are now shown for each course and the administration component.

The increase in transfers and the overall increase in the Open Space Special Revenue Fund in FY 2008-09 is primarily a result of the increased contribution from the Open Space Special Revenue Fund to Open Space CIP Projects.

The majority of the decreases from FY 2007-08 to FY 2008-09 are attributable to the improved rates for life insurance and retirement.

There are notable changes to FTEs within funds as a result of the Strategic Plan implementation. For example, in FY 2008, the PLAY Team and the Mobile Activity Center (MAC) were consolidated within the Youth Opportunities Office, but the MAC was redistributed back into recreation center operations in FY 2009. The reductions from the Athletic Complex reflects the separation of the maintenance function.

Education Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$612,609,251	\$652,725,471	\$644,679,986	\$-8,045,485	\$656,173,031	\$11,493,045
Operating	111,912,637	144,004,396	140,285,943	-3,718,453	136,741,229	-3,544,714
Capital	13,547,066	2,235,533	4,070,489	1,834,956	3,475,674	-594,815
Transfers	10,585,225	9,535,095	33,392,957	23,857,862	33,724,743	331,786
City Manager Reduction	0	0	0	0	0	0
Total	\$748,654,179	\$808,500,495	\$822,429,375	\$13,928,880	\$830,114,677	\$7,685,302
Fees	\$31,796,014	\$36,163,191	\$36,107,788	\$-55,403	\$34,892,741	\$-1,215,047
Federal	59,383,762	65,547,757	63,571,475	-1,976,282	61,131,319	-2,440,156
State	363,457,703	369,918,862	383,510,734	13,591,872	385,637,047	2,126,313
Transfers	305,141,684	336,870,685	339,239,378	2,368,693	348,453,570	9,214,192
Total	\$759,779,163	\$808,500,495	\$822,429,375	\$13,928,880	\$830,114,677	\$7,685,302
General City Support	\$-11,124,984	\$0	\$0	\$0	\$0	\$0
Total FTE Count	10,634.97	10,541.87	10,519.47	-22.40	10,447.17	-72.30

Mission Statement

The mission of the Virginia Beach Public Schools, in partnership with our entire community, is to ensure that each student is empowered with the knowledge and skills necessary to meet the challenges of the future. The Schools are enabled to achieve this mission through support from the State, Federal, and Local government.

Vision Statement: Virginia Beach City Public Schools will provide services and programs to engage its clientele in an exciting learning environment. The School Division will excel in all aspects of performance, enhance student achievement, bring recognition to the community, and establish itself as a premier leader in the education industry. With continuous improvement, the results of employee efforts will make Virginia Beach City Public Schools, "The School of Choice."

Objectives

Achieve objectives stated in the Federal "No Child Left Behind" Act.

Ensure achievement of Virginia Standards of Learning.

Meet middle and high school staffing targets of 25 students to each teacher, except English classes staffed at 24 students to each teacher.

Meet the elementary staffing target of 24 students to each teacher.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Composite index	33.53	33.53	34.92	34.92	37.08	37.08
Dropout rate	1.29	1.22	1.15	1.00	1.00	1.00
Students in special education programs	14.06	13.92	14.52	14.00	14.00	14.00
Student enrollment (as of September 30th)	74,651.00	73,448.00	71,721.00	70,682.00	69,771.00	69,118.00
<u>Quality</u>						
Gifted Program students (% of total students)	11.55	11.02	11.88	12.00	12.00	12.00
Math mean scores	504.00	505.00	504.00	500.00	500.00	500.00
Verbal mean scores	506.00	497.00	496.00	500.00	500.00	500.00
<u>Efficiency</u>						
Per-Pupil expenditure	8,633.00	9,113.00	10,209.00	11,144.00	11,818.00	12,148.00
Students enrolled in free and reduced lunch program	28.30	26.30	26.80	27.00	27.00	27.00
Average salary of Virginia Beach teachers	46,611.00	47,928.00	49,371.47	50,567.00	0.00	0.00

Program Description

The Virginia Beach City Public Schools has an elected eleven member board that has the overall responsibility to ensure that the activities of the 88 public schools (elementary, secondary, adult, and vocational) are conducted according to law and with the utmost efficiency. The Superintendent, appointed by the School Board, oversees the programming and operations of the School System. The School System’s operating budget is divided into the following categories:

Instruction includes the funding necessary to operate the City’s elementary, middle, and secondary schools as well as special programs such as vocational education; gifted and talented programs; special education; summer school; technology; media services; and adult education.

Administration, Attendance, and Health includes the support to the School Board; financial operations; the School’s Internal Auditor; human resources; School nurses, and the City/School Consolidated Benefits Office.

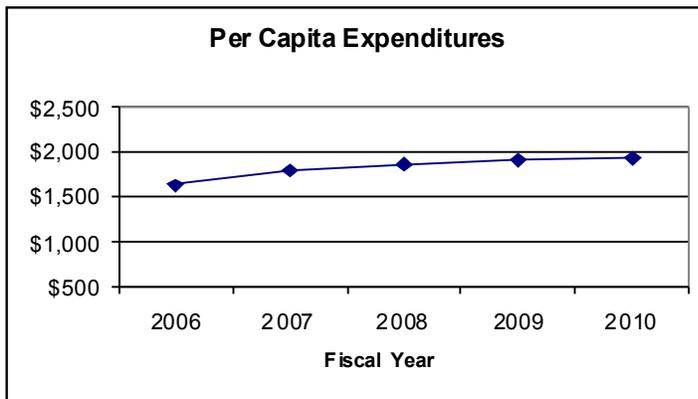
Pupil Transportation provides funding for the maintenance and operation of the School bus fleet.

Operations and Maintenance covers the custodial services; telecommunications; technology maintenance; utility and maintenance costs for the School buildings; and the construction management for School modernization and replacement projects.

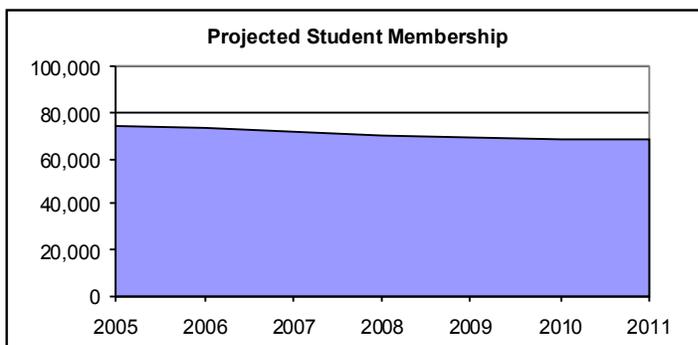
Grants include all State and Federal grants awarded to the Schools.

All other funds represent different activities where the Schools collect revenue to balance against certain expenses such as the Cafeteria Fund, Textbook Fund, Athletic Fund, School Vending Machines, etc.

Productivity and Results



- Per capita expenditures continue to increase for Schools as the cost of education rises. The School System’s budget for FY 2008-09 grows by 2% over the previous year.
- The composite index for Virginia Beach rose from 34.92 to 37.08. This index is designed by the State to measure a localities ability to support education services and is a factor in determining State funding for education. Because of this increase, State funding to Virginia Beach decreased by \$10 million.
- Percentage of students who drop out of school continues to decline from 1.29% in FY 2004-05 to 1.15% in FY 2006-07



- As the Projected Student Membership graph shows, enrollment in Schools has been declining and is expected to continue to decrease over the next few years. Total enrollment is projected to decline to 67,506 in FY 2013-14 and begin increasing again in FY 2014-15.
- Though total enrollment is expected to decline until FY 2015, elementary School enrollment is expected to begin increasing in FY 2010-11.

Biennial Budget Analysis

- It appears at this time that the State Budget removed approximately \$5.5 million in Lottery Funds and \$1 million in School Construction Funds. Lottery funds, by City Council Ordinance must be entirely used for School Modernization. This State reduction has significantly impacted the School’s proposed Capital Improvement Program. In addition, the City was unable to provide additional resources to address a 6% increase in School capital construction requests. Even with the School Board allocating an additional \$1 million in pay-as-you-go financing to their CIP the City is recommending a reduction in the School Board’s adopted capital program of approximately \$7 million.

- The City and Schools have a revenue sharing policy that allocates 51.3% of seven major revenues to the Schools. This policy is agreed to by City Council and School Board members and accounts for nearly 47% of the total School Budget.
- State funding is divided between Basic Aid and State Share Sales Tax, combined this represents slightly over 50% of all funding. Because of this reliance on the State for funding, the State budget becomes a critical partner in the delivery of educational services. This year the State has delayed adoption of the budget, making a full accounting here impossible.
- The School Operating Budget provides for a 3.5% pay raise for employees. This will be 100% local funding due to the State budget not including any pay raise for teachers until July 1, 2009
- Major cost drivers include fuel, electricity, and the need to reinstate bus replacement on a regular cycle.
- There is a net reduction of 22.4 FTE's, 49.7 positions were eliminated due to the continued enrollment decline, 20 positions were added to address special education and Advancement Via Individual Determination (AVID) programs, other positions were eliminated in the Central Office reorganization, while custodial positions were added due to increased square footage in modernized buildings.
- In order to balance the second year of the biennium (FY 2009-10) it was necessary to make a \$3.4 million reduction in the School Board's Adopted Budget (March 11, 2008).

Council Amendment

On May 20th the School Board met to reconcile their budget based on City Council's adoption of the biennial budget and to reflect changes made by the General Assembly. The changes listed below are updated in this document and shown accordingly even though this action occurred after Council's adoption of the budget. On June 10th, City Council adopted the School Board's recommended changes which include:

- As a result of General Assembly action, the School Board requested the establishment of a new appropriation category called Technology.
- State revenue to the School Operating Budget (115 Fund) was reduced by \$2,865,738 in FY 2008-09. This reduction is a result of the General Assembly's Adopted Budget.
- The City's refinanced debt shortly before City Council adopted the biennial budget. As a result, this saved the Schools \$256,830 in FY 2008-09 and \$114,375 in FY 2009-10. This savings increased the local transfer to the Schools-
- The Schools increased the Instructional Technology Fund by \$900,000 and the Equipment Replacement Fund by \$525,000. Both funds increased their use of fund balance to fund these appropriations.
- State Construction Grants and Lottery Proceeds were mostly restored by the General Assembly. This change resulted in an additional \$13 million (across FY 2008-09 & FY 2009-10) applied to the Schools Capital Improvement Program. This detail is discussed in the Capital Improvement Program for Schools.
- \$1,000,000 was moved out of CIP Project 1-043 Thoroughgood Elementary in FY 2013-14 and was put in CIP 1-233 Old Donation Center Modernization in FY 2013-14. This funding will need to be restored to Thoroughgood but will not affect the Operating Budget.

The changes between the City's adopted budget and School Board changes are shown below:

Note that the School's Local transfer is made up of three parts: debt service (paid in the CIP), pay-go (paid in the CIP) and the remainder which is the Operating Budget transfer. These three categories combined make up the total local transfer.

For the Operating Budget, the Schools appropriate funding to their State mandated categories and also maintain special revenue funds that are paid by State, Federal, and other local revenues.

	Schools Adopted March 11th	City Council Adopted May 13th	School Board Resolution May 20th & City Council Adopted June 10th
Local Support			
Operating Transfer	\$338,982,548	\$339,239,378	\$339,239,378

Debt Service	\$41,411,259	\$41,154,429	\$41,154,429
Paygo	\$13,936,308	\$13,936,308	\$13,936,308
TOTAL	\$394,330,115	\$394,330,115	\$394,330,115

Categories

Instruction	\$565,720,682	\$565,720,682	\$550,719,456
Admin, Attend	\$24,213,109	\$24,213,109	\$23,235,324
Pupil Transportation	\$31,820,893	\$31,820,893	\$30,954,363
Ops & Maint.	\$102,170,406	\$102,170,406	\$92,403,639
Technology*	\$0	\$0	\$24,003,400
TOTAL	\$723,925,090	\$723,925,090	\$721,316,182

Special Revenue

School Grants	\$54,872,411	\$54,872,411	\$54,872,411
Other Funds*	\$44,815,782	\$44,815,782	\$46,240,782*
TOTAL	\$99,688,193	\$99,688,193	\$101,113,193

*The Schools Technology Category may be transferred to a special revenue fund but will remain part of the Schools Operating Fund and as a separate category

Expenditures (all funds)

Personnel Services	\$492,175,702	\$492,175,702	\$492,036,994
Fringe Benefits	\$171,503,583	\$171,503,583	\$168,404,539
Purchased Services	\$51,154,929	\$51,154,929	\$51,300,654
Other Charges	\$29,794,032	\$29,794,032	\$30,823,352
Materials & Supplies	\$64,781,006	\$64,781,006	\$65,916,235
Capital Outlay	\$4,401,044	\$4,401,044	\$4,080,044
Transfers	\$9,639,987	\$9,639,987	\$9,704,557
Land Struc. Improve.	\$163,000	\$163,000	\$163,000
Total Operating	\$823,613,283	\$823,613,283	\$822,429,375
Debt Service	\$41,411,259	\$41,154,429	\$41,154,429
Pay-go	\$13,936,308	\$13,936,308	\$13,936,308
TOTAL BUDGET	\$878,960,850	\$878,704,020	\$877,520,112

Revenues (all funds)

Formula Revenue	\$338,982,548	\$339,239,378	\$339,239,378
Debt Service (Formula)	\$41,411,259	\$41,154,429	\$41,154,429
Paygo (Formula)	\$13,936,308	\$13,936,308	\$13,936,308
Other Local Revenue	\$23,366,720	\$23,109,890	\$23,366,720
State Revenue	\$308,862,425	\$308,862,425	\$307,617,070
State Sales tax	\$77,554,848	\$77,554,848	\$75,934,465
Federal Revenue	\$63,530,674	\$63,530,674	\$63,530,674
Fund Balance	\$4,911,889	\$4,911,889	\$6,336,889
Transfers	\$6,404,179	\$6,404,179	\$6,404,179
Total Operating	\$878,960,850	\$878,704,020	\$877,520,112

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
107 School Equipment Replacement Special Revenue Fund						
Reserve for Contingencies	\$0	\$0	\$1,837,129	\$1,837,129	\$1,312,129	\$-525,000
Total 107 Fund	\$0	\$0	\$1,837,129	\$1,837,129	\$1,312,129	\$-525,000
108 School Instructional Technology Fund						
Instructional Technology	\$5,484,741	\$6,636,000	\$3,815,945	\$-2,820,055	\$2,915,947	\$-899,998
Total 108 Fund	\$5,484,741	\$6,636,000	\$3,815,945	\$-2,820,055	\$2,915,947	\$-899,998
109 School Vending Operations Fund						
School Vending Operations	\$563,742	\$915,000	\$609,815	\$-305,185	\$407,299	\$-202,516
Total 109 Fund	\$563,742	\$915,000	\$609,815	\$-305,185	\$407,299	\$-202,516
112 School Communication Tower Technology Fund						
Communication Tower Technology	\$107,570	\$560,000	\$560,000	\$0	\$560,000	\$0
Total 112 Fund	\$107,570	\$560,000	\$560,000	\$0	\$560,000	\$0
114 School Cafeteria Fund						
Food Services	\$24,247,958	\$26,349,312	\$26,794,640	\$445,328	\$27,455,296	\$660,656
Total 114 Fund	\$24,247,958	\$26,349,312	\$26,794,640	\$445,328	\$27,455,296	\$660,656
115 School Operating Fund						
Instruction	\$530,833,167	\$555,724,972	\$550,719,456	\$-5,005,516	\$561,698,962	\$10,979,506
Administration, Attendance, and Health	20,558,583	24,189,034	23,235,324	-953,710	23,617,233	381,909
Pupil Transportation	32,095,470	30,891,040	30,954,363	63,323	31,391,516	437,153
Operations and Maintenance	86,386,349	96,357,081	92,403,639	-3,953,442	93,018,988	615,349
Technology	0	0	24,003,400	24,003,400	24,333,180	329,780
Total 115 Fund	\$669,873,569	\$707,162,127	\$721,316,182	\$14,154,055	\$734,059,879	\$12,743,697
116 School Grants Fund						
School Grants	\$39,739,050	\$54,956,635	\$54,872,411	\$-84,224	\$50,820,784	\$-4,051,627
Total 116 Fund	\$39,739,050	\$54,956,635	\$54,872,411	\$-84,224	\$50,820,784	\$-4,051,627
117 School Textbook Fund						
Textbook	\$4,356,800	\$7,239,776	\$7,880,290	\$640,514	\$7,830,410	\$-49,880
Total 117 Fund	\$4,356,800	\$7,239,776	\$7,880,290	\$640,514	\$7,830,410	\$-49,880
119 School Athletic Special Revenue Fund						
Athletics	\$4,280,749	\$4,681,645	\$4,742,963	\$61,318	\$4,752,933	\$9,970
Total 119 Fund	\$4,280,749	\$4,681,645	\$4,742,963	\$61,318	\$4,752,933	\$9,970
Total Program Summary	\$748,654,179	\$808,500,495	\$822,429,375	\$13,928,880	\$830,114,677	\$7,685,302

Position Summary by Program

114 School Cafeteria Fund						
Food Services	490.89	493.89	493.89	0.00	493.89	0.00
Total 114 Fund	490.89	493.89	493.89	0.00	493.89	0.00
115 School Operating Fund						
Instruction	7,390.35	7,315.85	7,286.65	-29.20	7,256.35	-30.30
Administration, Attendance, and Health	290.10	291.50	297.30	5.80	297.30	0.00
Pupil Transportation	667.13	667.13	667.13	0.00	667.13	0.00
Operations and Maintenance	1,217.50	1,226.50	1,233.50	7.00	1,233.50	0.00
Total 115 Fund	9,565.08	9,500.98	9,484.58	-16.40	9,454.28	-30.30

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Position Summary by Program

116 School Grants Fund

School Grants	577.50	545.50	539.50	-6.00	497.50	-42.00
Total 116 Fund	577.50	545.50	539.50	-6.00	497.50	-42.00

117 School Textbook Fund

Textbook	1.50	1.50	1.50	0.00	1.50	0.00
Total 117 Fund	1.50	1.50	1.50	0.00	1.50	0.00

Total Position Summary by Program	10,634.97	10,541.87	10,519.47	-22.40	10,447.17	-72.30
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Resource Summary Notes

The Resource Summary reflects the School Operating Fund as well as the School Grants Fund and various School Enterprise Funds as approved by the School Board.

In addition to the funding shown in these summaries, there is \$41.2 million in debt service costs related to School capital projects and \$13.9 million in School funding directly allocated to the School CIP in FY 2008-09. In FY 2009-10, there is approximately \$43.8 million in debt service and \$13.9 million directly allocated to the CIP. The total local contribution to the School System through the City/School Revenue Sharing Formula for FY 2008-09 is \$394.3 million.

Library Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$11,942,994	\$13,201,127	\$13,257,813	\$56,686	\$13,562,666	\$304,853
Operating	3,683,666	3,835,086	3,615,806	-219,280	3,669,553	53,747
Capital	64,062	33,285	0	-33,285	0	0
Reserves	0	12,918	1,317	-11,601	2,735	1,418
Transfers	60,000	60,000	60,000	0	60,000	0
Total	<u>\$15,750,722</u>	<u>\$17,142,416</u>	<u>\$16,934,936</u>	<u>\$-207,480</u>	<u>\$17,294,954</u>	<u>\$360,018</u>
Fees	\$664,009	\$677,477	\$648,996	\$-28,481	\$661,876	\$12,880
State	279,696	281,062	292,455	11,393	337,455	45,000
Transfers	80,000	137,515	0	-137,515	0	0
Total	<u>\$1,023,705</u>	<u>\$1,096,054</u>	<u>\$941,451</u>	<u>\$-154,603</u>	<u>\$999,331</u>	<u>\$57,880</u>
General City Support	<u>\$14,727,017</u>	<u>\$16,046,362</u>	<u>\$15,993,485</u>	<u>\$-52,877</u>	<u>\$16,295,623</u>	<u>\$302,138</u>
Total FTE Count	264.86	264.86	262.85	-2.01	262.85	0.00

Mission Statement

A literate populace and the freedom to read are essential to democracy. The Virginia Beach Public Library Department provides free access to accurate and current information and materials to all individuals and promotes reading as a critical life skill.

Objectives

Manage records for all City departments and agencies, Schools, and courts, in accordance with the Virginia Public Records Act.

To enhance service through citizen volunteer support.

To ensure that 65% of Virginia Beach citizens will be customers of the Virginia Beach Public Library system to promote lifelong learning.

To ensure that 90% of Virginia Beach Public Library customers will get the information and materials they need in a single contact from any of the area libraries.

To increase the use of and satisfaction with library services.

To provide Wahab Public Law Library customers with immediate access to legal resources required to meet their information needs.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Circulation and in-library use (#) - Dept-wide	5,345,484.00	5,684,419.00	5,876,861.00	6,028,290.00	5,600,745.00	6,116,928.00
Door count (#) - Law Library	14,589.00	16,020.00	17,625.00	20,700.00	19,435.00	19,435.00
Library visits (#) - Dept-wide	2,049,855.00	2,089,353.00	2,270,815.00	2,797,887.00	2,797,887.00	2,797,887.00
Program Attendance (#) - Dept-Wide	57,280.00	80,556.00	73,072.00	80,422.00	72,387.00	75,514.00
Ready to Learn and VB Public Libraries Total Preschool Storytime Attendance (#)	1,703.00	1,996.00	1,038.00	16,000.00	17,000.00	18,000.00
Ready to Learn Professional Development Trainings or Workshops offered (#)	8.00	7.00	14.00	17.00	20.00	22.00
Ready to Learn Storytime to go Backpack Circulation (#)	0.00	0.00	200.00	800.00	1,440.00	2,160.00
Ready to Learn Total Attendance for Sponsored Professional Trainings or Workshops (#)	379.00	168.00	514.00	561.00	620.00	670.00
Records Management - Number of files retrieved	9,994.00	8,613.00	8,879.00	8,900.00	8,900.00	8,900.00
Records Management - Number of storage boxes managed in the Records Center	32,551.00	32,571.00	34,646.00	38,872.00	43,225.00	47,708.00
Reference questions (#) - Dept-wide	335,608.00	275,600.00	430,422.00	367,432.00	321,799.00	360,277.00
Registered borrowers (#) - Dept-wide	231,708.00	253,874.00	220,594.00	216,854.00	216,854.00	216,854.00
Volunteer hours	24,257.00	25,123.00	28,292.00	28,292.00	28,292.00	28,292.00
<u>Quality</u>						
Records Management - Response time (hours) provided for file retrieval	24.00	24.00	24.00	24.00	24.00	24.00
Reference questions fill rate (%) - Dept-wide	89.00	77.00	77.00	91.00	89.00	89.00
<u>Efficiency</u>						
Expenditures per capita - Dept-wide	37.28	37.41	36.72	39.25	38.32	38.32
Expenditures per registered borrower - Dept-wide	69.99	63.88	72.16	74.53	73.75	73.75
Staff time available per customer visit (minutes) - Law Library	10.00	10.50	10.50	10.50	9.80	9.80
Value of volunteer hours	250,119.00	265,086.00	334,279.00	334,280.00	334,280.00	334,280.00

Performance Measurement Explanation

Reference question fill rate represents an estimate of the proportion of reference questions asked that were completed the same day they were asked.

Program Description

The services provided by the Department of Libraries may be divided into the following areas:

The Ready to Learn program partners with families, Schools, and the community to provide children, ages birth to five, with high quality educational environments and experiences that support both children and their families at a critical time in development.

The Records Management program ensures the easy location and retrieval of information, protection of permanent, archival, and non-current records for the City, Schools, and Courts, ensuring that all Federal, State, and local records retention and disposition requirements are met.

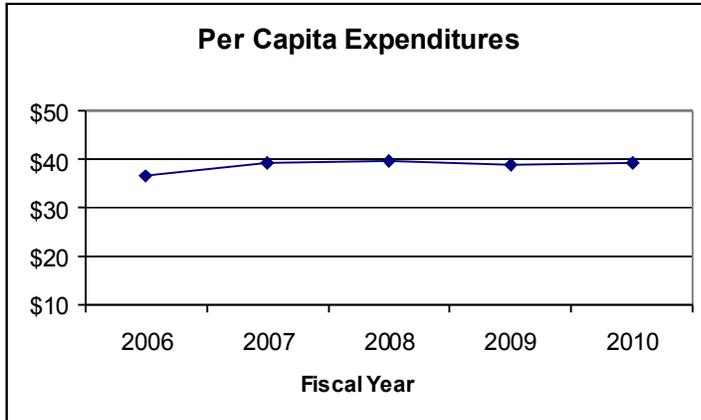
Central Library and the Area Libraries provide reference, information and circulation services to customers visiting, telephoning, or e-mailing the libraries in support of lifelong learning, education, and leisure needs. In lieu of a South Rosemont Area Library, Libraries partnered with the Boy's and Girl's Club for an interim **South Rosemont Youth Library** that circulates materials and provides information services and literacy-related programming activities to support the recreational, cultural, and educational needs of youth, and Mobile Services circulates materials via the **Bookmobile** to meet the needs of customers who do not or cannot readily access an established library. The approved CIP funding for construction of a South Rosemont Area Library has been on hold pending resolution of the TCC/City Joint Use Library.

Special Services for the Blind and Physically Handicapped, located at the Bayside Area Library, loans Braille, recorded, and large-print materials, and equipment to customers, and provides information services for individuals with disabilities throughout Southside Tidewater and the Eastern Shore.

Youth and Family Services coordinates the training for library staff serving children, teens and their families, works with Schools on reading programs, and coordinates citywide programs, such as the Summer Reading Program and Children's Book Week.

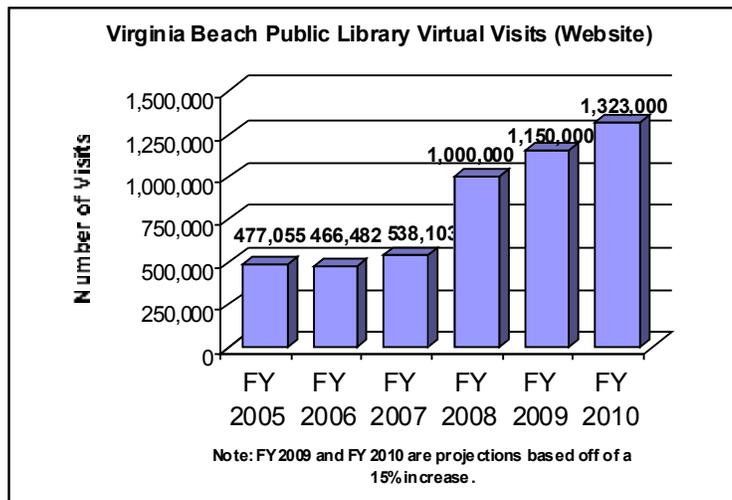
The Wahab Public Law Library assists members of the general public and the legal profession; high school and college students; and City, State, and Federal government employees with legal research in person, by telephone and electronic mail. The Law Library acts as the primary agency to which City departments can refer citizens in need of legal information.

Productivity and Results



- The per capita graph to the left indicates, per capita expenditures continue to remain fairly consistent for the Library Department.
- The decrease between FY 2007-08 and FY 2008-09 is attributable to the loss of 2.0 FTEs, reduced funding for books and subscriptions, reductions in contracted manpower and security guards and various operating accounts.
- Between FY 2005-06 and FY 2006-07, the increase in the per capita graph is attributable primarily to rises in retirement and health insurance expenses, the cost of upgrading library equipment and the increased cost of tagging library materials for use with the self-checkout systems.

- As the graph on the right indicates, the Library Department's website activity has increased substantially between FY 2006-07 and FY 2007-08.
- A survey in May 2007 of randomly selected heads of household in Virginia Beach indicated that between 2004 and 2007: more citizens are using online Library services, visiting the Library website, and are using the internet to learn about Library activities, programs and services.
- Despite the increase in the Library Department's electronic resources, increased demands for material circulation continues as well.
- Funding is included in FY 2008-09 and FY 2009-10 budgets to increase the speed of the internet for citizens who use the Library website and computers.



Biennial Budget Analysis

- Law Library reductions were implemented as a cost-savings by the Department. The impacts to the Library include reducing public operating hours by 30 minutes per day, a reduction in books and subscriptions, and the elimination of 1.0 FTE (Librarian III).
- Funding for books and materials for the Library collection was reduced and equates to the loss of 19,000 circulating books.
- 1.0 FTE (Library Technical Operations Specialist) was eliminated. The impact of losing this position will delay the length of time in processing materials and getting them to citizens.
- Funding for security guards at Princess Anne Library are not funded. Coordination with the Princess Anne Recreation Center for increased security in the area is anticipated to offset this reduction.
- Contracted manpower that supports clerical functions throughout the Libraries is not funded. The impact of this reduction will be mostly experienced during the high seasonal times of year.
- The Kempsville Library is scheduled for renovations during FY 2008-09.
- To increase efficiency, insure sustainability, and increase public service capacity without concurrent increases in costs, the Library divisions have been reorganized around public services, technical and support services and administrative services. In addition, the reorganization incorporates the coordination of two citywide services, the Ready to Learn initiative and the Records Management program for the City, Schools and Courts with no increase in FTE's or related costs.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director's Office	\$990,337	\$1,264,909	\$1,472,088	\$207,179	\$1,505,179	\$33,091
Central Library	2,630,126	2,841,673	2,729,612	-112,061	2,791,895	62,283
Great Neck Area Library	532,400	588,223	593,939	5,716	607,612	13,673
Bayside Area Library	1,029,797	1,191,228	1,108,455	-82,773	1,133,552	25,097
Oceanfront Area Library	932,797	984,982	969,101	-15,881	990,831	21,730
Kempsville Area Library	1,207,157	1,218,055	1,227,744	9,689	1,266,349	38,605
Windsor Woods Area Library	547,773	624,813	608,736	-16,077	622,502	13,766
Pungo - Blackwater Area Library	370,415	396,868	405,795	8,927	415,276	9,481
Princess Anne Area Library	1,074,271	1,150,030	1,147,242	-2,788	1,173,131	25,889
Ready to Learn	121,471	117,370	127,930	10,560	101,770	-26,160
South Rosemont Youth Library	317,274	375,164	432,565	57,401	432,765	200
Mobile Services	230,954	266,221	269,877	3,656	278,036	8,159
Municipal Reference	548,065	609,100	180,983	-428,117	185,267	4,284
Records Management	0	0	420,210	420,210	442,666	22,456
Cataloging Services	968,890	994,865	952,818	-42,047	973,930	21,112
Automated Services	621,371	665,863	700,379	34,516	711,484	11,105
Collection Management	2,992,601	3,079,029	2,904,731	-174,298	2,965,132	60,401
Youth and Family Services	263,129	339,198	394,183	54,985	403,258	9,075
Total 002 Fund	\$15,378,828	\$16,707,591	\$16,646,388	\$-61,203	\$17,000,635	\$354,247
130 Law Library Fund						
Law Library	\$303,249	\$356,307	\$221,631	\$-134,676	\$225,872	\$4,241
Reserve for Contingencies	0	12,918	1,317	-11,601	2,735	1,418
Transfer to Other Funds	60,000	60,000	60,000	0	60,000	0
Total 130 Fund	\$363,249	\$429,225	\$282,948	\$-146,277	\$288,607	\$5,659
909 Library Gift Fund						
Library Donations	\$8,645	\$5,600	\$5,600	\$0	\$5,712	\$112
Total 909 Fund	\$8,645	\$5,600	\$5,600	\$0	\$5,712	\$112
Total Program Summary	\$15,750,722	\$17,142,416	\$16,934,936	\$-207,480	\$17,294,954	\$360,018

Position Summary by Program

002 General Fund						
Director's Office	11.50	11.50	16.00	4.50	16.00	0.00
Central Library	58.10	58.10	54.50	-3.60	54.50	0.00
Great Neck Area Library	12.32	12.32	13.32	1.00	13.32	0.00
Bayside Area Library	26.50	26.50	24.50	-2.00	24.50	0.00
Oceanfront Area Library	21.00	21.00	20.50	-0.50	20.50	0.00
Kempsville Area Library	26.76	26.76	26.63	-0.13	26.63	0.00
Windsor Woods Area Library	12.63	12.63	12.50	-0.13	12.50	0.00
Pungo - Blackwater Area Library	7.80	7.80	7.65	-0.15	7.65	0.00
Princess Anne Area Library	26.50	26.50	26.00	-0.50	26.00	0.00
Ready to Learn	1.00	1.00	1.50	0.50	1.50	0.00
South Rosemont Youth Library	7.50	7.50	8.50	1.00	8.50	0.00
Mobile Services	5.75	5.75	5.25	-0.50	5.25	0.00
Municipal Reference	9.00	9.00	3.50	-5.50	3.50	0.00
Records Management	0.00	0.00	5.00	5.00	5.00	0.00
Cataloging Services	12.00	12.00	11.00	-1.00	11.00	0.00
Automated Services	3.00	3.00	3.00	0.00	3.00	0.00
Collection Management	15.00	15.00	15.00	0.00	15.00	0.00
Youth and Family Services	5.00	5.00	6.00	1.00	6.00	0.00
Total 002 Fund	261.36	261.36	260.35	-1.01	260.35	0.00

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Position Summary by Program

130 Law Library Fund

Law Library	3.50	3.50	2.50	-1.00	2.50	0.00
Total 130 Fund	3.50	3.50	2.50	-1.00	2.50	0.00
Total Position Summary by Program	264.86	264.86	262.85	-2.01	262.85	0.00

Resource Summary Notes

Records Management was a separate division within the Library Department in FY 2004-05. This division had been included in the Municipal Reference division between FY 2005-06 and FY 2007-08. In FY 2008-09 these two divisions are combined in order to reduce levels of supervision to save costs and continue to provide an effective and efficient operation.

Health Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$332,239	\$326,941	\$349,303	\$22,362	\$363,429	\$14,126
Operating	<u>2,785,672</u>	<u>3,055,772</u>	<u>3,049,925</u>	<u>-5,847</u>	<u>3,135,417</u>	<u>85,492</u>
Total	<u>\$3,117,911</u>	<u>\$3,382,713</u>	<u>\$3,399,228</u>	<u>\$16,515</u>	<u>\$3,498,846</u>	<u>\$99,618</u>
Fees	\$2,601	\$5,000	\$10,100	\$5,100	\$10,201	\$101
Federal	20,949	38,572	31,572	-7,000	38,572	7,000
State	<u>15,702</u>	<u>7,308</u>	<u>8,671</u>	<u>1,363</u>	<u>8,671</u>	<u>0</u>
Total	<u>\$39,252</u>	<u>\$50,880</u>	<u>\$50,343</u>	<u>\$-537</u>	<u>\$57,444</u>	<u>\$7,101</u>
General City Support	<u>\$3,078,659</u>	<u>\$3,331,833</u>	<u>\$3,348,885</u>	<u>\$17,052</u>	<u>\$3,441,402</u>	<u>\$92,517</u>
Total FTE Count	11.19	11.19	11.07	-0.12	11.07	0.00
Non-City Budget	\$2,621,279	\$2,741,259	\$2,823,497	\$82,238	\$2,908,202	\$84,705

Mission Statement

The mission of the Department is to promote and protect the health of our community, which is defined as the people and the environment.

Objectives

Improve at-risk elderly's access to medical services to maintain self care through health screenings, home visits, and community health education programs.

To inspect every restaurant in Virginia Beach at least annually, but the majority of restaurants 3 times per year.

To provide dental care to the children of Virginia Beach who may not have access to care through any other dental provider.

To provide infants and school aged children with immunizations to ensure that health and school requirements are met.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of contacts with elderly patients	3,555.00	3,555.00	3,342.00	3,600.00	3,600.00	3,600.00
Number of children given immunizations per year	3,759.00	4,522.00	5,766.00	6,000.00	6,000.00	6,000.00
Number of children provided dental services in the clinic	2,185.00	1,320.00	1,399.00	1,834.00	1,834.00	1,834.00
Number of restaurants inspected per year	5,823.00	5,823.00	5,457.00	6,000.00	6,000.00	6,000.00
<u>Quality</u>						
Business days to issue a restaurant permit	14.00	14.00	1.00	1.00	1.00	1.00
Patient surveys ranking satisfaction for elderly patients on a scale of 1-3	3.00	3.00	3.00	2.00	2.00	2.00
<u>Efficiency</u>						
Cost per contact with senior services patients	18.50	18.50	20.81	21.23	21.86	22.51
Cost per restaurant inspection	4.07	4.07	4.34	4.73	4.73	4.73
Number of dental patients seen per staff hour worked	1.09	1.04	0.86	1.00	1.00	1.00

Performance Measurement Explanation

Number of contacts with elderly patients. The goal of this program is to improve at risk elderly's access to medical services to maintain self care through health screenings, home visits and community education programs. The goal is 3,600 patients per year.

Number of children given immunizations: With the conversion of a part-time position to a full-time position, the number of immunizations has been increasing.

Number of children provided dental services in the clinic: Due to staff turnover in FY 2005-06 and FY 2006-07, the number of children seen was lower than past years.

Number of restaurants inspected per year: The Virginia Code requires an annual inspection, the City's goal is to exceed the standard requirement by inspecting restaurants three times a year.

Business days to issue a restaurant permit: New technology has made it possible to issue a restaurant permit the same day as the inspection.

Cost per restaurant inspection: The cost per restaurant inspection only reflects the City's cost.

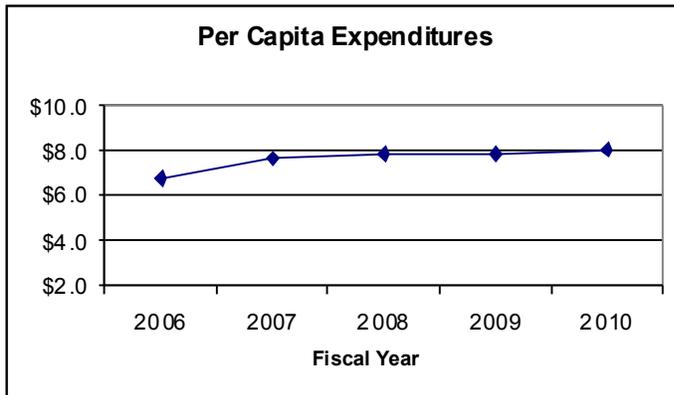
Program Description

The Virginia State Code requires that each County and City establish and maintain a local health department. For Virginia Beach, this is accomplished by entering into a contract with the Virginia Department of Health. The City of Virginia Beach provides a 45% match to the funding that is allocated from the Virginia Department of Health. This funding is used to support all services that are mandated by law.

The Virginia Beach Health Department also provides services that are not mandated and 100% City funded. The dental program for low-income children, the healthy start program and the portion of the maternity program that pays for delivery services to private obstetricians are all 100% City funded.

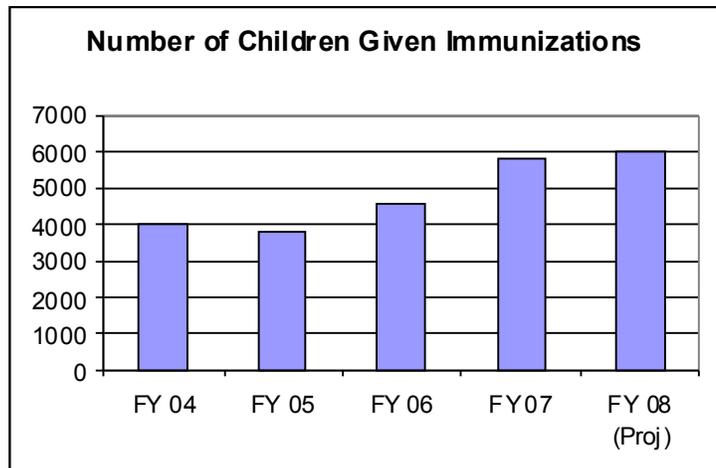
In addition to these programs the Health Department also provides (all joint State/City funded): restaurant, hotel, public pool, hair and tanning salon inspections; well permits; beach water quality monitoring; flu shots; immunization programs for children in low-income families; emergency preparedness for pandemic situations; family planning clinics; communicable disease clinics; and prenatal care to the uninsured.

Productivity and Results



- In FY 2006-07, the City began budgeting for the pre-natal care program. Previously, this program was being paid by Federal funding in the Human Services Department. Though the revenue source for this program expired, the Health Department has worked with clients to obtain Emergency Medicaid reimbursement for almost 90% of their clients. This program increased the per capita cost of the Health Department starting in FY 2006-07.

- The Health Department offers free immunization shots to children of families without insurance. With the conversion of a part-time position into a full time position (in their State budget) the Health Department is better able to meet the demand for this service. The Health Department expects the number of immunizations to increase as the demand for this service grows.



Biennial Budget Analysis

- The Health Department had a decrease of 0.12 FTE which is a result of reducing part-time hours for a Social Worker Assistant. This reduction should not have a significant impact on services.
- In FY 2006-07, Federal funding for delivery of babies to mothers without health insurance ended. With the loss of these REV/MAX funds, the City was forced to cover these costs. The Health Department continues to work with these clients to ensure that those who are eligible for Medicaid, receive this funding, which ultimately lowers the City's cost for this service.
- The City is required to match the State's contribution to the Health Department which causes some uncertainty about the level of the match required. At the time of printing, the General Assembly had not finished their budget, therefore the

State contribution is unknown. For budgeting estimates, the City is planning that the State contribution will increase by 3% in both years of the biennium which would require the City to do the same.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
<u>Program Summary</u>						
002 General Fund						
Public Health	\$3,117,911	\$3,382,713	\$3,399,228	\$16,515	\$3,498,846	\$99,618
Total 002 Fund	\$3,117,911	\$3,382,713	\$3,399,228	\$16,515	\$3,498,846	\$99,618
Total Program Summary	\$3,117,911	\$3,382,713	\$3,399,228	\$16,515	\$3,498,846	\$99,618

Position Summary by Program

002 General Fund						
Public Health	11.19	11.19	11.07	-0.12	11.07	0.00
Total 002 Fund	11.19	11.19	11.07	-0.12	11.07	0.00
Total Position Summary by Program	11.19	11.19	11.07	-0.12	11.07	0.00

Human Services Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$57,254,168	\$65,138,177	\$67,091,495	\$1,953,318	\$69,032,907	\$1,941,412
Operating	35,539,634	42,446,054	43,781,683	1,335,629	46,398,588	2,616,905
Capital	86,363	49,460	8,160	-41,300	0	-8,160
Reserves	0	3,528	1,599	-1,929	2,689	1,090
Transfers	0	0	0	0	0	0
Total	<u>\$92,880,165</u>	<u>\$107,637,219</u>	<u>\$110,882,937</u>	<u>\$3,245,718</u>	<u>\$115,434,184</u>	<u>\$4,551,247</u>
Fees	\$4,237,847	\$5,639,792	\$4,837,472	-\$802,320	\$4,970,817	\$133,345
Federal	22,313,429	25,135,432	23,037,044	-2,098,388	23,929,452	892,408
State	38,658,314	44,294,603	48,482,897	4,188,294	50,241,557	1,758,660
Transfers	259,406	342,036	582,614	240,578	606,146	23,532
Total	<u>\$65,468,996</u>	<u>\$75,411,863</u>	<u>\$76,940,027</u>	<u>\$1,528,164</u>	<u>\$79,747,972</u>	<u>\$2,807,945</u>
General City Support	<u>\$27,411,169</u>	<u>\$32,225,356</u>	<u>\$33,942,910</u>	<u>\$1,717,554</u>	<u>\$35,686,212</u>	<u>\$1,743,302</u>
Total FTE Count	1,013.82	1,075.57	1,079.09	3.52	1,082.59	3.50
Non-City Budget	\$171,287,117	\$178,518,737	\$184,615,733	\$6,096,996	\$195,419,533	\$10,803,800

Mission Statement

Citizens should have the opportunity to achieve the highest level of self-sufficiency, safety and quality of life by making use of services delivered in a climate of dignity, respect and accountability.

Objectives

- To enable elderly to remain in their homes by providing in-home companion services to prevent nursing home placements.
- To help at-risk children by providing therapeutic counseling, educational services, group/residential home placements and foster care.
- To process the applications for all entitlement programs within State time limits in order to provide timely assistance to citizens.
- To protect/ensure the safety of children by accurately assessing and investigating child protective service complaints for abuse/neglect.
- To provide access to information, education, and policy input to improve the quality of life of persons with mental illness.
- To provide necessary case management services to adults who are seriously mentally ill to address mental health needs.
- To provide opportunities to an array of job readiness skills so that participants may obtain and retain employment.
- To provide personal assistance/nursing services to families with children/adults with multiple disabilities and chronic medical problems.
- To provide residential services to prevent special education, foster care, and juvenile court placements for behaviorally disordered children.
- To provide respite care to families caring for elderly relatives to reduce caregiver stress and permit them to remain in their homes.
- To provide temporary safety in a foster home environment for children who have been abused, neglected, and/or abandoned.
- To provide vocational services to clients who require daily supervision to maximize their performance in employment.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Average number of Temporary Assistance to Needy Families (TANF) cases	1,319.00	1,267.00	1,140.00	1,082.00	1,125.00	1,180.00
Average number of children receiving day care services	1,911.00	1,881.00	1,453.00	2,104.00	1,645.00	1,531.00
Average number of food stamp cases	7,200.00	7,403.00	7,256.00	7,765.00	8,140.00	8,350.00
Comprehensive Services Act (CSA) cost per child	12,996.00	12,825.00	16,398.00	17,300.00	19,014.00	20,663.00
Number of child protective services complaints investigated	3,265.00	3,200.00	2,737.00	2,785.00	2,810.00	2,910.00
Number of children maintained in foster care monthly	322.00	342.00	347.00	298.00	287.00	295.00
Number of children receiving Comprehensive Services Act (CSA) services	651.00	666.00	661.00	634.00	695.00	715.00
Number of families receiving custody mediation/home studies	418.00	391.00	400.00	410.00	420.00	425.00
Total number of adult abuse complaints investigated	597.00	707.00	978.00	985.00	1,015.00	1,050.00
<u>Quality</u>						
Children leaving foster care monthly	5.80	6.00	6.80	9.20	8.50	8.00
Percentage of child protective service complaints investigated within State mandated time frames	89.00	91.00	92.00	92.00	92.00	92.00
Percentage of welfare recipients who obtain employment	58.20	56.60	51.40	58.00	59.00	60.00
<u>Efficiency</u>						
Average monthly child care payment	356.46	378.98	361.19	395.84	400.05	438.45
Value of contributions and volunteer time	845,305.00	766,365.00	782,227.00	805,000.00	825,000.00	850,000.00

Performance Measurement Explanation

Reduction in number of children receiving day care services is due to declining demand, and subsequently a position is being eliminated.

Program Description

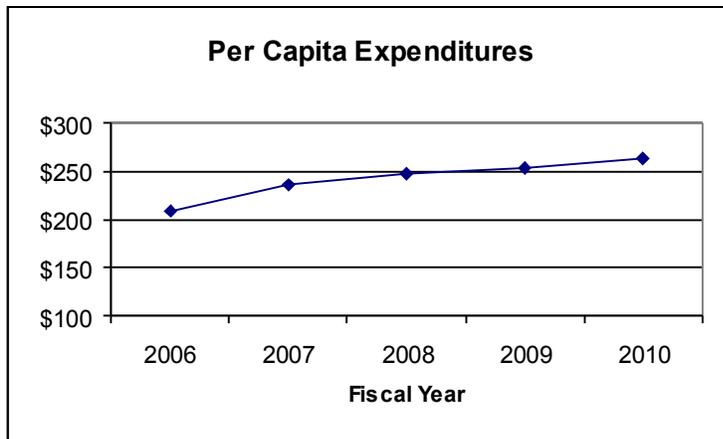
Social Services Divisions - the programs include: child protective services; foster care; benefit programs such as food stamps and Temporary Assistance for Needy Families (TANF); child day care services; employment services for participants in Virginia Initiative for Employment not Welfare (VIEW); neighbor to neighbor mentorship program; adult protective services; and parenting skills and teen pregnancy prevention programs. Non-mandated programs partially supported by the General Fund include the: Court Mediation Unit, Community Resources-Basic Needs Programs, and General Relief Program. The Department receives Federal, State, local, fees, and grant funding. The City's appropriations are based on the required match rates between 0% and 50%. The City also provides support for employee compensation and additional programs, which are non-mandated or above the State's allocated level of funding.

Juvenile Detention Center - is a 90-bed, 77-staff member physically restrictive facility providing short-term secure custody on a 24 hours a day, 7 days per week basis for juveniles, ages ten to seventeen who are charged with, or were found guilty of criminal offenses, and are awaiting further court action.

Mental Health and Substance Abuse Divisions (MHSA) - includes psychiatric services, medication management, outpatient, case management, day support, residential, respite care, crisis stabilization, crisis intervention and prevention services, focusing on individuals and families who are severely disabled from mental illness and/or chemical addictions. Clients served include children, adolescents, adults and elderly individuals living in Virginia Beach. MHSA also supports the City's public safety net by providing crisis intervention services 24 hours a day, 7 days per week to persons exhibiting dangerous behavior requiring emergency intervention. The division also provides preadmission screenings for psychiatric hospitalization and staffing for involuntary commitment hearings.

Mental Retardation Divisions - serves infants with developmental delays, children, adults, and their families with mental retardation and development delay. Through Medicaid programs, over 369 individuals are able to live in the community rather than in State institutions. Through the division's employment services unit, adults with mental retardation are trained and supported in competitive employment to increase their independence and to decrease their reliance on public assistance. Using family support services (respite reimbursement and center-based respite), families receive assistance that enables them to provide care at home for family members with disabilities. BizNet Village represents a partnership among the City, the Virginia Beach Community Development Corporation, and BizNet, Inc., a private, non-profit organization that serves people with mental retardation.

Productivity and Results



- The department continues to maximize Federal and State funds to facilitate the adoption of foster care children. Subsidized adoptions increased 15.6% last year and now total 340 children. These subsidies are totally provided with Federal and State funds, and this accounts for the slight rise in per capita expenditures.
- Waiting lists for MH/MR/SA services continue to exist while the department increased the number of persons served last year by 638 or 8.2% (7,788 to 8,426).
- The department increased the capacity to provide health insurance to low income children through a contract with Bon Secours,

which is providing the non-federal share of an off-site Medicaid worker in the School system. The department now has four off-site Medicaid workers that do not require City funding.

- Pendleton Child Services Center expanded its residential treatment program to 24 hours a day, 7 days per week to meet the growing needs of our psychiatrically fragile children under the age of thirteen. Funding is provided from the Comprehensive Services Act and revenue is projected to increase by \$231,000 this fiscal year.
- Senior Resource Center: This enables the residents of the southern part of the City to continue to live in their own homes. Existing City staff were reallocated to coordinate the efforts of area residents, religious organizations and civic groups to provide the necessary assistance.
- Gang Intervention Program: The department, with the Court Service Unit, has started a gang intervention program designed to reduce gang involvement by providing appropriate alternatives through a structured 12 week program.

Biennial Budget Analysis

- **Issues Affecting the MH/MR Services:** The continued downsizing of Eastern State Hospital and Hancock Geriatric Center means that more disabled individuals will be served in community settings. This challenge is further complicated by a growing shortage in supervised and affordable housing options and the lack of acute psychiatric inpatient capacity in the City for those without private resources. The incident at Virginia Tech in April, 2007 has prompted legislative changes that will bring increased regulatory requirements to Community Service Boards, mandating attendance at all commitment hearings, monitoring all involuntary outpatient commitment orders for individuals released from hospitals to community settings for further treatment. The standard criteria for involuntary commitment will also be broadened, which means that those who do not currently meet commitment criteria will in the future, further adding to the shortage of acute care beds. Additional State funds to address these issues will be appropriated in the fall of this year.
- **Issues Affecting CSA:** In March of 2007, Medicaid changed its interpretation of case management services for therapeutic foster care that could be reimbursed by Medicaid. Reimbursement went from an average of \$1,200 per month to \$325.50 per month, with localities funding the difference. In December of 2007, the State Department of Social Services issued revised guidelines for the use of Foster Care Prevention Funds based on an opinion issued by the Attorney General. The new guidelines make available the use of the funds, which have a 35.69% local match, to a significantly enlarged population of children with mental health needs. The budget includes an estimate of this impact, but usage could far exceed this prediction. Lastly, the State's budget increased the local match rates for residential care over the next two years until it reaches 51% local share. This was proposed as an effort to penalize localities for the use of residential care for children. The proposal did include lowering the local match rate for community-based services. The net effect is an increase local match of \$138,355. A psychologist position is included in the budget to assist in accurately assessing the psychological and treatment needs of these youth. This individual will be responsible for providing in-depth testing and analysis of youth so that appropriate placement decisions will be made. Existing CSA funds are available for this position.
- **Reduction in Child Care Services:** Due to declining caseloads for day care, one position will be eliminated. Human Services oversees five program areas of day care. The program that is experiencing declining caseloads is non-mandated and requires a 10% match and, therefore, is regarded as the lowest priority among the five programs.
- **Recreation Therapist at West Neck Residence at Biznet Village:** One position will be added to the BizNet Village staff to develop the activity portion of each resident's Individualized Personnel Program, and to ensure that the prescribed activities are fully implemented by direct line staff. Medicaid regulations require this component, and the cost is fully reimbursed by Medicaid.
- **Support Living Program-Residential:** A part-time Administrative Specialist I will be converted to full time to provide administrative support services to the supervisor of the group homes and intermediate care facilities. There are six group homes and three intermediate care facilities. This position is responsible for personnel certification and hiring, time keeping, property management, and procurement activities. Existing funds will be used for the conversion.
- **Case Management and Employment Services to Special Education Graduates:** Because of rising demand for employment services, the City will add one new position in each year of the biennium budget that are funded via Medicaid revenues to accommodate approximately 30 special education students who will graduate in June 2008. Case managers are carrying the maximum permissible number of cases. Most cities provide employment services to special education graduates; there is no significant private alternative to this service, and the School's responsibility ends with graduation. These services will both address the needs of graduates and prevent languishing on waiting lists for higher cost Medicaid waiver services.
- **Conversion of Psychiatrist Positions to Part Time:** Because the City cannot offer sufficient compensation to attract full-time psychiatrist employees, two full-time positions will be converted to three part-time positions. There is a supply of psychiatrist's who seek part-time employment, and this is a cost-neutral conversion.

Council Amendment

On May 13, 2008, City Council amended the proposed budget by reinstating the funding reduction to one program area of Child Care Services (\$535,696, of which \$467,250 is compromised of federal and state funding, and one Social Worker I position).

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Central Administraton	\$923,725	\$985,154	\$935,705	\$-49,449	\$956,970	\$21,265
Information Technology Services	728,556	918,639	930,092	11,453	950,078	19,986
Reimbursement	684,667	841,156	811,498	-29,658	829,401	17,903
Quality Assurance	395,229	360,589	388,288	27,699	397,347	9,059
Personnel	313,939	301,800	446,501	144,701	462,675	16,174
Accounts Payable	297,750	342,678	359,332	16,654	367,331	7,999
Transportation	1,123,125	1,303,990	1,327,187	23,197	1,324,374	-2,813
MHSA Program Support	960,114	938,992	947,909	8,917	968,928	21,019
Senior Adult Services	317,967	366,222	386,663	20,441	395,405	8,742
Adult Outpatient Services	3,916,203	5,042,240	4,997,213	-45,027	5,456,930	459,717
MH Community Rehabilitation	1,278,901	1,414,621	1,428,344	13,723	1,460,506	32,162
MH Emergency Services	1,192,397	1,335,088	1,210,582	-124,506	1,241,921	31,339
Child and Youth Services	2,129,340	2,486,168	2,615,402	129,234	2,670,061	54,659
Residential Services	2,396,785	2,797,154	2,829,486	32,332	2,893,981	64,495
MH Case Management Unit	1,923,979	2,359,055	2,230,020	-129,035	2,281,346	51,326
MH PATH	96,075	103,777	116,009	12,232	118,948	2,939
Harbour	344,372	567,944	451,913	-116,031	458,493	6,580
MR Program Clinical Support	1,770,533	544,158	572,593	28,435	585,308	12,715
MR Case Management	1,817,961	2,065,249	2,232,121	166,872	2,332,060	99,939
MR Employment Services	1,389,006	1,486,631	1,511,358	24,727	1,544,643	33,285
MR Skillquest	2,783,023	3,095,218	3,264,501	169,283	3,337,984	73,483
MR Respite Care Program	483,561	549,937	525,369	-24,568	536,835	11,466
MR Infant Stimulation Program	397,386	567,086	530,287	-36,799	548,545	18,258
MR Supportive Living	2,509,579	2,807,929	2,946,942	139,013	3,035,510	88,568
MR Family Support	328,020	197,199	434,710	237,511	443,403	8,693
MR Supportive Living - Homes	2,561,880	2,711,500	2,825,141	113,641	2,901,247	76,106
MR Kentucky Avenue Project	1,236,213	1,439,045	1,419,726	-19,319	1,460,682	40,956
MR Early Intervention	519,599	622,915	748,374	125,459	763,975	15,601
Colby Way ICF/MR	729,013	788,200	847,443	59,243	865,533	18,090
BizNet Village	281,105	3,324,767	3,583,674	258,907	3,658,721	75,047
Detoxification Services	2,081,929	2,484,396	2,529,378	44,982	2,586,787	57,409
MHSA Adult Day Treatment Services	659,083	698,024	704,044	6,020	719,616	15,572
SA Prevention	754,460	837,381	801,149	-36,232	819,207	18,058
SA Adult Correctional Services	701,630	668,172	750,128	81,956	767,329	17,201
SA - HIV Prevention	150,777	213,280	168,968	-44,312	171,124	2,156
SA - Project LINK	463,139	512,578	550,639	38,061	562,623	11,984
Child Services	13,275,651	12,617,216	13,145,129	527,913	13,793,752	648,623
Benefit Program	8,635,266	9,911,455	10,444,672	533,217	10,755,862	311,190
Employment Services	9,294,894	13,727,102	12,170,428	-1,556,674	12,421,373	250,945
Community Services	1,239,652	1,262,688	1,471,273	208,585	1,504,123	32,850
Adult Services	1,663,681	1,608,988	1,679,179	70,191	1,715,988	36,809
Family Preservation Act	158,706	226,506	0	-226,506	0	0
Virginia Beach Juvenile Detention Center	4,814,364	5,324,902	5,254,600	-70,302	5,371,930	117,330
Pendleton Child Service Center	1,602,697	1,902,419	1,947,144	44,725	1,991,242	44,098
CSA Administration and Social Services	10,070,664	10,968,268	13,270,549	2,302,281	14,831,156	1,560,607
Total 002 Fund	\$91,396,596	\$105,628,476	\$108,741,663	\$3,113,187	\$113,261,253	\$4,519,590
183 Grants Consolidated Fund						
Homeless Intervention Grant	\$133,813	\$186,570	\$290,548	\$103,978	\$296,359	\$5,811
Hard to Serve Grant	263,614	533,401	392,959	-140,442	397,267	4,308
Social Services - Revenue Max Grants	0	0	140,556	140,556	142,472	1,916
Community Corrections	698,435	859,984	870,772	10,788	882,988	12,216
Pre-Trial Grant	387,707	425,260	444,840	19,580	451,156	6,316
Reserve for Contingencies - Case Management	0	2,103	0	-2,103	0	0
Reserve for Contingencies - Pre-Trial	0	1,235	0	-1,235	0	0

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
183 Grants Consolidated Fund						
Reserve for Contingencies - Hard to Serve	0	190	1,599	1,409	2,689	1,090
Total 183 Fund	\$1,483,569	\$2,008,743	\$2,141,274	\$132,531	\$2,172,931	\$31,657
Total Program Summary	\$92,880,165	\$107,637,219	\$110,882,937	\$3,245,718	\$115,434,184	\$4,551,247

Position Summary by Program

002 General Fund						
Central Administrator	8.00	8.00	7.00	-1.00	7.00	0.00
Information Technology Services	6.00	7.00	7.00	0.00	7.00	0.00
Reimbursement	15.00	15.00	14.00	-1.00	14.00	0.00
Quality Assurance	3.50	4.50	4.50	0.00	4.50	0.00
Personnel	6.00	6.00	8.00	2.00	8.00	0.00
Accounts Payable	6.50	6.50	6.50	0.00	6.50	0.00
Transportation	25.87	25.87	25.87	0.00	25.87	0.00
MHSA Program Support	11.75	11.75	11.75	0.00	11.75	0.00
Senior Adult Services	4.38	4.88	5.38	0.50	5.38	0.00
Adult Outpatient Services	45.62	48.07	50.09	2.02	52.09	2.00
MH Community Rehabilitation	21.53	21.53	21.53	0.00	21.53	0.00
MH Emergency Services	16.75	16.75	15.75	-1.00	15.75	0.00
Child and Youth Services	26.49	28.49	29.49	1.00	29.49	0.00
Residential Services	22.74	22.74	23.74	1.00	23.74	0.00
MH Case Management Unit	34.00	33.00	32.00	-1.00	32.00	0.00
MH PATH	1.50	1.50	1.50	0.00	1.50	0.00
Harbour	5.31	7.31	5.81	-1.50	5.81	0.00
MR Program Clinical Support	5.63	5.63	5.63	0.00	5.63	0.00
MR Case Management	26.10	26.10	29.10	3.00	30.10	1.00
MR Employment Services	19.00	19.00	19.00	0.00	19.00	0.00
MR Skillquest	39.95	42.95	42.95	0.00	42.95	0.00
MR Respite Care Program	6.50	6.50	6.60	0.10	6.60	0.00
MR Infant Stimulation Program	7.30	7.30	7.30	0.00	7.30	0.00
MR Supportive Living	41.05	42.05	43.80	1.75	44.30	0.50
MR Supportive Living - Homes	48.17	47.17	46.67	-0.50	46.67	0.00
MR Kentucky Avenue Project	20.75	20.50	21.50	1.00	21.50	0.00
MR Early Intervention	3.00	5.00	3.00	-2.00	3.00	0.00
Colby Way ICF/MR	8.50	12.50	10.65	-1.85	10.65	0.00
BizNet Village	9.00	53.00	54.00	1.00	54.00	0.00
Detoxification Services	29.27	30.27	31.27	1.00	31.27	0.00
MHSA Adult Day Treatment Services	6.00	7.00	6.00	-1.00	6.00	0.00
SA Prevention	10.13	10.13	9.13	-1.00	9.13	0.00
SA Adult Correctional Services	8.45	8.50	9.50	1.00	9.50	0.00
SA - HIV Prevention	2.00	2.00	2.00	0.00	2.00	0.00
SA - Project LINK	5.95	5.95	5.95	0.00	5.95	0.00
Child Services	96.00	91.00	91.00	0.00	91.00	0.00
Benefit Program	141.79	143.79	142.79	-1.00	142.79	0.00
Employment Services	48.00	51.00	49.00	-2.00	49.00	0.00
Community Services	13.50	14.50	15.50	1.00	15.50	0.00
Adult Services	17.00	13.00	15.00	2.00	15.00	0.00
Family Preservation Act	1.00	0.00	0.00	0.00	0.00	0.00
Virginia Beach Juvenile Detention Center	83.23	83.23	83.23	0.00	83.23	0.00
Pendleton Child Service Center	29.61	30.61	30.61	0.00	30.61	0.00
CSA Administration and Social Services	1.00	1.00	1.00	0.00	1.00	0.00
Total 002 Fund	988.82	1,048.57	1,052.09	3.52	1,055.59	3.50

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Position Summary by Program

183 Grants Consolidated Fund

Hard to Serve Grant	2.00	2.00	2.00	0.00	2.00	0.00
Social Services - Revenue Max Grants	4.00	4.00	4.00	0.00	4.00	0.00
Community Corrections	12.00	14.00	14.00	0.00	14.00	0.00
Pre-Trial Grant	7.00	7.00	7.00	0.00	7.00	0.00
Total 183 Fund	25.00	27.00	27.00	0.00	27.00	0.00
Total Position Summary by Program	1,013.82	1,075.57	1,079.09	3.52	1,082.59	3.50

City Auditor Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$489,307	\$510,144	\$508,416	\$-1,728	\$520,044	\$11,628
Operating	<u>20,072</u>	<u>32,571</u>	<u>24,533</u>	<u>-8,038</u>	<u>25,024</u>	<u>491</u>
Total	<u>\$509,379</u>	<u>\$542,715</u>	<u>\$532,949</u>	<u>\$-9,766</u>	<u>\$545,068</u>	<u>\$12,119</u>
General City Support	<u>\$509,379</u>	<u>\$542,715</u>	<u>\$532,949</u>	<u>\$-9,766</u>	<u>\$545,068</u>	<u>\$12,119</u>
 Total FTE Count	 6.00	 6.00	 6.00	 0.00	 6.00	 0.00

Mission Statement

The primary mission of the City Auditor is to promote accountability and integrity in City operations by providing quality audit services.

Objectives

To provide 7,100 hours of direct audit services to City departments, agencies and programs.

To promote governmental accountability by enhancing efficiency and effectiveness of City operations.

To maintain an internal control framework that reduces the risk of loss to the City.

To ensure compliance with Federal, State and local laws and regulations.

Results

Indicator	<u>Actual</u>			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Hours of direct audit services provided	6,745.00	6,935.00	6,957.00	7,100.00	7,100.00	7,100.00
<u>Quality</u>						
Percentage of recommendations implemented (86% is the national ALGA average)	92.00	92.00	91.00	90.00	90.00	90.00
<u>Efficiency</u>						
Percentage of audit projects completed within budgeted hours (61% is the national ALGA average)	70.00	70.00	71.00	85.00	85.00	85.00

Performance Measurement Explanation

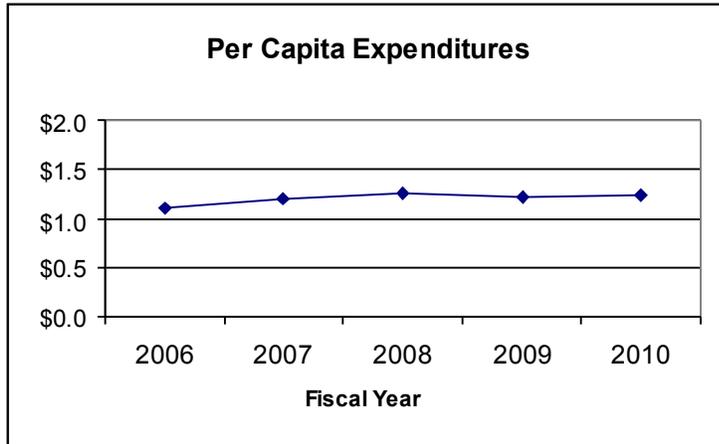
ALGA is the Association of Local Government Auditors. A survey of benchmarking and best practices is conducted by ALGA every two years.

Program Description

The core services provided by the City Auditor include:

- Provide independent advice and evaluation for financial, attestation engagements (agreed-upon procedures) and performance audits of City programs, functions and activities; conduct investigations, provide technical and advisory services; special projects; and oversight and management of the City's external audit contract.

Productivity and Results



- The increase in the per capita expenditures in FY 2007-08 illustrates the one-time costs associated with launching the state-mandated fraud hotline and the ongoing costs for the City's related Integrity Connection program.

Biennial Budget Analysis

- The launch of the Integrity Connection program has provided an opportunity to promote awareness of the City's Organizational Values and Code of Ethics. This program offers employees an opportunity to ask questions about ethical behavior and report possible fraudulent activities in a confidential manner.
- The department completed the first full year of operating the Fraud Hotline in March 2008. During that year, there were 34 reports made of suspected fraud, waste and abuse. By comparison, Audit Services received 8 to 10 reports on an annual basis before the hotline was implemented.
- The City Auditor also provided Ethics Training for Leaders to 165 participants. Ethics Training for Members will be provided in the coming year and is being integrated in the orientation training curriculum for new members.
- The department also manages the City's Administrative Directive process, which requires significant oversight and time commitment.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Program Summary

002 General Fund

City Auditor	\$509,379	\$542,715	\$532,949	\$-9,766	\$545,068	\$12,119
Total 002 Fund	\$509,379	\$542,715	\$532,949	\$-9,766	\$545,068	\$12,119
Total Program Summary	\$509,379	\$542,715	\$532,949	\$-9,766	\$545,068	\$12,119

Position Summary by Program

002 General Fund

City Auditor	6.00	6.00	6.00	0.00	6.00	0.00
Total 002 Fund	6.00	6.00	6.00	0.00	6.00	0.00
Total Position Summary by Program	6.00	6.00	6.00	0.00	6.00	0.00

Resource Summary Notes

Savings are realized in personnel and fringe benefit costs as a result of a retirement and improved rates for life insurance and retirement. All current services will continue.

City Manager Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$2,905,102	\$3,138,224	\$2,918,139	\$-220,085	\$2,988,170	\$70,031
Operating	678,743	710,177	700,942	-9,235	714,651	13,709
Capital	<u>1,369</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$3,585,214</u>	<u>\$3,848,401</u>	<u>\$3,619,081</u>	<u>\$-229,320</u>	<u>\$3,702,821</u>	<u>\$83,740</u>
Transfers	<u>\$63,350</u>	<u>\$64,617</u>	<u>\$66,879</u>	<u>\$2,262</u>	<u>\$68,217</u>	<u>\$1,338</u>
Total	<u>\$63,350</u>	<u>\$64,617</u>	<u>\$66,879</u>	<u>\$2,262</u>	<u>\$68,217</u>	<u>\$1,338</u>
General City Support	<u>\$3,521,864</u>	<u>\$3,783,784</u>	<u>\$3,552,202</u>	<u>\$-231,582</u>	<u>\$3,634,604</u>	<u>\$82,402</u>
 Total FTE Count	 32.19	 32.63	 29.70	 -2.93	 29.70	 0.00

Mission Statement

The mission of the City Manager's Office is to provide support and direction for the delivery of quality customer service to Virginia Beach citizens and visitors, City Council, City staff, and others to maintain and nurture a quality community. The City Manager serves as the executive and administrative head of the City government and coordinates and directs the complex groups within agencies and departments responsible for the delivery of City services to citizens.

Objectives

Achieve City Council's goals and long-term strategies.

Increase organization effectiveness, enhance productivity, and improve the quality of work life through assessment of organization issues.

Recruit new volunteers and retain a minimum of 15,000 community volunteers who annually donate to City departments a minimum of 1.4 million hours of service valued at over \$16 million.

To provide public relations, media relations and public participation counsel and services to City Council, the executive leadership and City departments to facilitate meaningful communication and relationships with citizens and the media.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
City employees (#)	6,532.00	6,830.00	6,899.00	6,990.00	6,968.00	6,993.00
Number of City Volunteers	24,859.00	23,579.00	21,539.00	25,800.00	25,400.00	25,800.00
Number of client events held by Organizational Development Office (formal training sessions, team building workshops, leadership, special requests and learning sessions)	0.00	0.00	70.00	75.00	75.00	75.00
Number of Clients served by ODO	0.00	0.00	1,165.00	1,200.00	1,300.00	1,300.00
<u>Quality</u>						
Client evaluations of ODO (out of a possible 9 points with 9 being the high)	0.00	0.00	0.00	7.00	7.50	7.50
Volunteer service value (\$)	16,392,776.00	14,091,937.00	14,510,801.00	17,100,000.00	17,000,000.00	17,100,000.00
<u>Efficiency</u>						
Media & Communications: cost per hour of direct service (compared to estimated outsourcing cost of \$150 per hour)	79.35	56.81	51.80	53.80	54.85	55.70

Performance Measurement Explanation

Number of volunteers is expected to increase in FY 2007-08 due to the number of volunteers used for the American Bus Association Conference.

The measures for the Organizational Development Office are new and do not have extensive data for past events.

Media & Communications: The cost per hour of direct services is calculated using the division budget, less production (Beach magazine and City Page), in order to make it an accurate comparison with the private sector.

Program Description

The City Manager's Office is divided into four main areas:

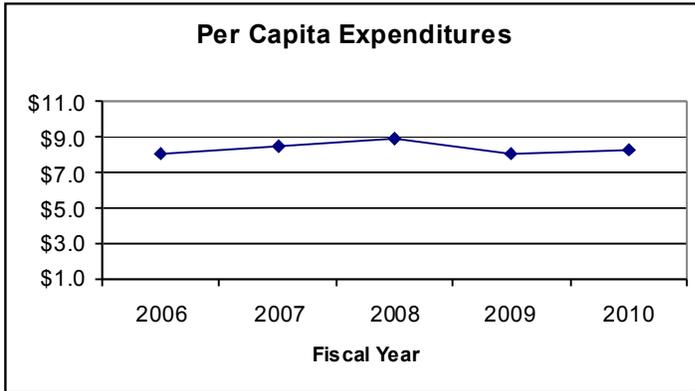
City Manager's Staff includes the City Manager and his chiefs along with two Assistants to the City Manager and administrative assistants.

Organizational Development Office includes the personnel who assist with various organizational learning and development issues and facilitation at public and internal meetings.

Office of Volunteer Resources coordinates volunteers in the City.

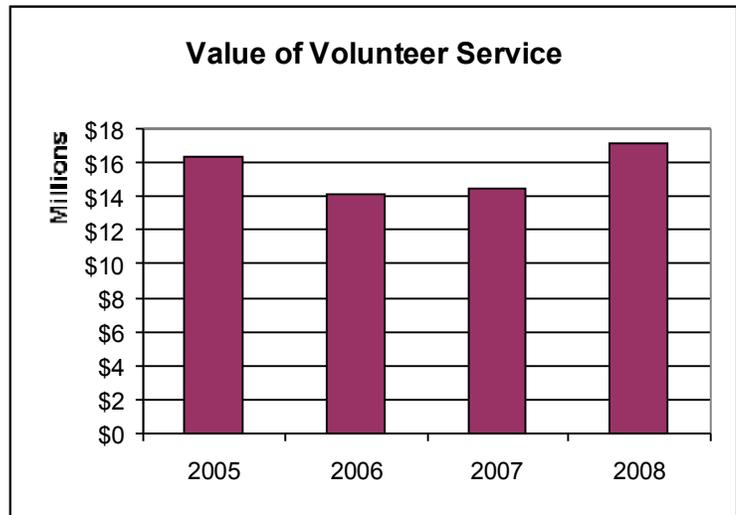
Media and Communications Group includes Media specialists who assist with Citypage, Beach Magazine and other publicity issues.

Productivity and Results



- The City Manager's Office has eliminated the vacant Chief Operating Officer position and the associated Executive Secretary IV in FY 2008-09. In addition a Media and Communications Coordinator is eliminated in FY 2008-09 as well. This will decrease the per capita cost of the department.
- The Office of Volunteer Resources added a part-time position in FY 2006-07 and this position was converted to a full-time position in FY 2007-08.

- The value of volunteer service (representing both cost savings and cost avoidance) is expected to reach over \$17 million in FY 2008. This increase is due to the number of volunteers who assisted with the American Bus Association Conference in February. This was one of the largest conventions held at the Convention Center, and the use of volunteers helped reduce the City's cost and provided a variety of services to the Convention Center.
- The Striving for Excellence Report cites a cost savings of \$5.8 million and a cost avoidance of \$3.0 million. These figures are influenced by the volunteer service as well as City departments working to reduce service costs.



Biennial Budget Analysis

- The Organizational Development Office increased the number of hours for their part-time position, which caused an increase of .07 FTEs in this budget due to increase in workload.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
City Manager	\$1,954,583	\$2,096,545	\$1,812,342	\$-284,203	\$1,856,460	\$44,118
Organization Development Office	331,684	359,212	367,613	8,401	376,139	8,526
Office of Volunteer Resources	132,347	165,278	176,637	11,359	180,346	3,709
Media and Communications Group	1,166,600	1,227,366	1,262,489	35,123	1,289,876	27,387
Total 002 Fund	\$3,585,214	\$3,848,401	\$3,619,081	\$-229,320	\$3,702,821	\$83,740
Total Program Summary	\$3,585,214	\$3,848,401	\$3,619,081	\$-229,320	\$3,702,821	\$83,740

Position Summary by Program

002 General Fund						
City Manager	16.00	16.00	13.00	-3.00	13.00	0.00
Organization Development Office	3.63	3.63	3.70	0.07	3.70	0.00
Office of Volunteer Resources	1.56	2.00	2.00	0.00	2.00	0.00
Media and Communications Group	11.00	11.00	11.00	0.00	11.00	0.00
Total 002 Fund	32.19	32.63	29.70	-2.93	29.70	0.00
Total Position Summary by Program	32.19	32.63	29.70	-2.93	29.70	0.00

Commissioner of the Revenue Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$3,334,238	\$3,610,166	\$3,696,715	\$86,549	\$3,770,935	\$74,220
Operating	297,773	294,888	232,526	-62,362	237,176	4,650
Capital	<u>298,890</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$3,930,901</u>	<u>\$3,905,054</u>	<u>\$3,929,241</u>	<u>\$24,187</u>	<u>\$4,008,111</u>	<u>\$78,870</u>
Fees	\$0	\$0	\$0	\$0	\$0	\$0
State	<u>814,464</u>	<u>768,631</u>	<u>833,163</u>	<u>64,532</u>	<u>861,831</u>	<u>28,668</u>
Total	<u>\$814,464</u>	<u>\$768,631</u>	<u>\$833,163</u>	<u>\$64,532</u>	<u>\$861,831</u>	<u>\$28,668</u>
General City Support	<u>\$3,116,437</u>	<u>\$3,136,423</u>	<u>\$3,096,078</u>	<u>\$-40,345</u>	<u>\$3,146,280</u>	<u>\$50,202</u>
 Total FTE Count	64.28	62.63	63.61	0.98	63.61	0.00

Mission Statement

The Office of the Commissioner of the Revenue assesses all local taxes with the exception of Real Estate. The Commissioner of the Revenue ensures the uniform and consistent assessment of applicable State and Local tax codes while providing customer assistance on all tax related issues.

Objectives

Assess all business related taxes.

Provide a satellite location for motorists to conduct various DMV business.

Provide taxpayer services relating to real estate, personal property, and State income taxes.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Personal Property accounts assessed annually (vehicles & mobile homes) (#)	469,000.00	480,000.00	465,000.00	470,000.00	475,000.00	480,000.00
Real estate transfers and land adds in the City's land records annually (#)	20,500.00	27,000.00	18,559.00	17,000.00	17,000.00	17,500.00
Total business personal property assessments (#)	46,000.00	48,000.00	51,200.00	52,000.00	52,500.00	53,000.00
<u>Quality</u>						
Audits (#)	5,500.00	3,000.00	1,879.00	2,200.00	2,500.00	3,000.00
Business Licenses assessed (#)	29,200.00	29,200.00	32,152.00	33,000.00	32,000.00	33,000.00
Personal Property Elderly/Disabled Tax Relief Applications (#)	2,000.00	720.00	700.00	720.00	800.00	1,000.00
<u>Efficiency</u>						
Investigations (#)	4,500.00	6,400.00	4,500.00	6,000.00	6,500.00	7,000.00
Personal Property adjustments resulting from review (#)	77,242.00	105,000.00	81,500.00	85,000.00	90,000.00	95,000.00
State Income Tax returns assessed annually for the State (#)	127,000.00	108,000.00	75,744.00	72,000.00	70,000.00	68,000.00
Trustee Taxes assessed (#)	24,400.00	25,200.00	27,840.00	28,000.00	28,250.00	28,500.00

Performance Measurement Explanation

The number of audits has decreased in recent years because audits have become more comprehensive, thus requiring more time to complete each audit, but is expected to increase again.

The number of applications for personal property elderly/disabled tax relief has declined because of the level of tax relief provided by the State, but is expected to gradually rise.

Because of the increase in the electronic filing of tax returns by individuals and tax preparers, the number of State income tax returns assessed by the Commissioner's Office has decreased in recent years.

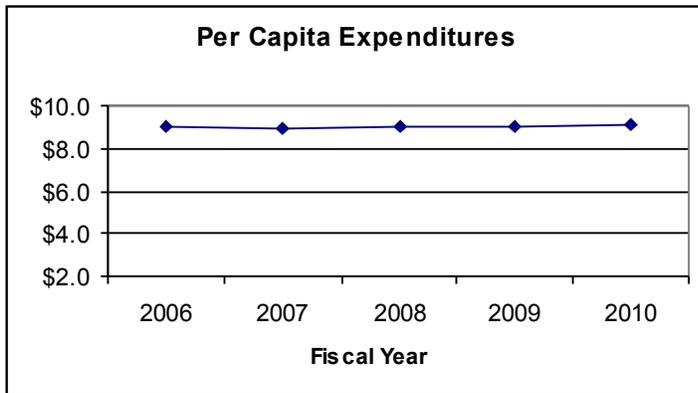
Program Description

The Commissioner of the Revenue is one of five elected Constitutional Officers in the City and, as such, is partially funded by the State Compensation Board. The Compensation Board reimburses 90% of the Commissioner's salary, and 50% of all other state-approved salaries. The State also reimburses for fringe benefits (VRS retirement, FICA, and VRS group life insurance) based on State approved salary amounts. In addition, the Compensation Board also reimburses 50% of the budgeted amount for specific office expenses (i.e., office supplies, internet access costs, stationary, postage, printing data processing services, telephone service, repairs, and the Commissioner's association dues).

The City funds the Commissioner of the Revenue's Office for the discovery, investigation, licensing, assessment, audit, prosecution and reporting of several tax levies – business license, tangible business property, machinery and tools, bank franchise, short term rental, meals, lodging, admissions, utility taxes and personal property. The City also funds the Commissioner's responsibility to record for taxation the legal taxable entity for all real estate instruments and the archiving of data in a format which facilitates ready access, and the responsibility to provide processing and filing assistance for State Income taxes.

DMV Select Program - During FY 2005-06 the Commissioner of the Revenue entered into a contractual partnership with the Virginia Department of Motor Vehicles (DMV) to provide selected DMV services, including vehicle titling, vehicle registrations, special and personalized license plate orders, dealer title and registration transactions, voter registration applications, and handicapped parking placards. The DMV provides the necessary equipment and forms to enable the Commissioner's Office to provide the contracted services while the Commissioner's Office is responsible for any necessary personnel and other expenses associated with the service. In its agreement with Select sites, the DMV compensates each branch agency a percentage of gross collections made by the agency. Transactions handled by the Commissioner's Office are expected to generate sufficient revenue to cover any costs incurred by the City in providing these services. This revenue is included in the General Fund.

Productivity and Results



- Innovations and increased efficiencies have allowed the Commissioner's budget to remain relatively constant. Over the last eleven years, the number of employees in the Commissioner's unit has been reduced by 16.08 FTEs.
- The DMV Select program has proved to be self-supporting and even contributes excess revenues to the General Fund. When this program was established mid-year in FY 2005-06, the DMV reimbursement rate was 3½%. As a result of increased gross revenues, the reimbursement rate has been increased to 5%, with revenues estimated to exceed \$80,000 in FY 2008-09.

- The total State reimbursements projected at \$833,163 represent 21.4% of funding for the Commissioner's FY 2008-09 budget.

Biennial Budget Analysis

- Funding reductions in both City and State budgets have resulted in reduced operating accounts including postage, routine travel, and office supplies.
- Implementation of Revenue Assessment and Collection System (RACS) is taking three to four positions off-line to deal with development and testing. The new system is capturing more data.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Commissioner of the Revenue	\$3,892,260	\$3,851,035	\$3,845,574	\$-5,461	\$3,922,372	\$76,798
DMV Select	38,641	54,019	83,667	29,648	85,739	2,072
Total 002 Fund	\$3,930,901	\$3,905,054	\$3,929,241	\$24,187	\$4,008,111	\$78,870
Total Program Summary	\$3,930,901	\$3,905,054	\$3,929,241	\$24,187	\$4,008,111	\$78,870

Position Summary by Program

002 General Fund						
Commissioner of the Revenue	61.35	60.68	60.68	0.00	60.68	0.00
DMV Select	2.93	1.95	2.93	0.98	2.93	0.00
Total 002 Fund	64.28	62.63	63.61	0.98	63.61	0.00
Total Position Summary by Program	64.28	62.63	63.61	0.98	63.61	0.00

Communications and Information Technology Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$19,436,305	\$21,728,628	\$23,491,620	\$1,762,992	\$23,990,823	\$499,203
Operating	13,402,965	16,005,183	14,055,654	-1,949,529	14,336,942	281,288
Capital	1,071,393	1,003,077	1,110,600	107,523	1,305,395	194,795
Debt Service	8,036	4,922	8,000	3,078	8,160	160
Reserves	0	781,300	1,382,331	601,031	1,380,510	-1,821
Total	<u>\$33,918,699</u>	<u>\$39,523,110</u>	<u>\$40,048,205</u>	<u>\$525,095</u>	<u>\$41,021,830</u>	<u>\$973,625</u>
Fees	\$8,808,321	\$9,742,415	\$8,927,582	-\$814,833	\$9,269,961	\$342,379
State	762,350	1,979,000	1,300,000	-679,000	1,300,000	0
Transfers	1,945,201	2,077,706	2,038,237	-39,469	2,079,000	40,763
Total	<u>\$11,515,872</u>	<u>\$13,799,121</u>	<u>\$12,265,819</u>	<u>-\$1,533,302</u>	<u>\$12,648,961</u>	<u>\$383,142</u>
General City Support	<u>\$22,402,827</u>	<u>\$25,723,989</u>	<u>\$27,782,386</u>	<u>\$2,058,397</u>	<u>\$28,372,869</u>	<u>\$590,483</u>
Total FTE Count	308.80	309.80	313.80	4.00	313.80	0.00

Mission Statement

The mission of the Department of Communications and Information Technology is to provide and support communications, information, and technology solutions to: enable City businesses, inform the community, and improve and promote quality of life and public safety.

Objectives

Applications Support - To assist departments in developing solutions by providing technology alternatives, system feasibility, cost estimates, and implementation plans, to enhance processes through systems analysis, design, programming, and support.

City/Schools Printing Services - Complete/deliver all printing or related requests within designated time frame for all customers in order to meet their printing requirements.

Emergency Communications - Call Processing Time: To receive and enter calls for service for dispatch priority 1 and 2 EMS calls in 120 seconds or less 90% of the time.

Geospatial Information Services - To maintain a current and accurate geographic base for City agencies to facilitate public services, to assist the City Real Estate Assessors Office in maintaining an accurate assessment of real estate, and aid the Commissioner of the Revenue in maintaining the City's real estate tax rolls.

Information Security and Privacy - Respond to and investigate incidents of computer misuse or abuse.

Multimedia Services - Complete multimedia projects for City and School agencies to assist in meeting their organizational objectives.

Public Information Office - Provide web-based City government information, in a timely and useful manner; in order to offer convenience and accessibility to the customer (measurement moved to 21010).

Systems Support - To provide maintenance and support for all microcomputer hardware and software including PC's, printers, and local area networks by responding to all microcomputer problems within four hours.

Telecommunications - To process and complete telecommunication moves, additions, and changes in less than three days.

To provide accurate, up-to-date and comprehensive answers to walk-in, phone and e-mail requests in order to meet and/or exceed customer expectations.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Applications Support: Hours of Direct Service	44,953.75	41,309.00	43,134.00	43,134.00	48,048.00	48,048.00
Emergency Communications: Total 911 telephone calls received (wireline and wireless)	284,295.00	239,419.00	227,788.00	258,000.00	285,000.00	285,000.00
Emergency Communications: Total EMS calls received and processed	33,825.00	34,728.00	35,655.00	36,607.00	37,000.00	37,000.00
Emergency Communications: Total Police, Fire, and EMS calls received, entered and dispatched	440,194.00	478,030.00	470,427.00	432,000.00	450,000.00	450,000.00
GIS: Number of data base updates	30,308.00	28,930.00	30,305.00	28,000.00	32,500.00	32,500.00
Information Security: Investigations performed per month	1.00	1.00	1.00	2.00	2.00	2.00
Mail Service: Out-going pieces of mail processed annually	921,020.00	789,523.00	737,031.00	780,000.00	835,000.00	835,000.00
Multimedia Services: Number of multimedia service projects produced	290.00	293.00	271.00	265.00	265.00	265.00
Print Shop: Printing requests printed and delivered annually	8,148.00	8,310.00	8,476.00	8,645.00	8,476.00	8,645.00
Systems Support: Microcomputer service calls received per day	74.00	73.00	69.00	65.00	62.00	62.00
Telecommunications: Total number of moves, additions, and changes	1,363.00	848.00	1,323.00	1,377.00	1,340.00	1,340.00
<u>Quality</u>						
Multimedia Services: Percent of projects rated by clients as successfully achieving project objectives	96.90	100.00	100.00	95.00	95.00	95.00
Systems Support: Percent of reported computer problems responded to within 4 hours	62.04	48.70	60.17	70.00	75.00	80.00
<u>Efficiency</u>						
311 Citizen Services: Percentage of calls received without the need to transfer the call to a different City agency for resolution (goal 70%)	0.00	78.00	78.00	70.00	70.00	70.00
Emergency Communications: Percent of priority one EMS calls processed in 120 seconds or less	0.00	79.00	81.00	83.00	85.00	85.00
Emergency Communications: Percentage of priority one EMS calls for service dispatched within 90 seconds (Goal 90%)	0.00	91.00	91.00	91.00	91.00	91.00
GIS: Average time per product provided to requesting party (hours)	0.27	0.25	0.27	0.25	0.23	0.23

Performance Measurement Explanation

In FY 2008-09, due to lower targets, the Print Shop's anticipated workload is forecast to decrease. For three of the measurements, FY 2004-05 data not available, because they are newer measurements.

Program Description

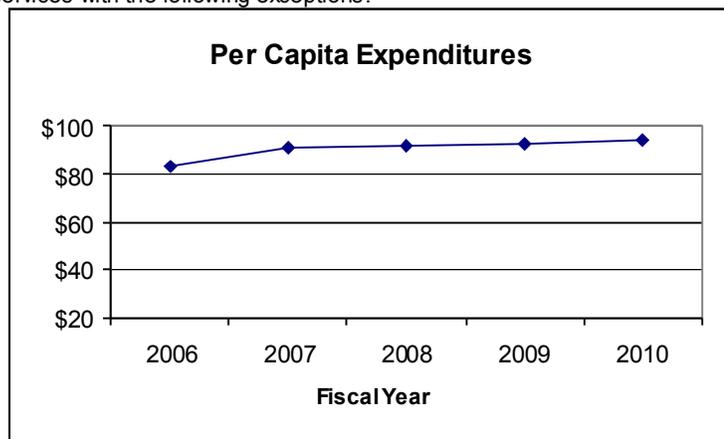
ComIT provides a technology foundation supporting all City/School departments and agencies. The department's services are built upon 11 operational areas:

- **Applications Support and Technology Project Management (TPM)** - analyzes, develops, tests, integrates, manages, and supports organizational mission-critical systems. TPM provides project template, guideline, process, tool, and procedural leadership, training, and instructions.
- **Operations Support** - manages data center operations and supports City enterprise IT hardware and software. The Support Center provides quality customer support services.
- **Business Center** - responsible for departmental purchasing, human resources, payroll, accounts payable, reception, central support, and print shop and telecommunication billing.
- **Information Security and Privacy Office** - through administrative, technical, and physical controls, the team protects the City's electronic data and information technology infrastructure. They provide information security advice, perform security audits, and conduct privacy impact assessments.
- **Multimedia Services** - creates municipal government and public school informational, promotional, instructional, and emergency programming. The media modes are VBTv 46, 47, & 48; videotape, microwave, satellite, and multimedia. The Web team and City photographer are also components.
- **Systems Support** - provides organizational computer, server, and network design, engineering, maintenance, repair, and support services.
- **Telecommunications** - provides telephone maintenance, support, contract administration, cable management, billing, dial tone provision, service coordination, and configuration changes.
- **Emergency Communications and 311 Citizen Services** - 911 operates a centralized public-safety communication answering point. They are the critical dispatching link between citizens and public safety. 311 provides generalized informational services to citizens and agencies.
- **Center for Geo-spatial Information Services** - provides geo-spatial database warehousing, web-based distribution services, data maintenance, importing/exporting, analyses, reporting, project management, and monthly Geo-file loads.
- **City/School Printing and Mail Services** - provides printing and mail distribution services. The services include printing, bindery, forms management, and copier contract administration.
- **Subscriptions** - manage IT oriented subscription charges throughout the City. The subscriptions include WAN fees and software licensing.

Productivity and Results

- Generally, the department will maintain current services with the following exceptions:

- The Business Center eliminated an Administrative Analyst.
- Application Support eliminated all contracted manpower and consulting services; moreover they reduced other services. Licensing for the new Human Resource system was added.
- To meet target projections, System Support reduced other contractual services and peripheral purchases.
- Overall, a 21% reduction was made within professional improvement.



Biennial Budget Analysis

- To obtain greater accounting efficiency, two Special Revenue Funds were dissolved. The Cable Access Fund was moved to a CIP project (#3-119), and the Emergency Communication Fund merged into the General Fund.
- Within Emergency Communication, a Citizen Service division was created. It is comprised of Virginia Beach 911 Emergency Communication and Virginia Beach 311. The separation of emergency communications and public information allows for more precise performance measurements and budgetary efficiency.
- To manage numerous projects throughout the department, a new Technology Project Management budget unit was created. It is within the Application Support division.
- The Public Information Office was renamed "311 Citizen Services." Budgetary funding and five FTEs pertaining to the former Public Information Office were dispersed to Multimedia Services.
- The former Video Services division was renamed Multimedia Services, and its scope was expanded to include multimedia production, graphic design, and photographic services. The division is comprised of the Web team, City photographer, department internal communications, and video services.
- Based upon an optimal staffing model within the Center for Geospatial Services, the addition of one new GIS analyst has increased this class title to three. This puts the class within one FTE of their optimal size.
- The computer replacement program was reduced and will extend the replacement cycle to five years.
- Overall, the department incurred a net loss of two FTEs. After the VRS multiplier reduction, one Printer I position, within the City/School Printing Services, was not requested for reinstatement; moreover the department eliminated the Public Information Coordinator from the former Public Information Office. This funding was placed in Multimedia Service's manpower account.
- A reorganization to support Oracle systems such as the finance and HR/payroll systems resulted in an increase of 6.0 FTE's for the Department. This reorganization will create capacity to enhance these systems to improve organization productivity.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Multimedia Services	\$1,011,245	\$980,535	\$1,531,233	\$550,698	\$1,565,621	\$34,388
Emergency Communications	9,213,439	9,989,797	10,214,816	225,019	10,440,292	225,476
Media and Communications Group (DO NOT USE)	6,350	0	0	0	0	0
Mail Service	255,791	267,025	275,171	8,146	281,087	5,916
ComIT Business Center	829,634	787,669	710,014	-77,655	726,095	16,081
Applications Support	5,039,169	6,449,322	5,891,267	-558,055	6,018,055	126,788
Operations Support	950,574	1,047,271	1,073,041	25,770	1,081,001	7,960
Systems Support	7,551,175	8,084,512	8,441,546	357,034	8,596,361	154,815
Center for Geospatial Information Services	1,390,163	1,601,992	1,642,953	40,961	1,672,042	29,089
3-1-1 Citizen Services	852,097	942,101	364,689	-577,412	372,780	8,091
Information Security and Privacy Office	373,648	411,371	406,983	-4,388	416,350	9,367
Technology Project Management Office	0	0	583,689	583,689	597,007	13,318
Total 002 Fund	\$27,473,285	\$30,561,595	\$31,135,402	\$573,807	\$31,766,691	\$631,289
143 Access Channel Support Special Revenue Fund						
Cable Access Fund (History Only)	\$61,773	\$270,721	\$0	\$-270,721	\$0	\$0
Total 143 Fund	\$61,773	\$270,721	\$0	\$-270,721	\$0	\$0
604 Print Shop Internal Service Fund						
City/Schools Printing Services	\$3,591,880	\$3,624,643	\$3,609,508	\$-15,135	\$3,684,196	\$74,688
Reserve for Contingencies	0	107,724	338,644	230,920	327,433	-11,211
Total 604 Fund	\$3,591,880	\$3,732,367	\$3,948,152	\$215,785	\$4,011,629	\$63,477
620 Telecommunications Internal Service Fund						
Telecommunications	\$1,858,504	\$2,537,478	\$2,079,689	\$-457,789	\$2,124,341	\$44,652
Reserve for Contingencies	0	12,282	633,095	620,813	652,237	19,142
Total 620 Fund	\$1,858,504	\$2,549,760	\$2,712,784	\$163,024	\$2,776,578	\$63,794
621 Subscriptions Internal Service Fund						
Subscriptions	\$933,257	\$1,747,373	\$1,841,275	\$93,902	\$2,036,092	\$194,817
Reserve for Contingencies	0	661,294	410,592	-250,702	430,840	20,248
Total 621 Fund	\$933,257	\$2,408,667	\$2,251,867	\$-156,800	\$2,466,932	\$215,065
Total Program Summary	\$33,918,699	\$39,523,110	\$40,048,205	\$525,095	\$41,021,830	\$973,625

Position Summary by Program

002 General Fund						
Multimedia Services	13.00	13.00	19.30	6.30	19.30	0.00
Emergency Communications	125.00	125.00	125.00	0.00	125.00	0.00
Mail Service	5.00	5.00	5.00	0.00	5.00	0.00
ComIT Business Center	13.00	13.00	12.00	-1.00	12.00	0.00
Applications Support	41.00	41.00	37.00	-4.00	37.00	0.00
Operations Support	8.50	8.50	8.50	0.00	8.50	0.00
Systems Support	45.00	46.00	50.00	4.00	50.00	0.00
Center for Geospatial Information Services	16.00	16.00	18.00	2.00	18.00	0.00
3-1-1 Citizen Services	14.30	14.30	7.00	-7.30	7.00	0.00
Information Security and Privacy Office	3.00	3.00	3.00	0.00	3.00	0.00
Technology Project Management Office	0.00	0.00	5.00	5.00	5.00	0.00
Total 002 Fund	283.80	284.80	289.80	5.00	289.80	0.00

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Position Summary by Program

604 Print Shop Internal Service Fund

City/Schools Printing Services	15.00	15.00	14.00	-1.00	14.00	0.00
Total 604 Fund	15.00	15.00	14.00	-1.00	14.00	0.00

620 Telecommunications Internal Service Fund

Telecommunications	10.00	10.00	10.00	0.00	10.00	0.00
Total 620 Fund	10.00	10.00	10.00	0.00	10.00	0.00

Total Position Summary by Program	308.80	309.80	313.80	4.00	313.80	0.00
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Resource Summary Notes

The Information Technology Internal Service Fund was eliminated in FY 2006-07. Most of the divisions transitioned to the General Fund; however, Telecommunications and Subscriptions became separate internal service funds.

Finance Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$4,549,725	\$4,777,886	\$4,281,114	\$-496,772	\$4,405,679	\$124,565
Operating	8,880,400	9,847,431	9,103,648	-743,783	9,285,721	182,073
Capital	4,261	0	0	0	0	0
Reserves	0	778	15,757	14,979	16,072	315
Transfers	0	0	0	0	0	0
Total	<u>\$13,434,386</u>	<u>\$14,626,095</u>	<u>\$13,400,519</u>	<u>\$-1,225,576</u>	<u>\$13,707,472</u>	<u>\$306,953</u>
Fees	<u>\$10,018,553</u>	<u>\$9,687,462</u>	<u>\$9,016,551</u>	<u>\$-670,911</u>	<u>\$9,197,943</u>	<u>\$181,392</u>
Total	<u>\$10,018,553</u>	<u>\$9,687,462</u>	<u>\$9,016,551</u>	<u>\$-670,911</u>	<u>\$9,197,943</u>	<u>\$181,392</u>
General City Support	<u>\$3,415,833</u>	<u>\$4,938,633</u>	<u>\$4,383,968</u>	<u>\$-554,665</u>	<u>\$4,509,529</u>	<u>\$125,561</u>
Total FTE Count	64.00	63.00	57.00	-6.00	57.00	0.00

Mission Statement

The mission of the Finance Department is through strong leadership, deliver comprehensive financial and business services, and protect the City's resources in a high quality, cost effective, and innovative environment that inspires trust and supports our community for a lifetime.

Objectives

Conduct compliance audits on City invoices greater than \$250 and pay vendors within required time frames to receive discounts.

Effectively manage civil claims filed against the City in a consistent and legal manner so that claims are processed within 96 hours.

Issue debt to meet cash requirements for the City's capital needs while meeting disclosure guidelines and legal requirements.

Manage Workmans' Compensation claims so that employees receive prompt and fair attention, and are returned to work as practicable.

Maximize City funds through competitive bids, request for proposals, and negotiations for all goods and services valued over \$50,000.

Meet debt service payments on over fifty (50) outstanding debt issuances in a timely manner as an element of maintaining the City's "AAA+" credit rating.

Pay all City employees according to accepted City policies and payroll related laws and regulations.

Provide necessary training to maintain a proficient core of departmental payroll clerks.

Provide ongoing support and maintenance of the ViBES enterprise-wide financial management system including functional process improvements, system upgrades, customer support, and end-user training.

Provide policy direction to the divisions of Purchasing, Comptroller, Payroll and Risk Management.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Annual debt service payments (#)	240.00	235.00	240.00	250.00	260.00	275.00
Civil insurance claims against the City	1,100.00	1,125.00	1,450.00	1,450.00	1,450.00	1,450.00
Goods and service purchase orders	7,820.00	10,370.00	10,200.00	10,500.00	10,500.00	10,500.00
Monthly interim financial statements issued	9.00	9.00	9.00	10.00	10.00	10.00
Number of checks issued to pay vendors' invoices	104,808.00	95,956.00	91,186.00	95,000.00	97,000.00	97,000.00
Number of deposits and remittances made by Payroll office	297.00	305.00	350.00	350.00	350.00	350.00
Number of payroll payments issued annually	170,376.00	180,000.00	182,500.00	185,500.00	182,500.00	185,500.00
Workmans' Compensation claims filed annually	1,400.00	1,325.00	1,325.00	1,325.00	1,325.00	1,325.00
<u>Quality</u>						
Average number of days to pay vendors	7.00	5.00	5.00	5.00	5.00	5.00
Percentage of times the IFS is distributed by the 15th of the following month.	0.00	90.00	90.00	90.00	75.00	75.00
<u>Efficiency</u>						
Dollar volume of purchase orders (in millions)	271.84	224.39	233.35	240.00	250.00	250.00
Processing cost per civil claim (\$)	120.00	125.00	147.00	147.00	147.00	147.00
Workmans' Compensation claim (\$ each)	182.00	178.00	182.00	186.00	178.00	178.00

Performance Measurement Explanation

With VRS Multiplier reductions and anticipated FTE reductions in FY 2008-09, the number of payroll payments is forecast to decrease.

Despite the reduction of one Account Clerk III, the Comptroller does not anticipate the lengthening of vendor payment days.

Program Description

The Finance Department oversees the Comptroller, Payroll, Purchasing, Debt Management, and Risk Management functions. They ensure direction, planning, and coordination of financial services.

Debt Management - to support the approved Capital Improvement Program (CIP) debt requirements, provides debt planning, bond issuance and administration.

Payroll - prepares City employee payroll checks and maintains earning records for all City employees, and audits the payroll process.

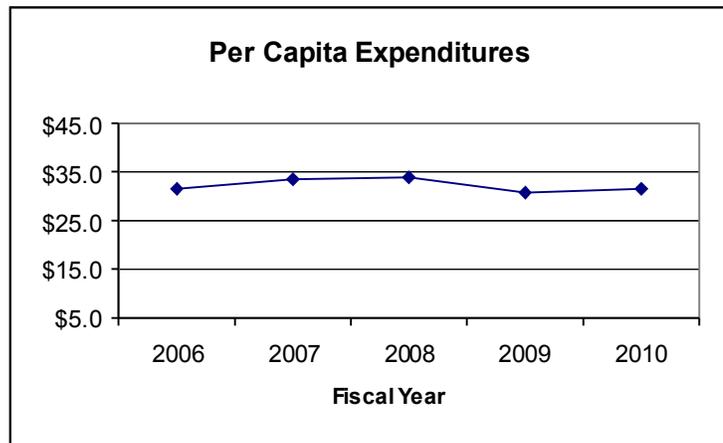
Comptroller - responsible for central accounting records, and fixed assets; prepares financial reports.

Purchasing - processes all purchasing requisitions; is responsible for surplus property; and manage the bidding and competitive negotiation processes.

Risk Management - identifies and evaluates all City risks, manages loss control programs, identifies and places insurance; and make Workers' Compensation adjustments and civil liability claims.

Productivity and Results

- The Comptroller's Office eliminated two FTE positions (Account Clerk III and Accountant III) and contracted manpower. The reduction may lengthen accounting practices.
- In Local Vehicle Registration, postage was eliminated. Reallocation of postage may be needed from other divisions within the department.
- In Risk Management, the Internal Service Fund was able to reduce their budgetary need by \$1.2 million over the next two years.



Biennial Budget Analysis

- With the elimination of the Comptroller's two senior FTEs, accounting procedures may be delayed.
- Debt Management will oversee bonds associated with the CIP. Of the total \$2.24 billion CIP, \$836 million is funded with bonds or 35.2% of the program.
- Overall, the department will maintain current services.
- A reorganization to support Oracle systems such as the finance and HR/payroll systems resulted in the Department transferring 4.0 FTE's to the Communications and Information Technology Department. This reorganization will create capacity to enhance these systems to improve organization productivity.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Director's Office	\$1,286,845	\$1,206,817	\$867,897	\$-338,920	\$896,632	\$28,735
Local Vehicle Registration	401,563	474,300	439,170	-35,130	447,953	8,783
Comptroller's Office	1,480,251	1,515,082	1,308,723	-206,359	1,339,409	30,686
Payroll	604,815	648,870	662,147	13,277	675,641	13,494
Purchasing	1,063,009	1,120,564	1,142,694	22,130	1,186,593	43,899
Total 002 Fund	\$4,836,483	\$4,965,633	\$4,420,631	\$-545,002	\$4,546,228	\$125,597
607 Risk Management Internal Service Fund						
Risk Management Insurance Payments	\$7,782,268	\$9,037,510	\$8,313,250	\$-724,260	\$8,479,515	\$166,265
Risk Management	815,635	622,174	650,881	28,707	665,657	14,776
Reserve for Contingencies	0	778	15,757	14,979	16,072	315
Total 607 Fund	\$8,597,903	\$9,660,462	\$8,979,888	\$-680,574	\$9,161,244	\$181,356
Total Program Summary	\$13,434,386	\$14,626,095	\$13,400,519	\$-1,225,576	\$13,707,472	\$306,953

Position Summary by Program

002 General Fund						
Director's Office	12.00	12.00	8.00	-4.00	8.00	0.00
Comptroller's Office	21.00	21.00	19.00	-2.00	19.00	0.00
Payroll	9.00	9.00	9.00	0.00	9.00	0.00
Purchasing	14.00	14.00	14.00	0.00	14.00	0.00
Total 002 Fund	56.00	56.00	50.00	-6.00	50.00	0.00
607 Risk Management Internal Service Fund						
Risk Management	8.00	7.00	7.00	0.00	7.00	0.00
Total 607 Fund	8.00	7.00	7.00	0.00	7.00	0.00
Total Position Summary by Program	64.00	63.00	57.00	-6.00	57.00	0.00

General Registrar Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$672,804	\$848,650	\$873,019	\$24,369	\$825,930	\$-47,089
Operating	<u>367,188</u>	<u>602,712</u>	<u>506,023</u>	<u>-96,689</u>	<u>445,891</u>	<u>-60,132</u>
Total	<u>\$1,039,992</u>	<u>\$1,451,362</u>	<u>\$1,379,042</u>	<u>\$-72,320</u>	<u>\$1,271,821</u>	<u>\$-107,221</u>
Fees	\$350	\$0	\$0	\$0	\$0	\$0
State	<u>108,971</u>	<u>101,905</u>	<u>100,319</u>	<u>-1,586</u>	<u>105,520</u>	<u>5,201</u>
Total	<u>\$109,321</u>	<u>\$101,905</u>	<u>\$100,319</u>	<u>\$-1,586</u>	<u>\$105,520</u>	<u>\$5,201</u>
General City Support	<u>\$930,671</u>	<u>\$1,349,457</u>	<u>\$1,278,723</u>	<u>\$-70,734</u>	<u>\$1,166,301</u>	<u>\$-112,422</u>
Total FTE Count	12.03	12.03	12.03	0.00	12.03	0.00

Mission Statement

To maintain the current registration and elections process for Virginia Beach voters at three locations, to meet mandatory State and Federal standards for access to voter registration and to handle the regulations of the National Voter Registration Act, Help America Vote Act and State Board of Elections policies. Also to provide convenient ways for citizens to change voter registration records, vote by absentee ballot and pursue their candidacies for office.

Objectives

Provide convenient ways for citizens to change voter registration records.

Provide current registration of all voters and meet mandatory State and Federal standards for access to voter registration.

Results

Indicator	<u>Actual</u>			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of registration changes made annually	18,000.00	18,450.00	18,744.00	19,908.00	20,899.00	19,000.00
Registered voters	258,446.00	261,000.00	264,537.00	270,000.00	280,000.00	275,000.00
<u>Efficiency</u>						
Number of registration changes made per assigned staff member	1,496.00	1,534.00	1,559.00	1,655.00	1,737.00	1,579.00
Registered voters served by each full-time equivalent	21,483.00	21,696.00	21,990.00	22,444.00	23,275.00	22,860.00

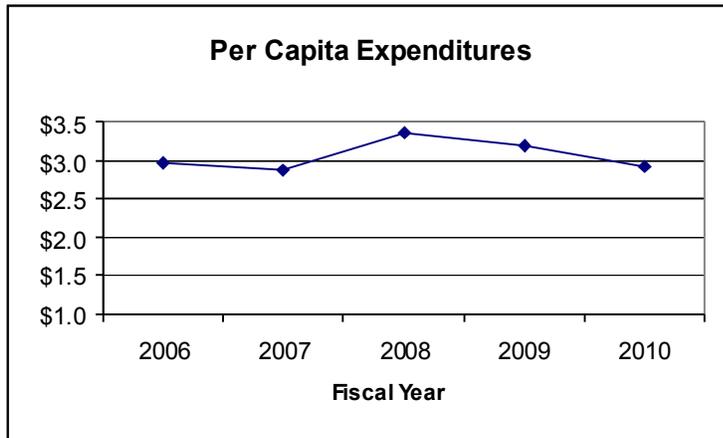
Performance Measurement Explanation

Note: The decline in measures for FY 2009-10 is attributable to the normal purge after non voting occurs after two Federal elections (November 2008 and November 2009).

Program Description

The General Registrar's Office maintains the current registration and elections process for Virginia Beach voters and supports 95 precincts by: complying with mandatory State and Federal standards and guidelines of the Voting Right Act and Help America Vote Act of 2002; offering two satellite offices in local Department of Motor Vehicles (DMV) facilities; providing convenient ways for citizens to change voter registration records, vote by absentee ballot, and pursue their candidacy for office; handling mail registration sites at the U.S. Post Offices, City Schools, City recreation centers, public libraries, and City Treasurer's Offices; and maintaining and checking the campaign financial reports of all local candidates. The State reimburses the City for the General Registrar's salary. Reimbursements are also received for the Electoral Board members' salary and mileage.

Productivity and Results



- During FY 2007-08, the Office had to purchase additional electronic lookup devices to verify voter precinct location due to an under supply over the years of splitting precincts. No additional precincts are anticipated to be split or added over this biennial budget.
- The Office is printing more material in house versus contracting outside, and these savings are reflected in the FY 2008-09 proposed budget.

Biennial Budget Analysis

- The budget will provide funds to oversee the elections of the President, U.S. Senate, U.S. House of Representatives, City Council and School Board.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
<u>Program Summary</u>						
002 General Fund						
General Registrar	\$1,039,992	\$1,451,362	\$1,379,042	\$-72,320	\$1,271,821	\$-107,221
Total 002 Fund	\$1,039,992	\$1,451,362	\$1,379,042	\$-72,320	\$1,271,821	\$-107,221
Total Program Summary	\$1,039,992	\$1,451,362	\$1,379,042	\$-72,320	\$1,271,821	\$-107,221

Position Summary by Program

002 General Fund						
General Registrar	12.03	12.03	12.03	0.00	12.03	0.00
Total 002 Fund	12.03	12.03	12.03	0.00	12.03	0.00
Total Position Summary by Program	12.03	12.03	12.03	0.00	12.03	0.00

Human Resources Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$3,730,784	\$4,091,029	\$3,789,364	\$-301,665	\$3,871,828	\$82,464
Operating	<u>727,521</u>	<u>843,668</u>	<u>847,608</u>	<u>3,940</u>	<u>864,555</u>	<u>16,947</u>
Total	<u>\$4,458,305</u>	<u>\$4,934,697</u>	<u>\$4,636,972</u>	<u>\$-297,725</u>	<u>\$4,736,383</u>	<u>\$99,411</u>
Fees	<u>\$21,652</u>	<u>\$19,000</u>	<u>\$20,239</u>	<u>\$1,239</u>	<u>\$20,867</u>	<u>\$628</u>
Total	<u>\$21,652</u>	<u>\$19,000</u>	<u>\$20,239</u>	<u>\$1,239</u>	<u>\$20,867</u>	<u>\$628</u>
General City Support	<u>\$4,436,653</u>	<u>\$4,915,697</u>	<u>\$4,616,733</u>	<u>\$-298,964</u>	<u>\$4,715,516</u>	<u>\$98,783</u>
Total FTE Count	57.13	58.13	54.13	-4.00	54.13	0.00

Mission Statement

The mission of the Department of Human Resources is to facilitate the recruitment, retention and development of a quality workforce and its alignment with the City's strategy.

Objectives

Assist citizens with Human Rights inquiries/complaints through referral to available resources.

Assist/respond to members with EEO inquiries/complaints.

Consistently conduct exit interviews when Police Department employees submit voluntary resignations.

Enhance communication and understanding among Members and management through in house publications and Member meetings.

Identify proactive efforts to provide timely information to Virginia Beach Police Department employees and command staff through various means, including written updates and training presentations.

Provide assistance to management concerning Member performance and issue resolution.

Provide assistance to Members concerning performance management and workplace issue resolution.

Provide employees with extended (short term disability) sick leave coverage through a managed sick leave bank/donation program.

Provide medical examinations, health screenings and nursing services to meet Federal mandates and promote workers health.

Provide timely and accurate personnel transactions.

Provide training that is responsive to member and organizational development.

Provide well-qualified employees to City departments through strategic recruitment & selection processes.

Research and identify innovative recruiting programs for the Police Department, continuously evaluate and improve existing Police recruitment/selection programs.

To ensure competitive pay for the City's workforce in comparison to the surrounding localities.

To provide hazard identification safety inspections of City facilities/employee work practices to identify occupational hazards.

To provide mandated safety training classes for approximately 3,900 employees, achieving a 90% satisfaction rate, as a measure to eliminate or reduce occupational injuries.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Applications for donations from sick leave bank processed in accordance with policy guidelines	97.00	108.00	123.00	140.00	161.00	185.00
Number of citizen complaints/inquiries addressed to the Human Rights Commission	19.00	32.00	23.00	20.00	25.00	30.00
Number of employees attending mandated occupational safety courses	6,400.00	6,800.00	4,500.00	3,800.00	3,800.00	4,000.00
Number of employees attending training courses	2,455.00	2,832.00	4,766.00	5,000.00	5,000.00	5,000.00
Number of market adjustments provided to employees as a result of the market salary survey	1,785.00	0.00	0.00	0.00	675.00	0.00
Number of medical examinations/health screenings/nursing services performed	12,340.00	12,000.00	12,316.00	14,000.00	14,000.00	14,000.00
Number of nonprobationary, sworn Police Officers who have voluntarily resigned	29.00	30.00	29.00	20.00	20.00	20.00
Number of P-3s reviewed and processed within 5 working days	13,000.00	13,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Number of safety and health hazard identification inspections	295.00	300.00	310.00	320.00	310.00	320.00
<u>Quality</u>						
Percentage of meaningful exit interviews conducted with resigning Police Department employees	83.00	70.00	55.00	75.00	75.00	75.00
Number of errors on P-3s reviewed and processed	5.00	5.00	5.00	5.00	5.00	5.00
Percentage of qualified employees recruited and hired within 60 days	65.00	65.00	70.00	70.00	65.00	70.00
Percentage of employees satisfied with occupational safety training courses	97.00	97.50	98.00	98.50	98.00	98.50
Percentage of participants satisfied with Member Conversations	99.50	98.00	98.00	98.00	98.00	98.00
<u>Efficiency</u>						
Cost per hazard identification safety inspection	125.00	135.00	145.00	150.00	145.00	150.00

Performance Measurement Explanation

Market Salary Survey is only conducted every three years.

Program Description

The services provided by the Department of Human Resources are divided into the following areas:

Staffing and Compensation coordinates and oversees the City's recruitment, test administration, selection processes, and administration of the City's compensation system. They provide technical assistance to all departments, employees and applicants on matters which affect the selection, classification and pay of employees, and they support the City's commitment to ensuring pay equity by conducting position evaluations and salary analyses.

Learning and Development provides a citywide training program that supports the City's strategic plan, Workforce Planning and Development activities, and individual departmental needs throughout every Member's career. The E-learning and Tuition Reimbursement Programs are administered through this office as well.

Workforce Planning and Development This program coordinates the development of departmental plans that will anticipate and design ways to meet the needs of the City's current and future workforce.

Human Rights Commission conducts and engages in educational and informational programs to promote mutual understanding among citizens, serves as a forum for discussion of human rights issues, conducts studies and proposes solutions for the improvement of human relations, and provides referral assistance to persons who believe their rights have been violated.

EEO/Diversity Program provides consultative services to departments in managing their EEO/Diversity programs, advises and investigates EEO/ADA related complaints and issues, and provides training that will raise awareness for both employees and managers.

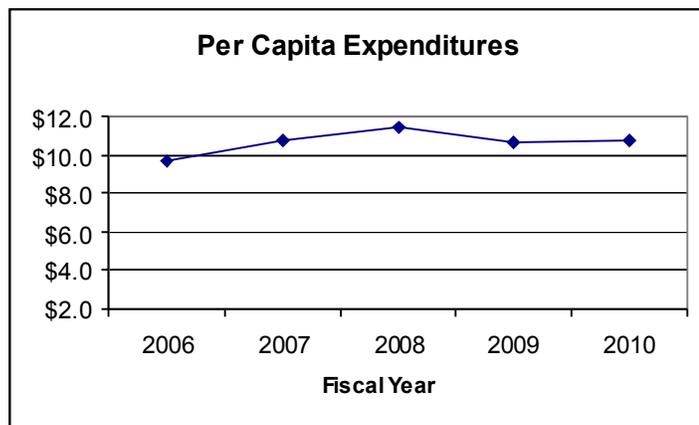
HR/Police Services administers the police performance feedback program, coordinates the police selection process, provides professional support for police command staff, provides consultation regarding employee disciplinary and performance issues, and conducts exit interviews and other research of employee retention issues for the Police Department.

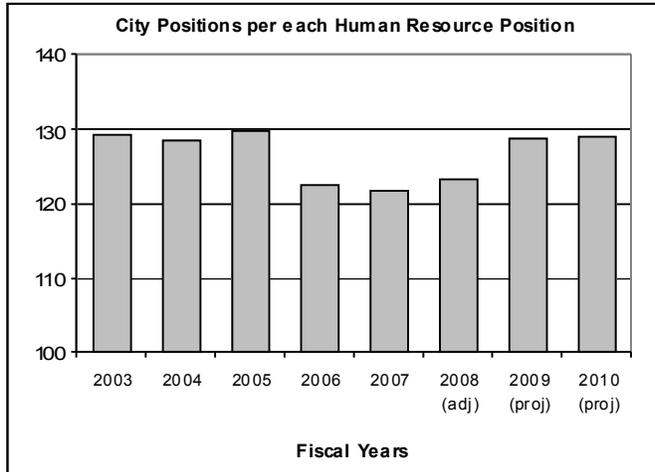
Employee Relations focuses on maintaining effective management and employee relationships. The division provides technical advice and assistance to departments regarding human resource policies and procedures, performance management and counseling, performance and discipline based actions, alternative dispute resolution processes, member recognition programs, leave management and administration, and work-life issues.

Occupational Health and Occupational Safety conducts pre-placement and annual medical examinations that screen for correctable risk factors. Poor vision, hearing and general health have a direct bearing on productivity and safety/risk factors which is measurable. Occupational Safety supports City operations conducting ergonomic evaluations of work stations, indoor air quality testing, job hazard studies and safety compliance training.

Productivity and Results

- As the graph to the right illustrates, per capita expenditures for Human Resources are declining in FY 2008-09 in comparison to FY 2007-08. This is largely attributable to the Department's loss of four positions in FY 2008-09, one in Occupational Health and one in Police Services, a transfer of two positions to the Department of Communications and Information Technology and a reduction in funding for additional E-Learning courses.
- The increase in expenditures between FY 2006-07 and FY 2007-08 is attributable to increased personnel costs, a transfer of one position from Risk Management as well as a transfer of funding for the E-Learning curriculum.
- The increase in expenditures between FY 2005-06 and FY 2006-07 is attributable to increased personnel costs as well as an additional 1.37 FTEs added to the budget for the EEO/Diversity program and to support the Human Rights Commission.
- The graph below shows the trend in ratio of City employees to Human Resources employees.





- City positions have declined by 25.3 FTEs between FY 2007-08 and FY 2008-09 and Human Resources positions declined by 4.0 FTEs; this results in an increase in the ratio of City positions to every Human Resources position.
- As the graph indicates, this ratio currently is at 128 City positions to each Human Resources position.
- The projected ratio affords Human Resources staff the ability to focus on important issues and deliver better customer service.

Biennial Budget Analysis

- A Human Resource Analyst II position in Police Services was eliminated (1.0 FTE). The loss of this position will impact the response time in filling civilian vacancies and increase applicant/employee complaint activity.
- An Office Assistant II position was transferred from the Risk Management division of the Finance Department to Human Resources during FY 2007-08. This position was reclassified as an Occupational Health Nurse for FY 2008-09 to assist with the increased demands of Occupational Health.
- Additional E-Learning courses were not funded in the biennium; however, a viable E-Learning program can be maintained due to a central set of programs that are offered.
- In FY 2008-09, the Department will merge the management of Occupational Health and Occupational Safety. This merge will continue to provide quality services to City agencies at a more efficient level. As part of this reorganization, the Occupational Health Manager position was deleted by the Department (1.0 FTE).
- A reorganization to support Oracle systems such as the finance and HR/payroll systems resulted in the Department transferring 2.0 FTE's to the Communications and Information Technology Department. This reorganization will create capacity to enhance these systems to improve organization productivity.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Program Summary

002 General Fund

Director's Office	\$830,304	\$932,043	\$959,533	\$27,490	\$981,383	\$21,850
Employee Relations	488,940	565,618	445,373	-120,245	457,702	12,329
Staffing and Compensation Services	1,275,336	1,333,133	1,267,789	-65,344	1,297,979	30,190
Learning and Development	509,858	749,800	684,384	-65,416	699,485	15,101
HR Police Services	149,673	151,091	86,234	-64,857	88,206	1,972
Occupational Safety	381,976	386,224	408,844	22,620	418,056	9,212
Occupational Health	822,218	816,788	784,815	-31,973	793,572	8,757
Total 002 Fund	\$4,458,305	\$4,934,697	\$4,636,972	\$-297,725	\$4,736,383	\$99,411
Total Program Summary	\$4,458,305	\$4,934,697	\$4,636,972	\$-297,725	\$4,736,383	\$99,411

Position Summary by Program

002 General Fund

Director's Office	9.50	10.50	10.50	0.00	10.50	0.00
Employee Relations	7.00	7.00	6.00	-1.00	6.00	0.00
Staffing and Compensation Services	19.63	19.63	18.63	-1.00	18.63	0.00
Learning and Development	6.00	6.00	6.00	0.00	6.00	0.00
HR Police Services	2.00	2.00	1.00	-1.00	1.00	0.00
Occupational Safety	5.00	5.00	5.00	0.00	5.00	0.00
Occupational Health	8.00	8.00	7.00	-1.00	7.00	0.00
Total 002 Fund	57.13	58.13	54.13	-4.00	54.13	0.00
Total Position Summary by Program	57.13	58.13	54.13	-4.00	54.13	0.00

Law
Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$3,267,903	\$3,437,626	\$3,710,481	\$272,855	\$3,797,160	\$86,679
Operating	286,011	337,411	184,445	-152,966	188,133	3,688
Capital	<u>8,520</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$3,562,434</u>	<u>\$3,775,037</u>	<u>\$3,894,926</u>	<u>\$119,889</u>	<u>\$3,985,293</u>	<u>\$90,367</u>
General City Support	<u>\$3,562,434</u>	<u>\$3,775,037</u>	<u>\$3,894,926</u>	<u>\$119,889</u>	<u>\$3,985,293</u>	<u>\$90,367</u>
Total FTE Count	43.00	43.00	43.00	0.00	43.00	0.00

Mission Statement

The mission of the Virginia Beach City Attorney's Office is to provide efficient and effective legal services to the municipal government.

Objectives

Maintain the cost for in-house legal services under \$100 per hour.

Maximize in-house legal services at or < 90% of total legal services required by the City.

Results

Indicator	<u>Actual</u>			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Direct in-house attorney service hours	38,734.90	38,464.00	39,760.00	40,277.00	40,000.00	40,000.00
<u>Efficiency</u>						
Average cost per hour	0.00	97.00	106.00	108.00	108.00	108.00
Percentage of in-house legal services	93.00	99.00	93.00	94.00	94.00	94.00

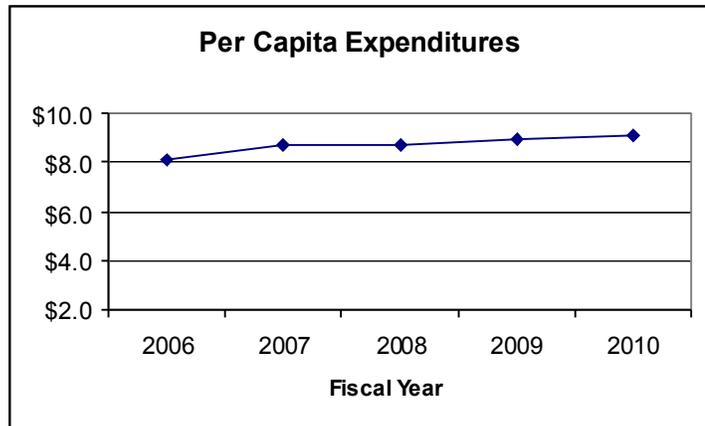
Program Description

The City Attorney's Office is organized into three main sections:

- **Policy and Administration** - responsible for providing legal services to all governmental administrative functions. It is divided into two teams:
 - General Government - is comprised of attorneys with expertise in public safety, public finance, public facilities, human resources, and public policy.
 - Public Education - provides School Administration and School Board legal services.
- **Operations, Infrastructure and Development** - responsible for providing legal services related to land use and real estate.
- **Litigation** - for civil litigation matters, this section represents the City, Development Authority, School Board, agencies, employees, and volunteers. They also represent the City in workers' compensation proceedings and provide the Department of Human Services daily in-court representation. Attorneys from this section regularly present and defend in State and Federal courts as well as administrative agencies.

Productivity and Results

- With expenditures slightly increasing, the City Attorney's per capita expenditures indicate a small upward trend.
- With aggressive private sector attorney salaries, sourcing and retaining City attorneys is challenging. Retaining existing attorneys preserves skill levels and institutional knowledge.
- Operating costs were reduced as much as practicable to maintain current services.



Biennial Budget Analysis

- While operational budgetary reductions were made, the full complement and preservation of FTEs will maintain the present level of services.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
<u>Program Summary</u>						
002 General Fund						
City Attorney	\$3,562,434	\$3,775,037	\$3,894,926	\$119,889	\$3,985,293	\$90,367
Total 002 Fund	\$3,562,434	\$3,775,037	\$3,894,926	\$119,889	\$3,985,293	\$90,367
Total Program Summary	\$3,562,434	\$3,775,037	\$3,894,926	\$119,889	\$3,985,293	\$90,367

Position Summary by Program

002 General Fund						
City Attorney	43.00	43.00	43.00	0.00	43.00	0.00
Total 002 Fund	43.00	43.00	43.00	0.00	43.00	0.00
Total Position Summary by Program	43.00	43.00	43.00	0.00	43.00	0.00

Legislative Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$839,736	\$853,501	\$867,270	\$13,769	\$879,384	\$12,114
Operating	<u>343,265</u>	<u>355,355</u>	<u>341,956</u>	<u>-13,399</u>	<u>348,121</u>	<u>6,165</u>
Total	<u>\$1,183,001</u>	<u>\$1,208,856</u>	<u>\$1,209,226</u>	<u>\$370</u>	<u>\$1,227,505</u>	<u>\$18,279</u>
Fees	<u>\$6,350</u>	<u>\$0</u>	<u>\$536</u>	<u>\$536</u>	<u>\$541</u>	<u>\$5</u>
Total	<u>\$6,350</u>	<u>\$0</u>	<u>\$536</u>	<u>\$536</u>	<u>\$541</u>	<u>\$5</u>
General City Support	<u>\$1,176,651</u>	<u>\$1,208,856</u>	<u>\$1,208,690</u>	<u>\$-166</u>	<u>\$1,226,964</u>	<u>\$18,274</u>
Total FTE Count	18.00	18.00	18.00	0.00	18.00	0.00

Mission Statement

Municipal Council - The mission of the City Council is to establish policy, set goals, interpret and represent the needs of the community as a whole and to ensure the economic, social, educational and physical quality of the City.

Office of the City Clerk - The mission of the City Clerk is to provide a historical record of the governing body, prepare/deliver a weekly agenda/serve the City Council in the most efficient manner to meet the needs of citizens and attest to/record all official agreements, deeds, contracts, etc; ensure that all public notices comply with applicable State Code regulations and Council policies; and maintain the highest standards of customer service for the taxpayers needs.

Objectives

Maintain an active TALENT BANK of citizen interests for Boards and Commissions to provide the Mayor and City Council administrative assistance.

Maintain the 99.75% customers who are highly satisfied with the services provided through the City Clerk's office.

To exercise and practice a strong leadership role in the State, region and nation.

To provide a weekly agenda in a concise and subjective manner that serves the citizen's needs and assists the governing body in its deliberations.

To provide an environment of vitality and fulfillment.

To provide legislative actions that best serve the citizens through a creative and capable work force.

To provide the City Council's legislative actions in the most efficient manner for ready reference and a permanent record.

Results

Indicator	<u>Actual</u>			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Agenda distributed weekly (Agenda is published in Beacon and available on the City's Web Page)	20.00	20.00	20.00	20.00	20.00	20.00
City agencies served	35.00	35.00	35.00	35.00	35.00	35.00
Percent of citizens who feel that Virginia Beach is a good place to live	97.00	95.60	96.00	96.50	96.50	96.50
Total staff hours providing research services by Laser Fishe	2,300.00	1,900.00	1,800.00	1,800.00	1,800.00	1,800.00
Total staff hours providing weekly agenda	500.00	400.00	400.00	400.00	400.00	400.00
<u>Quality</u>						
Percent of citizens satisfied with City services	93.20	92.60	93.40	94.00	94.00	94.00
<u>Efficiency</u>						
Percent of citizens who feel safe in their neighborhoods	97.00	93.60	92.80	95.00	95.00	95.00

Program Description

The Legislative Department is comprised of the Municipal Council and the Office of the City Clerk.

Municipal Council - The Municipal Council establishes City policy and goals, interprets and represents the community's needs. The "Community for a Lifetime" Destination Points are:

- **Economic Vitality** - Broad-based revenue sources supporting quality and affordable City services; above national average household income; diversified tourism; and new commercial enterprises.
- **Safe Community** - Safe and secure citywide mobility; and quick, qualified, and caring emergency responses.
- **Quality Physical Environment** - Clean and safe water; well-maintained streets; useable waterways; neighborhoods with attractive streetscapes; quality waste management; blight elimination; natural area protection; and open spaces.
- **Cultural and Recreational Opportunities** - diverse activities; wholesome options as a substitute for unsavory activities; senior citizen oriented activities; and attraction of tourists to unique City opportunities.
- **Quality Education and Lifelong Learning** - Education available to all; quality educational facilities; State educational standard attainment; and pre-K preparation.
- **Family and Youth Opportunities** - Financially, physically, mentally, and emotionally strengthen families; youth retention; decreased need for courts and jails; and healthier births and babies.
- **Quality Organization** - Exemplary City leadership and advocacy; competitive, fair and responsive governmental costs; and citizen input solicitation and decision consideration.

City Clerk's Office - The Office of the City Clerk preserves and provides accurate governing body legislative historical records. Responsibilities include preparing and delivering weekly agendas, attesting to and recording all official agreements, deeds and contracts, administration of the Sister City program, and ensuring all public notices comply with the applicable State Code and City Council policies.

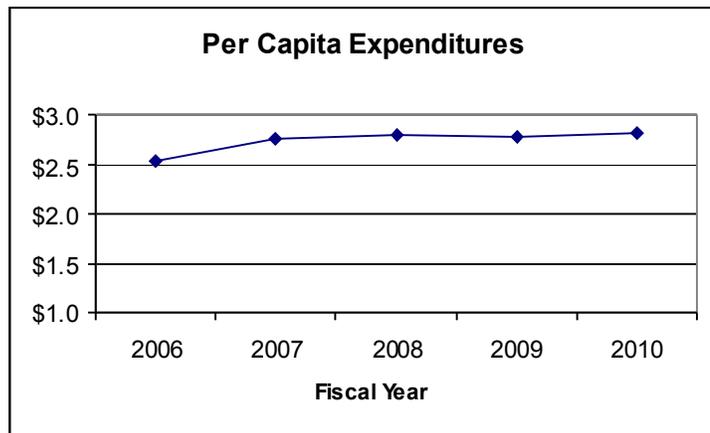
The City Clerk is appointed by City Council and serves as City Clerk, Clerk of Council, and custodian of the City Seal. The City Clerk possesses authority to sign all City borrowed bond issuances and monitors City Council appointed Boards, Commissions, Authorities and Committees.

Productivity and Results

- To address limited revenue growth, the Municipal Council reduced professional improvement, routine travel, and membership dues.
- The City Clerk reduced costs associated with the Sister City program contribution, professional improvement, and various supply accounts.

Biennial Budget Analysis

- The Legislative budget, while dedining in FY 2008-09, with a slight increase in FY 2009-10, will maintain current services to the extent possible.



Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Municipal Council	\$571,639	\$576,015	\$584,244	\$8,229	\$589,146	\$4,902
City Clerk	611,362	632,841	624,982	-7,859	638,359	13,377
Total 002 Fund	\$1,183,001	\$1,208,856	\$1,209,226	\$370	\$1,227,505	\$18,279
Total Program Summary	\$1,183,001	\$1,208,856	\$1,209,226	\$370	\$1,227,505	\$18,279

Position Summary by Program

002 General Fund						
Municipal Council	11.00	11.00	11.00	0.00	11.00	0.00
City Clerk	7.00	7.00	7.00	0.00	7.00	0.00
Total 002 Fund	18.00	18.00	18.00	0.00	18.00	0.00
Total Position Summary by Program	18.00	18.00	18.00	0.00	18.00	0.00

Management Services Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$1,521,626	\$1,767,288	\$1,745,991	\$-21,297	\$1,786,484	\$40,493
Operating	<u>1,971,997</u>	<u>2,374,605</u>	<u>2,265,294</u>	<u>-109,311</u>	<u>2,224,337</u>	<u>-40,957</u>
Total	<u>\$3,493,623</u>	<u>\$4,141,893</u>	<u>\$4,011,285</u>	<u>\$-130,608</u>	<u>\$4,010,821</u>	<u>\$-464</u>
General City Support	<u>\$3,493,623</u>	<u>\$4,141,893</u>	<u>\$4,011,285</u>	<u>\$-130,608</u>	<u>\$4,010,821</u>	<u>\$-464</u>
 Total FTE Count	 22.00	 22.00	 21.00	 -1.00	 21.00	 0.00

Mission Statement

The mission of Management Services is to provide program, fiscal and budgetary policy development and analysis support services to the City Manager, and through the City Manager to City Council for use in formulating City policy. To provide for facility management and coordination of the municipal center and leased space.

Objectives

Coordinate leases for buildings or land used by City agencies.

Design, develop, and assure the implementation of the Biennial Resource Management Plan for the City Manager based on the policies and priorities of the Council.

Effectively communicate resource issues and decisions to the community.

Provide, within the time frame requested, management support for the City Manager and Council in order to ensure a quality process for decision making and budget development.

Work with departments and agencies to complete ordinances and resource issues for Council review.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Communication events (presentations, brochures, public hearings, community conversations, etc)	23.00	22.00	25.00	30.00	30.00	30.00
Grants Reviewed	0.00	51.00	46.00	42.00	30.00	30.00
Leased space managed (square feet)	236,174.00	250,146.00	257,646.00	257,646.00	272,646.00	272,646.00
Number of adjustments made to Budget and C.I.P.	313.00	360.00	350.00	350.00	350.00	350.00
Number of grant training programs	2.00	2.00	3.00	2.00	0.00	0.00
Number of ordinances and agenda requests completed	85.00	128.00	100.00	100.00	100.00	100.00
Site visits/discussions with various agencies	303.00	400.00	400.00	400.00	400.00	400.00
<u>Quality</u>						
Grants Awarded	0.00	44.00	40.00	36.00	25.00	25.00
Successful Grant Applications	0.00	86.00	87.00	86.00	85.00	85.00
Variation between revenue estimates and actual collections (%)	3.00	4.00	0.70	1.20	1.20	1.20
<u>Efficiency</u>						
C.I.P. funded by cash (%)	49.00	53.27	58.24	55.71	58.24	55.71
General government expenditures allocated to debt services (%)	7.47	7.18	7.18	7.42	7.18	7.42
Local tax burden on Virginia Beach residents (\$)	2,488.94	2,770.17	3,189.01	3,189.01	3,189.01	3,189.01

Performance Measurement Explanation

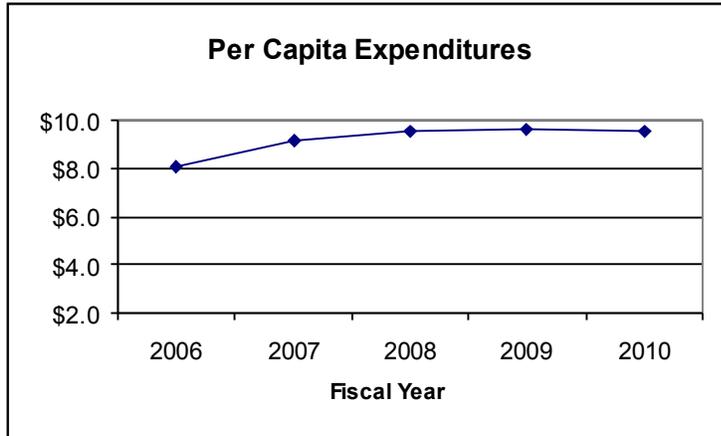
Information on grants was not available until FY 2005-06 with the dedication of a full-time position. This position is proposed for elimination in FY 2008-09, which impacts performance measures accordingly.

Program Description

Management Services is responsible for the development and preparation of the Resource Management Plan that includes the Biennial Operating Budget and six-year Capital Improvement Program as well as the annual five-year forecast. The Department also provides issue management and analytical support on large complex development/construction projects, coordinates contracts for building security, facilities management of the Municipal Center Buildings and rental space and parking.

Productivity and Results

- Management Services provides an on-going review of public/private partnerships to address the fiscal, budgetary, and economic impacts of proposals.



- Management Services received the Distinguished Budget Presentation Award presented by the Government Finance Officers Association for preparation of a budget document of the highest quality to meet the needs of decision-makers and citizens.
- The per capita cost peaked in FY 2007-08 due to a transfer of funds from Public Works Building Maintenance for the City portion of the TCC/ATC maintenance contract and the Municipal Center security contract and will decrease in the biennium due to the changes noted in the Biennial Budget Analysis below.

Biennial Budget Analysis

- The City has received numerous grants over the past few years, especially related to homeland security. While the grants have benefited the City, both from a financial and service delivery standpoint, the administration of these grants has placed an increasing burden on the workload within the department, which was coordinated by a dedicated position. With the elimination of this position Management Services will no longer focus on development, training, reporting, and administration of grants.
- Two major changes in leases are occurring in FY 2008-09. First is the discontinuation of the lease for the Sheriff's Workforce Minimum Security Center at Courthouse Plaza. Second is a new lease for the Emergency Medical Services Department.
- Acquisition and support for new budget software is included in the FY 2008-09 operating budget to replace the patched-beyond-repair system that departments have used for the past 15 years. FY 2009-10 only includes on-going licensing costs.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Management and Budget Analysis	\$1,489,921	\$1,788,379	\$1,814,631	\$26,252	\$1,766,257	\$-48,374
Facilities Management	2,003,702	2,353,514	2,196,654	-156,860	2,244,564	47,910
Total 002 Fund	\$3,493,623	\$4,141,893	\$4,011,285	\$-130,608	\$4,010,821	\$-464
Total Program Summary	\$3,493,623	\$4,141,893	\$4,011,285	\$-130,608	\$4,010,821	\$-464

Position Summary by Program

002 General Fund						
Management and Budget Analysis	19.00	19.00	18.00	-1.00	18.00	0.00
Facilities Management	3.00	3.00	3.00	0.00	3.00	0.00
Total 002 Fund	22.00	22.00	21.00	-1.00	21.00	0.00
Total Position Summary by Program	22.00	22.00	21.00	-1.00	21.00	0.00

Non-Departmental Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$3,180,054	\$3,998,923	\$5,044,517	\$1,045,594	\$5,188,650	\$144,133
Operating	14,551,241	21,624,782	23,121,160	1,496,378	24,254,214	1,133,054
Capital	<u>3,407,223</u>	<u>4,528,945</u>	<u>3,019,524</u>	<u>-1,509,421</u>	<u>3,111,914</u>	<u>92,390</u>
Total	<u>\$21,138,518</u>	<u>\$30,152,650</u>	<u>\$31,185,201</u>	<u>\$1,032,551</u>	<u>\$32,554,778</u>	<u>\$1,369,577</u>
Fees	\$1,820,116	\$1,800,000	\$1,900,000	\$100,000	\$1,900,000	\$0
Federal	0	306,160	306,160	0	306,160	0
State	5,000	5,000	5,000	0	5,000	0
Miscellaneous	0	0	100,000	100,000	100,000	0
Transfers	<u>52,815</u>	<u>50,500</u>	<u>50,500</u>	<u>0</u>	<u>50,500</u>	<u>0</u>
Total	<u>\$1,877,931</u>	<u>\$2,161,660</u>	<u>\$2,361,660</u>	<u>\$200,000</u>	<u>\$2,361,660</u>	<u>\$0</u>
General City Support	<u>\$19,260,587</u>	<u>\$27,990,990</u>	<u>\$28,823,541</u>	<u>\$832,551</u>	<u>\$30,193,118</u>	<u>\$1,369,577</u>
Total FTE Count	5.00	5.00	3.00	-2.00	3.00	0.00

Mission Statement

The Non-Departmental section of the budget serves as an umbrella for appropriations that are City-wide in nature and, as such, are not contained in an operational department. These include Community Organization Grants, Revenue Reimbursements, Regional Participation, Independent Financial Services, Employee Special Benefits, Benefits Administration, Arts and Humanities Commission, Office of Cultural Affairs, Sandler Center for the Performing Arts, and Vehicle Replacement.

Objectives

Provide City support to the Consolidated Benefits Office to administer the health and dental insurance programs for City and School employees, in order to provide complete coverage at competitive rates.

Provide for an annual external audit of City and School financial statements.

Provide funding to not-for-profit organizations serving Virginia Beach, whose services are easily accessible to Virginia Beach residents and which complement City services.

Provide real estate tax relief to qualified elderly and handicapped residents to ensure financial stability among these residents.

Provide recognition opportunities and benefits to employees to promote a productive and motivated work force.

Provide the City's share of funding for agencies serving the region, in order to promote cooperative educational, economic development, environmental, planning, human service efforts, and regional comprehensive medical response.

To assist in the development, coordination, and implementation of cultural programs, events and activities.

To foster cultural depth, richness and diversity in Virginia Beach by providing funding for the arts at a level commensurate with the community's priorities.

To make the arts a vital part of community development for all residents and their families through community enrichment services that expand cultural arts activities for citizens and offer life long learning opportunities.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Number of Arts and Cultural grants awarded	30.00	40.00	36.00	36.00	34.00	34.00
Number of Attendees to Performances at Sandler Center for the Performing Arts	0.00	0.00	0.00	113,000.00	121,000.00	124,000.00
Number of City employees who participate in tuition reimbursement	430.00	448.00	448.00	450.00	450.00	450.00
Number of performances provided to citizens through Arts & Humanities grant funding	330.00	335.00	340.00	330.00	325.00	325.00
Number of programs funded by Community Organization Grants	14.00	19.00	19.00	19.00	23.00	23.00
Number of residents receiving tax exemptions	3,803.00	4,539.00	5,420.00	6,402.00	6,902.00	7,402.00
<u>Quality</u>						
Number of Event Days at Sandler Center for the Performing Arts	0.00	0.00	0.00	296.00	317.00	326.00

Performance Measurement Explanation

The Sandler Center for the Performing Arts opened in Fall 2007.

Program Description

Regional Participation and Community Organization Grants (COG) provides funding for non-profit organizations. Regional Participation provides funds to non-profit organizations, regional colleges, and governmental agencies that support City Council goals and complement City services. Community Organization Grants provide an opportunity to encourage non-profit agencies to provide services that affect the welfare of residents of Virginia Beach by providing a system to award monetary grants to qualified non-profit organizations. Financial and service delivery reports are required from those agencies receiving grant funding.

Independent Financial Services provides funding for the City's annual external audit.

Employee Special Benefits provides a Tuition Reimbursement Program, Class Act Awards, Peer Recognition Awards, Employee Service Awards, and the Employee Assistance Program as well as the employer's share of health and dental insurance for eligible retirees.

Benefits Administration provides the City's portion of funding for the staff and operations of the Consolidated City/School Employee Benefits Office, which oversees the administration of the health insurance contract and the Employee Wellness Program.

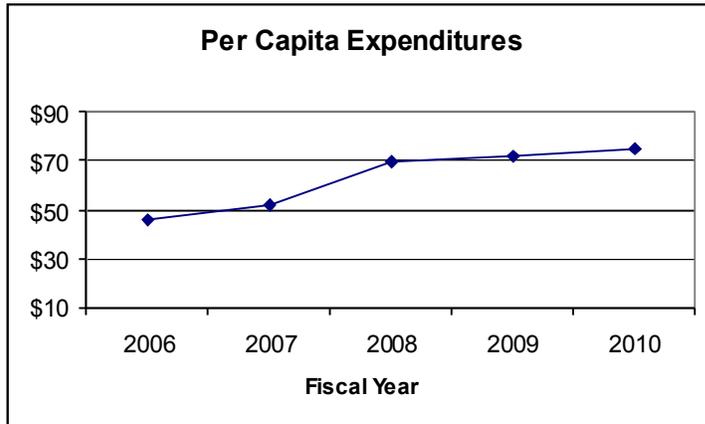
Revenue Reimbursements provide real estate tax relief to certain private properties and the elderly and disabled from which the City derives the primary benefit. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled and other persons who have certain financial limitations.

Cultural Affairs works with the Virginia Beach Arts and Humanities Commission to support cultural activities throughout the City. Funding for the Commission is provided on a \$1 per capita basis and grants are provided to local arts organizations. Cultural Affairs also provides a grant to the Contemporary Art Center for utilities and educational programs. The Boardwalk Art Show is supported with a transfer from the TGIF Fund. Cultural Affairs also oversees the Sandler Center for the Performing Arts, a 1,200-seat theater located at Town Center which opened in the Fall of 2007 and is managed by a private contractor.

Vehicle Replacements provides funding for the City to replace vehicles.

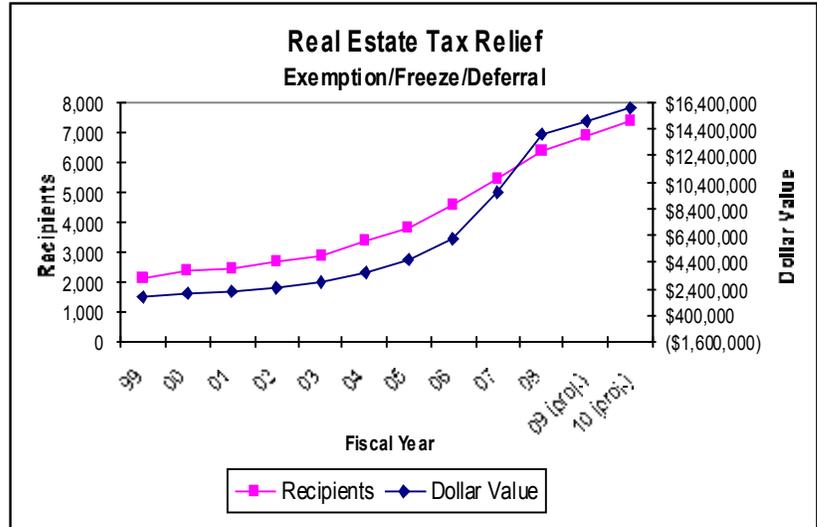
Lynnhaven Mall Tax Increment Financing Fund (TIF) was established by City Council for the Lynnhaven Mall shopping area on June 2, 1998 in conjunction with the expansion of Lynnhaven Mall totaling over \$100 million of private investment. The proposed use of the TIF funds will improve the capacity and flow of traffic within the mall area, improve public access to and from the mall area, and expand public parking.

Productivity and Results



- As the per capita graph indicates, several areas within Non-Departmental required significant funding increases.
- The largest increase in Non-Departmental between FY 2006-07 and FY 2007-08 is attributable to the City increasing the net worth limit in Tax Relief for the Elderly and Disabled from \$200,000 to \$350,000; almost a \$4.4 million increase overall in revenue reimbursements.
- The Sandler Center for the Performing Arts increased its budget between FY 2006-07 and FY 2007-08 from pre-opening expenses to supporting a full management contract.

- As the graph to the right shows, the Real Estate Tax Exemption continues to grow.
- The program offers three options to eligible senior citizens and disabled persons; tax relief, tax freeze, and tax deferral.
- For FY 2008-09, 6,902 homeowners are anticipated to take advantage of the program.
- Total tax relief in FY 2008-09 is projected to total \$15 million.
- Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled who have certain financial limitations; these increases are the largest contributor to the increase in Non-Departmental



Biennial Budget Analysis

- Vehicle replacements were reduced by \$1.6 million in both years of the biennial budget. This will increase the length of time City vehicles will have to wait to be replaced.
- Tax relief for the elderly accounts for the largest amount in Non-Departmental; \$15 million in FY 2008-09 and \$16 million in FY 2009-10.
- The rising number of retirees receiving health insurance each year accounts for the largest increase in Employee Special Benefits; an increase of \$1.1 million between FY 2007-08 and FY 2008-09.
- 2.0 FTEs in the Human Services Integration-Information Technology section were eliminated.
- Benefits Administration increased 61% between FY 2007-08 and FY 2008-09. This increase is attributable to the City's contribution to the operations of the Consolidated Benefits Office.
- During FY 2007-08, the following budget units transitioned from the Department of Museums to Non-Departmental: Cultural Affairs, Arts and Humanities Commission, Sandler Center for the Performing Arts, Cultural Activities-TGIF, and Contemporary Arts Center Grant. As part of this transition, 3.0 FTEs associated with Cultural Affairs are now in Non-Departmental.

Council Amendment

On May 13, 2008, City Council voted to fund \$200,000 for increased performances at the Sandler Center for the Performing Arts, with \$100,000 funded through the City and \$100,000 funded by the Sandler Center Foundation.

City Council also voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Program Summary						
002 General Fund						
Arts and Humanities Commission	\$482,118	\$439,818	\$442,450	\$2,632	\$442,450	\$0
Community Organization Grants - On-Going	357,475	363,817	403,021	39,204	355,989	-47,032
Community Organization Grants - Incentive	359,127	334,893	292,313	-42,580	339,345	47,032
Employee Special Benefits	3,112,134	3,753,458	4,943,054	1,189,596	5,084,683	141,629
Benefits Administration	297,579	312,458	814,890	502,432	824,814	9,924
Vehicle Replacements	3,407,223	4,528,945	3,019,524	-1,509,421	3,111,914	92,390
Revenue Reimbursements	9,672,170	14,070,071	15,231,546	1,161,475	16,278,947	1,047,401
Regional Participation	1,824,344	1,998,459	2,030,954	32,495	2,071,573	40,619
Independent Financial Services	104,659	147,903	150,861	2,958	153,878	3,017
Human Services Integration - Information Technology	0	621,277	0	-621,277	0	0
Cultural Affairs	178,234	225,896	208,835	-17,061	213,487	4,652
Sandler Center	282,489	1,311,021	1,611,021	300,000	1,637,241	26,220
Contemporary Arts Center Grant	190,327	194,134	186,232	-7,902	189,957	3,725
Total 002 Fund	\$20,267,879	\$28,302,150	\$29,334,701	\$1,032,551	\$30,704,278	\$1,369,577
152 Tourism Growth Investment Fund						
Cultural Activities - TGIF	\$50,500	\$50,500	\$50,500	\$0	\$50,500	\$0
Total 152 Fund	\$50,500	\$50,500	\$50,500	\$0	\$50,500	\$0
165 Lynnhaven Mall Tax Increment Financing Fund						
Lynnhaven Mall TIF Payment	\$820,139	\$1,800,000	\$1,800,000	\$0	\$1,800,000	\$0
Total 165 Fund	\$820,139	\$1,800,000	\$1,800,000	\$0	\$1,800,000	\$0
Total Program Summary	\$21,138,518	\$30,152,650	\$31,185,201	\$1,032,551	\$32,554,778	\$1,369,577
Position Summary by Program						
002 General Fund						
Human Services Integration - Information Technology	2.00	2.00	0.00	-2.00	0.00	0.00
Cultural Affairs	3.00	3.00	3.00	0.00	3.00	0.00
Total 002 Fund	5.00	5.00	3.00	-2.00	3.00	0.00
Total Position Summary by Program	5.00	5.00	3.00	-2.00	3.00	0.00

City Real Estate Assessor Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$2,546,899	\$2,637,035	\$2,899,385	\$262,350	\$2,966,260	\$66,875
Operating	<u>172,462</u>	<u>224,226</u>	<u>242,947</u>	<u>18,721</u>	<u>247,527</u>	<u>4,580</u>
Total	<u>\$2,719,361</u>	<u>\$2,861,261</u>	<u>\$3,142,332</u>	<u>\$281,071</u>	<u>\$3,213,787</u>	<u>\$71,455</u>
General City Support	<u>\$2,719,361</u>	<u>\$2,861,261</u>	<u>\$3,142,332</u>	<u>\$281,071</u>	<u>\$3,213,787</u>	<u>\$71,455</u>
 Total FTE Count	 35.35	 35.35	 38.35	 3.00	 38.35	 0.00

Mission Statement

The mission of the Real Estate Assessor is to annually appraise all taxable and tax exempt real estate in the City, fairly and equitably, in accordance with State law and City Code and provide information and assistance to the City Council, staff, State Department of Taxation and the public regarding the land book and individual assessments. The Board of Equalization may revise, correct or amend real estate assessments that are appealed to that body.

Objectives

To efficiently provide accurate assessments on an annual basis.

To minimize number of appeals as indication of quality assessments.

Results

Indicator	<u>Actual</u>			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Appeals as a percentage of total assessments (IAAO indicator).	0.20	0.40	0.40	0.40	0.30	0.30
Average number of parcels assessed per appraiser (IAAO indicator)	8,513.00	8,659.00	9,000.00	9,000.00	5,990.00	5,990.00
<u>Quality</u>						
Total Parcels Assessed	147,073.00	148,454.00	150,148.00	152,749.00	157,500.00	157,500.00
<u>Efficiency</u>						
Operating Costs per Assessed Parcel (\$) (IAAO Indicator)	16.10	16.99	18.06	18.58	20.76	20.76

Performance Measurement Explanation

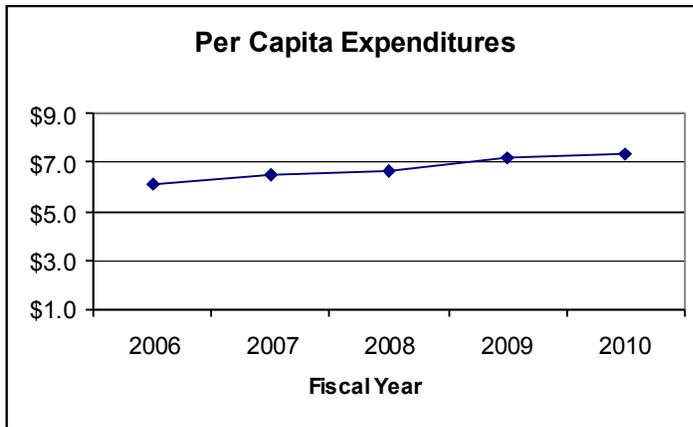
The International Association of Assessing Officers (IAAO) is the internationally recognized leader and preeminent source for innovation, education, and research in property appraisal, assessment administration, and property tax policy.

Program Description

City Real Estate Assessor - The Real Estate Assessor is appointed by the City Council. To accurately calculate Virginia Beach's real estate property taxes, this office's responsibilities include an annual inventory and appraisal. A quarterly inspection of new construction is also conducted. This includes the measurement, classification, documentation, and appraisal of newly constructed buildings. For existing buildings and properties, subdivision sales are recorded throughout the year, and the results are analyzed to determine assessment adjustments within each subdivision. Assessments change upon home and commercial owner notification. To conduct appraisal business for approximately 149,700 parcels, the office has 22 Real Estate Appraisers. Additional responsibilities include the administration of the Tax Relief for Senior Citizens and the Disabled Person program.

Board of Equalization - The board is composed of three members annually appointed by Circuit Court Judges. They have the power to revise, correct, and amend real estate assessments. For a fair market assessment review and potential equalization, any Virginia Beach home or commercial real estate owner and taxpayer may apply to the board. Generally, after an initial review of the assessment by the Real Estate Assessor, board reviews are conducted. Hearings are held annually between mid-March and mid-April. At least fifteen (15) days before a hearing, a public notice is advertised in the newspaper. The taxpayer carries the burden of proof and must prove inaccurate assessments. The board will determine whether an assessment should be increased, decreased or affirmed.

Productivity and Results



- To foster the International Association of Assessing Officers' (IAAO) measurement changes, the office's staffing was increased by three. By doing so, per capita expenditures increased slightly in FY 2008-09 and flattened in FY 2009-10.
- In FY 2007-08, City Council requested a consultants report measuring the effectiveness of the City Assessor's appraisal process. The report indicated:
 - The number of citywide parcels per appraiser was one of the highest in Virginia. With the addition of three FTEs, the ratio falls below the City of Norfolk and creates near parity with Prince William Co.

- The percentage of the Assessor's budget to total Virginia Beach real estate tax revenues collected was in the low to medium range.
- The Assessor's budget per parcel ratio was in the low to medium range.
- The parcel per Assessor staff ratio was in the medium to high range.
- By adding the positions:
 - The parcel per appraiser measurement was reduced by 1,891.
 - The budget to total property tax revenue % increased 0.08%
 - The budget per parcel ratio increased 2.62% bringing the ratio to the desirable IAAO level.
 - The parcel per staff measurement was reduced by 738.
 - All IAAO indicators migrated closer to the medium measurements.

	IAAO Scale			Virginia Beach Budget	
	Low	Med	High	Target	Adjusted
Parcels per Appraiser	-	3,500	-	7,881	5,990
Budget to total property tax revenue %	0.34	0.93	2.89	0.56%	0.64%
Budget per parcel	8.84	21.20	39.32	18.14	20.76
Parcels per staff	1,739	2,819	6,667	4,679	3,941

Biennial Budget Analysis

- As noted in the previous section, three new Appraiser I FTEs were added to increase appraisal services throughout the City.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Program Summary

002 General Fund

Board of Equalization	\$7,257	\$22,565	\$18,914	\$-3,651	\$19,332	\$418
City Real Estate Assessor	2,712,104	2,838,696	3,123,418	284,722	3,194,455	71,037
Total 002 Fund	\$2,719,361	\$2,861,261	\$3,142,332	\$281,071	\$3,213,787	\$71,455
Total Program Summary	\$2,719,361	\$2,861,261	\$3,142,332	\$281,071	\$3,213,787	\$71,455

Position Summary by Program

002 General Fund

Board of Equalization	0.35	0.35	0.35	0.00	0.35	0.00
City Real Estate Assessor	35.00	35.00	38.00	3.00	38.00	0.00
Total 002 Fund	35.35	35.35	38.35	3.00	38.35	0.00
Total Position Summary by Program	35.35	35.35	38.35	3.00	38.35	0.00

**City Treasurer
Operating Budget Recommendation**

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Personnel	\$4,041,425	\$4,338,921	\$4,415,170	\$76,249	\$4,511,176	\$96,006
Operating	<u>784,057</u>	<u>818,862</u>	<u>731,519</u>	<u>-87,343</u>	<u>746,150</u>	<u>14,631</u>
Total	<u>\$4,825,482</u>	<u>\$5,157,783</u>	<u>\$5,146,689</u>	<u>\$-11,094</u>	<u>\$5,257,326</u>	<u>\$110,637</u>
Fees	\$410,550	\$286,031	\$446,291	\$160,260	\$452,648	\$6,357
State	787,555	838,657	840,995	2,338	884,731	43,736
Transfers	<u>152,658</u>	<u>157,495</u>	<u>163,492</u>	<u>5,997</u>	<u>166,762</u>	<u>3,270</u>
Total	<u>\$1,350,763</u>	<u>\$1,282,183</u>	<u>\$1,450,778</u>	<u>\$168,595</u>	<u>\$1,504,141</u>	<u>\$53,363</u>
General City Support	<u>\$3,474,719</u>	<u>\$3,875,600</u>	<u>\$3,695,911</u>	<u>\$-179,689</u>	<u>\$3,753,185</u>	<u>\$57,274</u>
Total FTE Count	76.81	77.41	75.68	-1.73	75.68	0.00

Mission Statement

The Office of the City Treasurer collects revenues and tax receipts due the City in the most efficient and effective manner and invests these funds in a manner which will provide the highest investment returns only after the goals of maximum security/safety, meeting daily cash flow demands, and conformance with all State and local statutes governing the investment of public funds have been met.

Objectives

Prudent and safe investment of City funds.

Timely and accurate billing and collection of taxes and fees.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Output</u>						
Revenues from delinquent parking tickets	464,971.00	579,210.00	565,967.00	536,716.00	560,631.00	554,438.00
Revenues from on-time parking tickets	468,596.00	414,285.00	481,490.00	454,790.00	450,188.00	462,156.00
<u>Quality</u>						
Average yield on investments based on a portfolio of approximately \$205 million	2.20	4.00	5.14	4.50	4.25	4.25
Percentage of personal property levies collected	87.63	94.00	95.00	95.00	95.00	95.00
Percentage of real estate levies collected	99.65	98.50	99.00	99.00	99.00	99.00
<u>Efficiency</u>						
Delinquent personal property levies collected, including penalties and fees	30,713,260.00	39,600,000.00	30,500,000.00	30,000,000.00	30,500,000.00	30,000,000.00
Delinquent real estate levies collected, including penalties and fees	10,272,681.00	9,900,000.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00

Performance Measurement Explanation

Percentage of real estate levies collected is historically consistent because of the accuracy of the billing addresses. Estimates are based on the percentage collected over the past 5 years.

Delinquent personal property taxes collected grew significantly from FY 2004-05 to FY 2005-06 based on the increased collection effort of the City Treasurer's Office.

Program Description

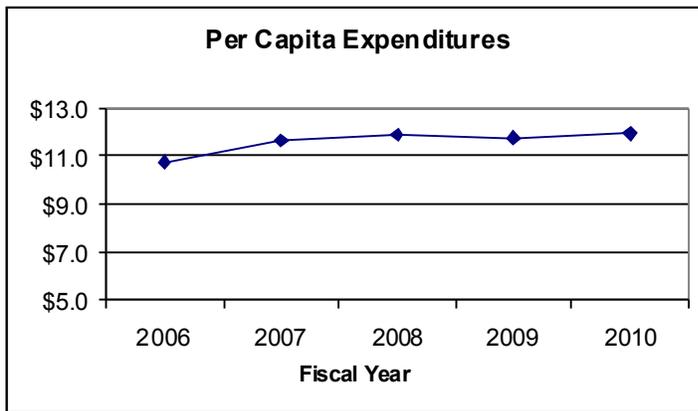
The City Treasurer is one of five elected Constitutional Officers in the City and as such is partially funded by the State Compensation Board. The Compensation Board reimburses about 90% of the Treasurer's salary, and 50% of all other State salaries. The State reimburses a portion of fringe benefits (i.e., VRS retirement, FICA, and VRS group life insurance) based on State approved salary amounts. Also, the State reimburses 50% of the budgeted amount for specific office expenses (i.e., office supplies, internet access costs, stationary, postage, printing data processing services, telephone service, repairs, and the Treasurer's association dues).

This office processes payments for real estate taxes, personal property taxes, consolidated utility bills, parking tickets, trustee taxes, and various other bills due the City. In addition, this office issues various licenses, including animal licenses and residential parking permits. All revenues of the government flow through this office for entry into the accounting records.

Investment Management - The City Treasurer's Office is responsible for the investment of all cash financial assets of the City in a manner that will provide the highest investment returns only after the goals of maximum security and safety, meeting daily cash flow demands, and conformance with all State and local statutes governing the investment of public funds have been met. All City investments are guided by a basic principle of secure investments where the investment of these public funds is not for speculative purposes, but for the safety of the capital and derivation of income. The Treasurer invests approximately \$500 million on an annual basis.

Productivity and Results

- Due to reduced funding levels, this budget reflects a net reduction of 1.73 FTEs. This is a result of the elimination of 2 full-time Deputy Treasurer positions, and a net increase of .27 part-time positions.



- The Treasurer's Office continues to dedicate resources for implementing the Revenue Assessment and Collection System (RACS).
- State legislation mandates sending out notices to owners who have not obtained a license for their animals. Based on the number of rabies information received, the number of notices is estimated at 4,000 per month. Revenues from this program are expected to be sufficient to pay for the \$31,000 estimated cost, plus fund the debt service for the capital project to replace the Animal Control Center.

Biennial Budget Analysis

- In addition to a reduction in the number of personnel to meet funding constraints, the department has also reduced certain line-item accounts including: postage, training, routine travel, and office supplies.
- In previous years, the department budget has included funding for the possible relocation of the Treasurer's Beach Office. Funding for this contingency, estimated to be \$55,000 has been eliminated in this budget. If a site is found, an ordinance will be brought forward at that time.

Council Amendment

On May 13, 2008, City Council voted to raise the general increase for City employees from 1.5% to 2.5% for both FY 2008-09 and FY 2009-10, effective on July 1 of each fiscal year. In addition, life insurance was decreased slightly to reflect lower rates.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Program Summary

002 General Fund

City Treasurer	\$4,825,482	\$5,157,783	\$5,146,689	\$-11,094	\$5,257,326	\$110,637
Total 002 Fund	\$4,825,482	\$5,157,783	\$5,146,689	\$-11,094	\$5,257,326	\$110,637
Total Program Summary	\$4,825,482	\$5,157,783	\$5,146,689	\$-11,094	\$5,257,326	\$110,637

Position Summary by Program

002 General Fund

City Treasurer	76.81	77.41	75.68	-1.73	75.68	0.00
Total 002 Fund	76.81	77.41	75.68	-1.73	75.68	0.00
Total Position Summary by Program	76.81	77.41	75.68	-1.73	75.68	0.00

Debt Service Operating Budget Recommendation

Financial Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
Operating	\$29,694	\$0	\$0	\$0	\$0	\$0
Debt Service	<u>106,599,321</u>	<u>118,659,525</u>	<u>123,708,612</u>	<u>5,049,087</u>	<u>128,851,354</u>	<u>5,142,742</u>
Total	<u>\$106,629,015</u>	<u>\$118,659,525</u>	<u>\$123,708,612</u>	<u>\$5,049,087</u>	<u>\$128,851,354</u>	<u>\$5,142,742</u>
Fees	\$1,888,877	\$0	\$298,686	\$298,686	\$2,927,450	\$2,628,764
Transfers	<u>106,898,559</u>	<u>118,659,525</u>	<u>123,409,926</u>	<u>4,750,401</u>	<u>125,923,904</u>	<u>2,513,978</u>
Total	<u>\$108,787,436</u>	<u>\$118,659,525</u>	<u>\$123,708,612</u>	<u>\$5,049,087</u>	<u>\$128,851,354</u>	<u>\$5,142,742</u>
General City Support	<u>-\$2,158,421</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Total FTE Count

Mission Statement

The Debt Service unit exists to fund the annual principal and interest payments for debt incurred by the City in the process of acquiring major capital outlay and infrastructures and constructing capital facilities.

Objectives

The general obligation net debt per capita will not exceed \$2,400 per capita.

The general obligation net debt will not exceed 3.5% of assessed value.

The total annual budgeted debt service for general government-supported debt will not exceed 10% of general government budgeted expenditures.

The total general obligation net debt per capita will not exceed 6.5% of per capita personal income.

Results

Indicator	Actual			Estimated FY 2007-08	Adopted FY 2008-09	Approved FY 2009-10
	FY 2004-05	FY 2005-06	FY 2006-07			
<u>Efficiency</u>						
Total annual budgeted general government supported debt service as a % of the general government budget	7.47	7.38	7.21	7.18	7.36	7.22
Total general obligation debt as a % of assessed value of real property	2.50	2.35	2.34	2.20	2.14	2.15
Total general obligation debt per capita	1,750.00	1,953.00	2,215.00	2,290.00	2,295.00	2,386.00
Total general obligation debt per capita as a % of income per capita	4.80	4.88	5.23	5.71	5.67	5.47

Performance Measurement Explanation

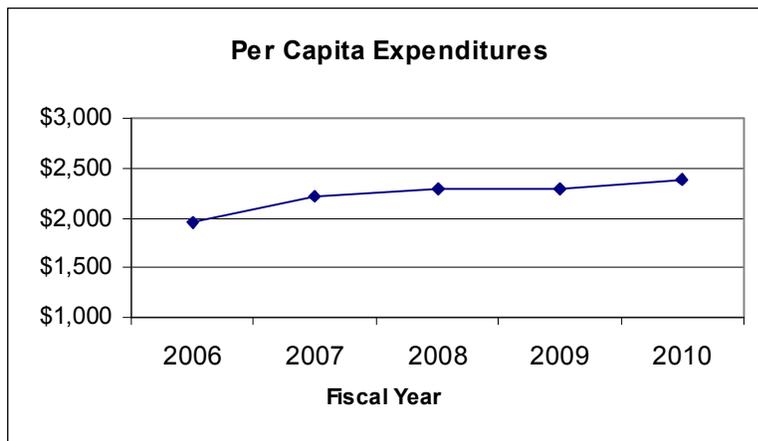
There are planned general obligation bond issuances of \$90 million in Spring 2008 and \$72 million in Spring 2009, and public facility revenue bond issuances of \$30.2 million in Spring 2010 for major projects, open space, parking garages, and equipment have resulted in a net debt per capita of \$2,295 in FY 2008-09, and \$2,386 in FY 2009-10.

Program Description

Debt Service - Debt service is issued for three major purposes: City, Schools and Utilities (water and sewer and storm water). To guide future capital improvement program development and address long-term debt management issues, the City Council uses the following guidelines for the management of debt, in addition to the City Council Indicators, as listed below.

- The City will issue bonds for capital improvements with a cost in excess of \$250,000 or which cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will pay back the debt within a period not to exceed the expected useful life of the projects.
- Where possible, the City will develop, authorize and issue revenue, special fee or other self-supporting debt instruments instead of general obligation bonds.
- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.
- The City will maintain good communications regarding its financial conditions. It will regularly evaluate its adherence to its debt policies. The City will promote effective communications with bond rating agencies and others in the marketplace based on full disclosure.

Productivity and Results



- As a reflection of the City's strong economic condition, Standard & Poor's upgraded the City's bond rating to AAA. The City still maintains bond ratings a notch below AAA for Moody's and Fitch Rating agencies.
- The City has consistently taken advantage of the favorable interest rate environment to refund previously issued debt, and the City will reevaluate refunding possibilities of outstanding debt in FY 2008-09.

Biennial Budget Analysis

The debt service budget totals \$124.3 million and \$129.1 million respectively in FY 2008-09 and FY 2009-10. The FY 2008-09 debt service budget is 4.7% greater than the previous year's amount. The FY 2009-10 amount will increase by 3.9%. Debt service increases in FY 2009-10 due to the issuance of debt for a garage at the Town Center.

An important issue the City will be addressing is how to address important infrastructure needs of the City and Schools without exceeding our debt per capita limit of \$2,400; or if the limit is raised, what level would be regarded as financially prudent to protect our bond rating.

Projected Debt - The total outstanding debt for the City is projected to be \$1,188.9 billion by June 30, 2009, as summarized in the table.

Legal Debt Limit - According to the State statute, the City's legal debt margin is limited to 10% of the assessed value of real property. Historically, the City's outstanding debt has represented only a fraction of the legal debt limit. By the end of FY 2008-09, the City's projected debt amount will only be 2.2% of the total assessed value.

Purpose	Amount	Percent
Schools	\$306,171,873	25.8%
General Government	\$704,317,570	59.2%
Utilities	\$178,387,015	15.0%
Total	\$1,188,876,458	100.0%

Debt Service by Purpose - The table below illustrates the debt service by functional area, and includes the utility debt also recorded directly in the Water and Sewer and Stormwater utility funds.

Summary of Debt by Purpose for FY 2008-09 and FY 2009-10					
	<u>FY 2007-08 Adjusted</u>	FY 2008-09 Budget	% Change from FY 2007-08	FY 2009-2010 Budget	% Change from FY 2008-2009
Schools	\$41,716,755	\$41,411,259	-0.7%	\$43,946,042	6.1%
City	\$76,280,727	\$82,215,853	7.8%	\$84,546,466	2.8%
Utility	\$16,433,064	\$18,105,599	10.2%	\$19,847,739	9.6%
Total	\$134,430,546	\$141,732,691	5.4%	\$148,340,247	4.7%

Council Amendment

As a result of Council actions on May 13 and June 10, 2008, and School Board action on May 20, 2008, the debt service budget was reduced by \$550,980 in FY 2009 and \$245,377 in FY 2010. The reductions were interest cost savings from a May 13, 2008 sale of refunding bonds, with savings proportionately distributed to both City and Schools.

Departmental Resource Summary

	FY 2006-07 Actuals	FY 2007-08 Adjusted Budget	FY 2008-09 Total Adopted	Variance From FY 2007-08	FY 2009-10 Total Approved	Variance From FY 2008-09
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Program Summary

302 General Debt Fund

Debt Service	\$106,629,015	\$118,659,525	\$123,708,612	\$5,049,087	\$128,851,354	\$5,142,742
Total 302 Fund	\$106,629,015	\$118,659,525	\$123,708,612	\$5,049,087	\$128,851,354	\$5,142,742
Total Program Summary	\$106,629,015	\$118,659,525	\$123,708,612	\$5,049,087	\$128,851,354	\$5,142,742

1 **AN ORDINANCE MAKING APPROPRIATIONS FOR THE**
2 **FISCAL YEAR BEGINNING JULY 1, 2008 AND ENDING JUNE**
3 **30, 2009 IN THE SUM OF \$1,762,234,983 FOR OPERATIONS**
4 **AND \$630,898,530 IN INTERFUND TRANSFERS AND**
5 **REGULATING THE PAYMENT OF MONEY OUT OF THE CITY**
6 **TREASURY, AS AMENDED**

7 WHEREAS, the City Manager has heretofore submitted an Annual Budget for the City for the fiscal year
8 beginning July 1, 2008, and ending June 30, 2009, and it is necessary to appropriate sufficient funds to cover
9 said budget;

10
11 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH,
12 VIRGINIA:

13
14 **Sec. 1.** That the amounts named aggregating \$2,393,133,513 consisting of \$630,898,530 in interfund
15 transfers and \$1,762,234,983 for operations, are hereby appropriated subject to the conditions hereinafter set
16 forth for the use of departments, and designated funds of the City government, and for the purposes hereinafter
17 mentioned, as set forth in the Annual Operating Budget, which is hereby incorporated by reference, for the fiscal
18 year beginning July 1, 2008, and ending June 30, 2009, a summary of which is attached to this ordinance as
19 "Attachment A – Appropriations."

20
21 **Sec. 2.** That in accordance with Section 5.04 of the City Charter, Estimated Revenue in Support of
22 Appropriations is set forth in said Annual Operating Budget, with a summary of Estimated Revenue in Support of
23 Appropriations attached to this ordinance as "Attachment B – Revenues."

24
25 **Sec. 3.** With the exception of the School Operating Fund, the total number of full-time permanent
26 positions shall be the maximum number of positions authorized for the various departments of the City during the
27 fiscal year, except for changes or additions authorized by the Council or as hereinafter provided. The City
28 Manager may from time to time increase or decrease the number of part-time or temporary positions provided the
29 aggregate amount expended for such services shall not exceed the respective appropriations made therefore.
30 The City Manager is further authorized to make such rearrangements of positions within and between the
31 departments as may best meet the needs and interests of the City.

32
33 **Sec. 4.** To improve the effectiveness and efficiencies of the government in service delivery, the City
34 Council hereby authorizes the City Manager or his designee to transfer appropriated funds and existing positions
35 throughout the fiscal year as may be necessary to implement organizational adjustments that have been
36 authorized by the City Council. Unless otherwise directed by the City Council, such organizational adjustments
37 shall be implemented on such date or dates as the City Manager determines, in his discretion, to be necessary to
38 guarantee a smooth and orderly transition of existing organizational functions. The City Manager shall make a
39 report each year to the City Council identifying the status and progress of any such organizational adjustments.

40
41 **Sec. 5.** All current and delinquent collections of local taxes shall be credited to the General Fund and,
42 where appropriate, to any special service district special revenue fund or any tax increment financing funds
43 created by City Council. Transfers shall be made from the General Fund to the respective designated funds to
44 which a special levy is made in the amount of collection for each specially designated fund.

45
46 **Sec. 6.** All balances of the appropriations payable out of each fund of the City Treasury at the close
47 of business for the fiscal year ending on June 30, 2009, unless otherwise provided for, are hereby declared to be
48 lapsed into the fund balance of the respective funds, except the School Operating Fund which shall lapse into the
49 General Fund Balance, and may be used for the payment of the appropriations that may be made in the
50 appropriation ordinance for the fiscal year beginning July 1, 2009. However, there shall be retained in the
51 General Fund an undesignated fund balance of 8% to 12% of the following year's budgeted revenues, for
52 contingency and emergency situations, not to be used to support appropriations approved in the ordinance for
53 the fiscal year beginning July 1, 2008, except upon subsequent authorization by City Council.
54

55 **Sec. 7.** That the City's debt management policies for the Water and Sewer Enterprise Fund shall
56 serve as a basis for developing financial strategies for the water and sanitary sewer system based on the
57 following guidelines: (a) for the Water and Sewer Fund, the goal of retaining working capital equal to 80% to
58 100% of one year's operating expense shall be pursued; (b) for the Water and Sewer Fund, the goal shall be for
59 debt service coverage on its water and sewer revenue bonds at not less than 1.50 times and, on a combined
60 basis, including water and sewer general obligation bonds, at no less than 1.20 times and (c) for the Water and
61 Sewer Fund, contributions from non-borrowed funds, on a five-year rolling average basis, will be sought for
62 approximately 25% of the annual capital program for the water and sewer system.

63
64 **Sec. 8.** All balances of appropriations in each fund which support authorized obligations or are
65 encumbered at the close of the business for the fiscal year ending on June 30, 2009, are hereby declared to be
66 reappropriated into the fiscal year beginning July 1, 2009, and estimated revenues adjusted accordingly.

67
68 **Sec. 9.** No department or agency for which appropriations are made under the provisions of this
69 ordinance shall exceed the amount of such appropriations except with the consent and approval of the City
70 Council first being obtained. It is expressly provided that the restrictions with respect to the expenditure of the
71 funds appropriated shall apply only to the totals for each Appropriation Unit included in this ordinance and does
72 not apply to Interfund Transfers.

73
74 **Sec. 10.** The City Manager or the Director of Management Services is hereby authorized to approve
75 transfers of appropriations in an amount up to \$100,000 between any Appropriation Units included in this
76 ordinance. The City Manager shall make a monthly report to the City Council of all transfers between \$25,000
77 and \$100,000. In addition, the City Manager may transfer, in amounts necessary, appropriations from all
78 Reserves for Contingencies except Reserve for Contingencies – Regular, within the intent of the Reserve as
79 approved by City Council.

80
81 **Sec. 11.** The City Manager or the Director of Management Services is hereby authorized to establish
82 and administer budgeting within Appropriation Units consistent with best management practices, reporting
83 requirements, and the programs and services adopted by the City Council.

84
85 **Sec. 12.** The City Manager or the Director of Management Services is hereby authorized to change
86 the Estimated Revenues included in this ordinance to reflect expected collections. If the Estimated Revenue in
87 support of an Operating Appropriation Unit declines, the City Manager or the Director of Management Services is
88 hereby authorized to reduce, subject to any other provision of law, those appropriations to equal the decline in
89 Estimated Revenue. The City Manager shall give prior notice to the City Council of any reduction to total
90 appropriations exceeding \$100,000. The notice to City Council shall identify the basis and amount of the
91 appropriation reduction and the Appropriation Units affected. The accounting records of the City will be
92 maintained in a manner that the total of Estimated Revenue is equal to the total of the Appropriation Units for
93 each of the City's funds. The City Manager or the Director of Management Services is hereby authorized to
94 transfer any excess appropriations to the Reserve for Contingencies after all anticipated expenditures for which
95 those funds were appropriated have been incurred. Nothing in this section shall be construed as authorizing any
96 reduction to be made in the amount appropriated in this ordinance for the payment of interest or principal on the
97 bonded debt of the City Government.

98
99 **Sec. 13.** Allowances made from the appropriations made in this ordinance by any or all of the City
100 departments, bureaus, or agencies, to any of their officers and employees for expenses on account of the use by
101 such officers and employees of their personal automobiles in the discharge of their official duties shall not exceed
102 forty two cents (\$0.42) per mile of actual travel for the first 15,000 miles and fifteen cents (\$0.15) per mile for
103 additional miles of such use within the fiscal year.

104
105 **Sec. 14.** In the event of an emergency and under emergency circumstances wherein the City Council
106 cannot reasonably hold a meeting, the City Manager is authorized to transfer and expend appropriated sums
107 from any budget account to ensure that the emergency is handled as efficiently and expeditiously as possible.
108 Immediately following the expenditure of funds under this provision, and as soon as the City Council can
109 reasonably meet under the existing circumstances, the City Manager shall notify the City Council of the reason
110 for such action, how funds were expended, and present to the City Council for adoption an emergency

111 appropriations ordinance that sets forth what measures are required to ensure that funds are forthwith restored to
112 the appropriate accounts and that the budget is balanced at the end of the fiscal year in which the emergency
113 expenditures occurred.

114
115 An emergency is defined for the purposes of this provision as an event that could not have been
116 reasonably foreseen at the time of the adoption of the budget, and in which (i) an immediate threat to the public
117 health, safety or welfare is involved, such as clean-up after a hurricane, and/or (ii) immediate action is required to
118 protect or preserve public properties.

119
120 **Sec. 15.** All travel expense accounts shall be submitted on forms approved by the Director of Finance
121 and according to regulations approved by the City Council. Each account shall show the dates expenses were
122 incurred or paid; number of miles traveled; method of travel; hotel expenses; meals; and incidental expenses.
123 The Director of Finance is specifically directed to withhold the issuance of checks in the event expense accounts
124 are submitted for "lump-sum" amounts.

125
126 **Sec. 16.** That projections have been prepared and considered for fiscal year 2009-10, the second year
127 of the biennial budget, and such projections shall form the basis for the fiscal year 2009-10 operating budget.
128 The City Manager will modify these as appropriate and will present a proposed fiscal year 2009-10 budget to City
129 Council for review and subsequent adoption.

130
131 **Sec. 17.** Funds in the amount of \$2,200,000 are hereby appropriated from the General Fund Balance
132 to the Risk Management Internal Service Fund Balance. The City Manager is hereby authorized to transfer these
133 funds to the Risk Management Internal Service Fund, to ensure that the Risk Management Internal Service Fund
134 has sufficient resources to meet anticipated claims, provided that such transfers do not conflict with the
135 provisions of Section 6 of this ordinance.

136
137 **Sec. 18.** Violation of this ordinance may result in disciplinary action by the City Manager against the
138 person or persons responsible for the management of the Appropriation Unit in which the violation occurred.

139
140 **Sec. 19.** This ordinance shall be effective on July 1, 2008.

141
142 **Sec. 20.** If any part of this ordinance is for any reason declared to be unconstitutional or invalid,
143 such decision shall not affect the validity of the remaining parts of this ordinance.

144
145 Adopted by the Council of the City of Virginia Beach, Virginia, on this the 13th day of May, 2008.

146
147 *Requires an affirmative vote by a majority of the members of City Council.*

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
Attachment A - Appropriations

FY 2008-09
Adopted

002 General Fund

Agriculture	831,185
Audit Services	532,949
Benefits Administration	814,890
Board of Equalization	18,914
Circuit Court	996,122
City Attorney	3,894,926
City Clerk	624,982
City Manager	3,619,081
City Real Estate Assessor	3,123,418
City Treasurer	5,146,689
Clerk of the Circuit Court	2,818,599
Commissioner of the Revenue	3,929,241
Commonwealth's Attorney	7,460,151
Communications and Information Technology	31,135,402
Community Organization Grants	695,334
Convention and Visitor Bureau	10,370,130
Cultural Affairs	2,448,538
Director of Finance	4,420,631
Economic Development	2,657,158
Emergency Medical Services	6,990,242
Employee Special Benefits	4,943,054
Fire	42,708,729
General District Court	315,772
General Registrar	1,379,042
Health	3,399,228
Housing and Neighborhood Preservation	1,746,341
Human Resources	4,636,972
Human Services	108,741,663
Independent Financial Services	150,861
Juvenile Probation	2,308,185
Juvenile and Domestic Relations District Court	166,299
Library	16,646,388
Magistrates	128,343
Management Services	4,011,285
Mass Transit Operations	2,879,034
Municipal Council	584,244
Museums	9,142,990
Parks and Recreation	13,665,384
Planning and Community Development	10,387,610
Police	87,464,549
Public Works	82,934,701
Regional Participation	2,030,954
Reserve for Contingencies	5,902,836
Revenue Reimbursements	15,231,546
Transfer to Other Funds	552,823,146
Vehicle Replacements	3,019,524
Wetlands Board of Virginia Beach	14,100
Zoning Board of Appeals	46,866

Fund 002 Appropriation Totals 1,069,938,228

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
Attachment A - Appropriations

	<u>FY 2008-09 Adopted</u>
<u>107 School Equipment Replacement Special Revenue Fund</u>	
Reserve for Contingencies	1,312,129
Fund 107 Appropriation Totals	1,312,129
 <u>108 School Instructional Technology Fund</u>	
Instructional Technology	2,915,945
Fund 108 Appropriation Totals	2,915,945
 <u>109 School Vending Operations Fund</u>	
Education - Athletic	609,815
Fund 109 Appropriation Totals	609,815
 <u>112 School Communication Tower Technology Fund</u>	
Instructional Technology	560,000
Fund 112 Appropriation Totals	560,000
 <u>114 School Cafeteria Fund</u>	
Education - Cafeteria	26,794,640
Fund 114 Appropriation Totals	26,794,640
 <u>115 School Operating Fund</u>	
Administration, Attendance, and Health	24,213,109
Instruction	565,720,682
Operations and Maintenance	102,170,406
Pupil Transportation	31,820,893
Fund 115 Appropriation Totals	723,925,090
 <u>116 School Grants Fund</u>	
Education - Grants	54,872,411
Fund 116 Appropriation Totals	54,872,411
 <u>117 School Textbook Fund</u>	
Education - Textbook	7,880,290
Fund 117 Appropriation Totals	7,880,290
 <u>119 School Athletic Special Revenue Fund</u>	
Education - Athletic	4,742,963
Fund 119 Appropriation Totals	4,742,963
 <u>130 Law Library Fund</u>	
Library (Law Library)	221,631
Reserve for Contingencies	1,317
Transfer to Other Funds	60,000
Fund 130 Appropriation Totals	282,948
 <u>142 DEA Seized Property Special Revenue Fund</u>	
Commonwealth's Attorney	160,000
Fund 142 Appropriation Totals	160,000
 <u>147 Federal Section 8 Program Special Revenue Fund</u>	
Housing and Neighborhood Preservation (Section 8 Housing)	183,494
Housing and Neighborhood Preservation (Section 8)	14,410,573
Fund 147 Appropriation Totals	14,594,067

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
Attachment A - Appropriations

	FY 2008-09 Adopted
<u>149 Sheriff's Department Special Revenue Fund</u>	
Sheriff and Corrections	36,099,537
Fund 149 Appropriation Totals	36,099,537
<u>150 Inmate Services Special Revenue Fund</u>	
Sheriff and Corrections (Inmate Services)	669,912
Transfer to Other Funds	274,551
Fund 150 Appropriation Totals	944,463
<u>151 Parks and Recreation Special Revenue Fund</u>	
Parks and Recreation	26,254,207
Public Works	2,651,536
Fund 151 Appropriation Totals	28,905,743
<u>152 Tourism Growth Investment Fund</u>	
Convention and Visitor Bureau (TGIF)	3,163,119
Cultural Affairs	50,500
Parks and Recreation (TGIF)	33,213
Planning and Community Development (TGIF)	427,721
Public Works (TGIF)	762,980
Reserve for Contingencies	668,376
Transfer to Other Funds	13,750,077
Fund 152 Appropriation Totals	18,855,986
<u>157 Sandbridge Special Service District Special Revenue Fund</u>	
Transfer to Other Funds	3,460,626
Fund 157 Appropriation Totals	3,460,626
<u>161 Agriculture Reserve Program Special Revenue Fund</u>	
Agriculture (Agricultural Reserve Program)	210,829
Future C.I.P. Commitments	1,152,685
Transfer to Other Funds	3,528,635
Fund 161 Appropriation Totals	4,892,149
<u>163 Tourism Advertising Program Special Revenue Fund</u>	
Convention and Visitor Bureau (Tourism Advertising)	9,656,920
Reserve for Contingencies	28,071
Transfer to Other Funds	55,724
Fund 163 Appropriation Totals	9,740,715
<u>165 Lynnhaven Mall Tax Increment Financing Fund</u>	
Reserve for Contingencies	73,649
Tax Increment Financing	2,050,000
Fund 165 Appropriation Totals	2,123,649
<u>166 Sandbridge Tax Increment Financing Fund</u>	
Future C.I.P. Commitments	9,909,296
Transfer to Other Funds	744,374
Fund 166 Appropriation Totals	10,653,670
<u>169 Central Business District - South TIF (Town Center) Fund</u>	
Transfer to Other Funds	5,296,567
Fund 169 Appropriation Totals	5,296,567

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
Attachment A - Appropriations

	<u>FY 2008-09 Adopted</u>
<u>172 Open Space Special Revenue Fund</u>	
Parks and Recreation (Open Space)	404,250
Public Works (Open Space)	15,000
Transfer to Other Funds	<u>4,918,029</u>
Fund 172 Appropriation Totals	<u>5,337,279</u>
<u>173 Major Projects Special Revenue Fund</u>	
Transfer to Other Funds	<u>20,763,789</u>
Fund 173 Appropriation Totals	<u>20,763,789</u>
<u>174 Town Center Special Service District</u>	
Reserve for Contingencies	133,564
Town Center Special Tax District	<u>1,539,577</u>
Fund 174 Appropriation Totals	<u>1,673,141</u>
<u>175 Golf Course Special Revenue Fund</u>	
Parks and Recreation (Golf Courses)	2,479,605
Reserve for Contingencies	25,000
Transfer to Other Funds	<u>289,550</u>
Fund 175 Appropriation Totals	<u>2,794,155</u>
<u>176 Transition Area Special Revenue Fund</u>	
Future C.I.P. Commitments	<u>467,391</u>
Fund 176 Appropriation Totals	<u>467,391</u>
<u>180 Community Development Special Revenue Fund</u>	
Community Development Block Grants	1,498,504
Housing and Neighborhood Preservation	1,313,387
Transfer to Other Funds	<u>125,592</u>
Fund 180 Appropriation Totals	<u>2,937,483</u>
<u>181 CD Loan and Grant Fund</u>	
Community Development Block Loan and Grants	<u>782,586</u>
Fund 181 Appropriation Totals	<u>782,586</u>
<u>182 Federal Housing Assistance Grant Fund</u>	
Federal HOME Grants	<u>1,478,449</u>
Fund 182 Appropriation Totals	<u>1,478,449</u>
<u>183 Grants Consolidated Fund</u>	
Commonwealth's Attorney - Grants	302,781
Emergency Medical Services (Grants)	311,100
Fire (Fire Programs)	600,000
Housing and Neighborhood Grants	1,113,869
Human Services	1,315,612
Police (Uniform Patrol Grant)	71,271
Public Works Grants	15,000
Reserve for Contingencies	102,221
Social Services Grants	824,063
Transfer to Other Funds	<u>400,000</u>
Fund 183 Appropriation Totals	<u>5,055,917</u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
Attachment A - Appropriations

	<u>FY 2008-09 Adopted</u>
<u>187 Marine Science Museum Grants Fund</u>	
Museum Grants	<u>31,000</u>
Fund 187 Appropriation Totals	<u>31,000</u>
<u>241 Water and Sewer Fund</u>	
Debt Service	15,461,289
Public Utilities	68,464,336
Reserve for Contingencies	4,215,966
Transfer to Other Funds	<u>13,331,732</u>
Fund 241 Appropriation Totals	<u>101,473,323</u>
<u>253 Parking Enterprise Fund</u>	
Convention and Visitor Bureau (Parking)	1,696,889
Transfer to Other Funds	<u>849,425</u>
Fund 253 Appropriation Totals	<u>2,546,314</u>
<u>255 Storm Water Utility Enterprise Fund</u>	
Debt Service	2,011,810
Public Works (Storm Water Operations)	10,615,443
Transfer to Other Funds	<u>10,226,713</u>
Fund 255 Appropriation Totals	<u>22,853,966</u>
<u>302 General Debt Fund</u>	
Debt Service	<u>123,965,442</u>
Fund 302 Appropriation Totals	<u>123,965,442</u>
<u>460 School General Revenue Capital Projects Fund</u>	
School Capital Projects	<u>13,936,308</u>
Fund 460 Appropriation Totals	<u>13,936,308</u>
<u>540 General Government Capital Projects Fund</u>	
Building Capital Projects	4,001,518
Coastal Capital Projects	7,063,402
Communications and Information Technology Projects	389,493
Economic and Tourism Development Capital Projects	12,663,855
Parks and Recreation Capital Projects	10,383,990
Roadways Capital Projects	<u>7,657,249</u>
Fund 540 Appropriation Totals	<u>42,159,507</u>
<u>541 Water and Sewer Capital Projects Fund</u>	
Water and Sewer Capital Projects	<u>7,000,000</u>
Fund 541 Appropriation Totals	<u>7,000,000</u>
<u>555 Storm Water Capital Projects Fund</u>	
Storm Water Capital Projects	<u>8,200,232</u>
Fund 555 Appropriation Totals	<u>8,200,232</u>
<u>908 City Beautification Fund</u>	
Parks and Recreation	<u>20,000</u>
Fund 908 Appropriation Totals	<u>20,000</u>
<u>909 Library Gift Fund</u>	
Library Gift	<u>5,600</u>
Fund 909 Appropriation Totals	<u>5,600</u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
 Attachment A - Appropriations

FY 2008-09
Adopted

911 Parks and Recreation Gift Fund

Parks and Recreation (Gift Fund)

Total Budget Appropriations

Less Interfund Transfers

NET BUDGET APPROPRIATIONS

	<u>90,000</u>
Fund 911 Appropriation Totals	<u>90,000</u>
	<u>2,393,133,513</u>
	<u>630,898,530</u>
	<u><u>1,762,234,983</u></u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
Attachment B - Revenues

FY 2008-09
Adopted

002 General Fund

Revenue from Local Sources	
General Property Taxes	623,169,832
Other Local Taxes	264,193,725
Permits, Privilege Fees, and Regulatory Licenses	5,752,109
Fines and Forfeitures	7,381,860
From the Use of Money and Property	11,437,142
Charges for Services	18,513,368
Miscellaneous Revenue	3,923,488
Revenue from the Commonwealth	
Other Sources from the Commonwealth	102,192,355
Revenue from the Federal Government	
Transfers from Other Funds	9,919,031
Fund 002 Revenue Totals	<u>1,069,938,228</u>

107 School Equipment Replacement Special Revenue Fund

Specific Fund Reserves	<u>1,312,129</u>
Fund 107 Revenue Totals	<u>1,312,129</u>

108 School Instructional Technology Fund

Specific Fund Reserves	<u>2,915,945</u>
Fund 108 Revenue Totals	<u>2,915,945</u>

109 School Vending Operations Fund

Revenue from Local Sources	
From the Use of Money and Property	25,000
Miscellaneous Revenue	225,000
Specific Fund Reserves	<u>359,815</u>
Fund 109 Revenue Totals	<u>609,815</u>

112 School Communication Tower Technology Fund

Revenue from Local Sources	
From the Use of Money and Property	260,000
Specific Fund Reserves	<u>300,000</u>
Fund 112 Revenue Totals	<u>560,000</u>

114 School Cafeteria Fund

Revenue from Local Sources	
From the Use of Money and Property	110,000
Charges for Services	15,879,119
Miscellaneous Revenue	140,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	330,000
Revenue from the Federal Government	
Transfers from Other Funds	10,335,521
Fund 114 Revenue Totals	<u>26,794,640</u>

115 School Operating Fund

Revenue from Local Sources	
From the Use of Money and Property	465,000
Charges for Services	1,896,945
Miscellaneous Revenue	472,000
Revenue from the Commonwealth	
State Shared Sales Tax	77,554,848
Other Sources from the Commonwealth	289,782,618
Revenue from the Federal Government	
Transfers from Other Funds	14,771,131
Fund 115 Revenue Totals	<u>723,925,090</u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance
Attachment B - Revenues

	<u>FY 2008-09 Adopted</u>
<u>116 School Grants Fund</u>	
Revenue from Local Sources	
Miscellaneous Revenue	2,882,326
Revenue from the Commonwealth	
Other Sources from the Commonwealth	13,525,262
Revenue from the Federal Government	<u>38,464,823</u>
Fund 116 Revenue Totals	<u>54,872,411</u>
<u>117 School Textbook Fund</u>	
Revenue from Local Sources	
From the Use of Money and Property	100,000
Charges for Services	6,000
Miscellaneous Revenue	2,590,546
Revenue from the Commonwealth	
Other Sources from the Commonwealth	<u>5,183,744</u>
Fund 117 Revenue Totals	<u>7,880,290</u>
<u>119 School Athletic Special Revenue Fund</u>	
Revenue from Local Sources	
From the Use of Money and Property	45,000
Charges for Services	484,348
Miscellaneous Revenue	4,189,615
Specific Fund Reserves	<u>24,000</u>
Fund 119 Revenue Totals	<u>4,742,963</u>
<u>130 Law Library Fund</u>	
Revenue from Local Sources	
From the Use of Money and Property	6,948
Charges for Services	<u>276,000</u>
Fund 130 Revenue Totals	<u>282,948</u>
<u>142 DEA Seized Property Special Revenue Fund</u>	
Specific Fund Reserves	<u>160,000</u>
Fund 142 Revenue Totals	<u>160,000</u>
<u>147 Federal Section 8 Program Special Revenue Fund</u>	
Revenue from Local Sources	
Miscellaneous Revenue	18,000
Revenue from the Federal Government	13,028,461
Transfers from Other Funds	256,606
Specific Fund Reserves	<u>1,291,000</u>
Fund 147 Revenue Totals	<u>14,594,067</u>
<u>149 Sheriff's Department Special Revenue Fund</u>	
Revenue from Local Sources	
Charges for Services	2,240,460
Miscellaneous Revenue	33,215
Revenue from the Commonwealth	
Other Sources from the Commonwealth	19,373,660
Revenue from the Federal Government	240,900
Transfers from Other Funds	13,206,975
Specific Fund Reserves	<u>1,004,327</u>
Fund 149 Revenue Totals	<u>36,099,537</u>

**City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance**

Attachment B - Revenues

FY 2008-09
Adopted

150 Inmate Services Special Revenue Fund

Revenue from Local Sources	
From the Use of Money and Property	15,000
Charges for Services	925,412
Transfers from Other Funds	2,421
Specific Fund Reserves	1,630
Fund 150 Revenue Totals	944,463

151 Parks and Recreation Special Revenue Fund

Revenue from Local Sources	
From the Use of Money and Property	1,086,451
Charges for Services	10,964,926
Miscellaneous Revenue	37,000
Revenue from the Federal Government	1,000
Transfers from Other Funds	16,566,366
Specific Fund Reserves	250,000
Fund 151 Revenue Totals	28,905,743

152 Tourism Growth Investment Fund

Revenue from Local Sources	
Permits, Privilege Fees, and Regulatory Licenses	72,091
Fines and Forfeitures	569,051
From the Use of Money and Property	518,233
Transfers from Other Funds	17,696,611
Fund 152 Revenue Totals	18,855,986

157 Sandbridge Special Service District Special Revenue Fund

Revenue from Local Sources	
General Property Taxes	807,850
Other Local Taxes	851,836
From the Use of Money and Property	73,183
Transfers from Other Funds	1,464,571
Specific Fund Reserves	263,186
Fund 157 Revenue Totals	3,460,626

161 Agriculture Reserve Program Special Revenue Fund

Revenue from Local Sources	
Miscellaneous Revenue	551
Transfers from Other Funds	4,891,598
Fund 161 Revenue Totals	4,892,149

163 Tourism Advertising Program Special Revenue Fund

Revenue from Local Sources	
From the Use of Money and Property	48,442
Charges for Services	300,950
Miscellaneous Revenue	40,000
Transfers from Other Funds	9,351,323
Fund 163 Revenue Totals	9,740,715

165 Lynnhaven Mall Tax Increment Financing Fund

Revenue from Local Sources	
General Property Taxes	2,123,649
Fund 165 Revenue Totals	2,123,649

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance

Attachment B - Revenues

FY 2008-09
Adopted

166 Sandbridge Tax Increment Financing Fund

Revenue from Local Sources	
General Property Taxes	10,148,736
From the Use of Money and Property	<u>504,934</u>
Fund 166 Revenue Totals	<u>10,653,670</u>

169 Central Business District - South TIF (Town Center) Fund

Revenue from Local Sources	
General Property Taxes	5,188,969
From the Use of Money and Property	55,970
Specific Fund Reserves	<u>51,628</u>
Fund 169 Revenue Totals	<u>5,296,567</u>

172 Open Space Special Revenue Fund

Revenue from Local Sources	
From the Use of Money and Property	216,578
Transfers from Other Funds	3,898,497
Specific Fund Reserves	<u>1,222,204</u>
Fund 172 Revenue Totals	<u>5,337,279</u>

173 Major Projects Special Revenue Fund

Revenue from Local Sources	
From the Use of Money and Property	733,457
Transfers from Other Funds	17,375,776
Specific Fund Reserves	<u>2,654,556</u>
Fund 173 Revenue Totals	<u>20,763,789</u>

174 Town Center Special Service District

Revenue from Local Sources	
General Property Taxes	<u>1,673,141</u>
Fund 174 Revenue Totals	<u>1,673,141</u>

175 Golf Course Special Revenue Fund

Revenue from Local Sources	
From the Use of Money and Property	197,000
Charges for Services	<u>2,597,155</u>
Fund 175 Revenue Totals	<u>2,794,155</u>

176 Transition Area Special Revenue Fund

Transfers from Other Funds	
	<u>467,391</u>
Fund 176 Revenue Totals	<u>467,391</u>

180 Community Development Special Revenue Fund

Revenue from Local Sources	
Charges for Services	87,500
Revenue from the Federal Government	1,950,743
Transfers from Other Funds	<u>899,240</u>
Fund 180 Revenue Totals	<u>2,937,483</u>

181 CD Loan and Grant Fund

Revenue from the Federal Government	
	482,586
Non-Revenue Receipts	<u>300,000</u>
Fund 181 Revenue Totals	<u>782,586</u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance

Attachment B - Revenues

	<u>FY 2008-09 Adopted</u>
<u>182 Federal Housing Assistance Grant Fund</u>	
Revenue from the Federal Government	1,403,519
Non-Revenue Receipts	<u>74,930</u>
Fund 182 Revenue Totals	<u>1,478,449</u>
 <u>183 Grants Consolidated Fund</u>	
Revenue from Local Sources	
Charges for Services	65,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	2,823,935
Revenue from the Federal Government	1,795,876
Transfers from Other Funds	<u>371,106</u>
Fund 183 Revenue Totals	<u>5,055,917</u>
 <u>187 Marine Science Museum Grants Fund</u>	
Revenue from the Federal Government	<u>31,000</u>
Fund 187 Revenue Totals	<u>31,000</u>
 <u>241 Water and Sewer Fund</u>	
Revenue from Local Sources	
From the Use of Money and Property	2,630,672
Charges for Services	94,139,797
Miscellaneous Revenue	242,791
Non-Revenue Receipts	4,103,526
Transfers from Other Funds	256,537
Specific Fund Reserves	<u>100,000</u>
Fund 241 Revenue Totals	<u>101,473,323</u>
 <u>253 Parking Enterprise Fund</u>	
Revenue from Local Sources	
Permits, Privilege Fees, and Regulatory Licenses	30,000
From the Use of Money and Property	81,000
Charges for Services	2,176,511
Transfers from Other Funds	<u>258,803</u>
Fund 253 Revenue Totals	<u>2,546,314</u>
 <u>255 Storm Water Utility Enterprise Fund</u>	
Revenue from Local Sources	
From the Use of Money and Property	160,000
Charges for Services	17,432,900
Revenue from the Commonwealth	
Other Sources from the Commonwealth	5,190,739
Transfers from Other Funds	<u>70,327</u>
Fund 255 Revenue Totals	<u>22,853,966</u>
 <u>302 General Debt Fund</u>	
Transfers from Other Funds	123,666,756
Specific Fund Reserves	<u>298,686</u>
Fund 302 Revenue Totals	<u>123,965,442</u>
 <u>460 School General Revenue Capital Projects Fund</u>	
Transfers from Other Funds	<u>13,936,308</u>
Fund 460 Revenue Totals	<u>13,936,308</u>

City of Virginia Beach, Virginia
Fiscal Year 2008-09 Budget Ordinance

Attachment B - Revenues

FY 2008-09
Adopted

540 General Government Capital Projects Fund

Transfers from Other Funds

42,159,507
Fund 540 Revenue Totals 42,159,507

541 Water and Sewer Capital Projects Fund

Transfers from Other Funds

7,000,000
Fund 541 Revenue Totals 7,000,000

555 Storm Water Capital Projects Fund

Transfers from Other Funds

8,200,232
Fund 555 Revenue Totals 8,200,232

908 City Beautification Fund

Revenue from Local Sources

Miscellaneous Revenue

20,000
Fund 908 Revenue Totals 20,000

909 Library Gift Fund

Revenue from Local Sources

Miscellaneous Revenue

5,600
Fund 909 Revenue Totals 5,600

911 Parks and Recreation Gift Fund

Revenue from Local Sources

Miscellaneous Revenue

90,000
Fund 911 Revenue Totals 90,000

Total Budget Revenues

Less Interfund Transfers

NET BUDGET REVENUES

2,393,133,513
630,898,530
1,762,234,983

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**AN ORDINANCE TO REVISE CATEGORICAL APPROPRIATIONS
FOR THE SCHOOL OPERATING FUND AND AMEND THE CITY'S
FY 2008-09 OPERATING BUDGET AS REQUESTED BY THE
SCHOOL BOARD**

WHEREAS, the City's FY 2008-09 Operating Budget was approved by City Council on May 13, 2008; and,

WHEREAS, the School Board desires to change their category funding to the School Operating Fund by \$24,003,400 to reflect a new category called Technology; and,

WHEREAS, estimated local funds available to the Virginia Beach City Public Schools for School Special Revenue Funds has increased by \$1,425,000; and,

WHEREAS, the debt service payments for Schools has decreased by \$256,830 in FY 2008-09; and,

WHEREAS, a resolution to revise the categorical appropriations in the School Operating Fund, and to increase the funds available to the Schools other special revenue funds was approved by the School Board on May 20, 2008; and,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

1. That funding adjustments are hereby allocated to the following categories in the FY 2008-09 School Operating Budget with appropriate adjustments in FY 2009-10:

(a) appropriations to the Instruction category are decreased by \$15,001,226, resulting in a total appropriation of \$550,719,456.

(b) appropriations to the Administration, Attendance and Health category are decreased by \$977,785 resulting in a total appropriation of \$23,235,324.

(c) appropriations to the Pupil Transportation category are decreased by \$866,530 resulting in a total appropriation of \$30,954,363.

(d) appropriations to the Operations and Maintenance category are decreased by \$9,766,767 resulting in a total appropriation of \$92,403,639.

(e) appropriations to the new School Technology Category are increased by \$24,003,400, resulting in a total appropriation of \$24,003,400. This funding will be considered as part of the School Operating Budget even though held in a separate special revenue fund for accounting purposes; and will be included in reversion and City and School revenue formula calculations.

(f) That State revenue is hereby decreased in the Schools FY 2008-09 Operating Budget by \$2,865,738.

2. That \$1,425,000 in appropriations to certain School Special Revenue Funds is hereby increased in the FY 2008-09 Schools budget as follows:

51 (a) appropriations to the School Instructional Technology Fund are increased by
52 \$900,000 with Fund Balance revenue increased accordingly, resulting in a total appropriation of
53 \$3,815,945.

54 (b) appropriations to the School Equipment Replacement Fund are increased by
55 \$525,000 with Fund Balance revenue increased accordingly, resulting in a total appropriation of
56 \$1,837,129.

57
58 Adopted by the Council of the City of Virginia Beach, Virginia, on the 10th day of June,
59 2008.

60
61 *Requires an affirmative vote by a majority of the members of City Council.*

1 **AN ORDINANCE ESTABLISHING THE TAX LEVY ON REAL ESTATE**
2 **FOR FISCAL YEAR 2009**

3 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

4
5 **Sec. 1. Amount of Levy on Real Estate.**

6 There shall be levied and collected for fiscal year 2009 taxes for general purposes on all real estate,
7 including all separate classifications of real estate set forth in the Code of Virginia, not exempt from taxation and
8 not otherwise provided for in this ordinance, at the rate of eighty-nine cents (\$0.89) on each one hundred dollars
9 (\$100) of assessed valuation thereof. The real property tax rate that has been prescribed in this section shall be
10 applied on the basis of one hundred percentum of the fair market value of such real property, except for public
11 service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.
12

13 **Sec. 2. Amount of Levy on "Certified Pollution Control Equipment and Facilities" Classified as**
14 **Real Estate, "Certified Storm Water Management Developments and Property," "Certified**
15 **Solar Energy Recycling Equipment, Facilities or Devices" Classified as Real Estate, and**
16 **"Environmental Restoration Sites," Real Estate Improved by Erosion Controls, and**
17 **Certain Wetlands and Riparian Buffers.**

18 In accordance with Sections 58.1-3660 (A), 58.1-3660.1, 58.1-3661, 58.1-3664, 58.1-3665 and 58.1-3666
19 of the Code of Virginia, there shall be levied and collected for general purposes for fiscal year 2009, taxes on all
20 real estate (a) certified by the Commonwealth of Virginia as "Certified Pollution Control Equipment and Facilities,"
21 (b) certified by the Department of Environmental Quality as "Certified Storm Water Management Developments
22 and Property," (c) certified as provided by Code of Virginia Section 58.1-3661 as "Certified Solar Energy
23 Equipment, Facilities or Devices," or "Certified Recycling Equipment, Facilities or Devices," (d) defined by Code of
24 Virginia Section 58.1-3664 as an "Environmental Restoration Site," (e) improved to control erosion as defined by
25 Code of Virginia § 58.1-3665, or (f) qualifying as wetlands and riparian buffers as described by Code of Virginia §
26 58.1-3666, not exempt from taxation, at a rate of eighty-nine cents (\$0.89) on each one hundred dollars of
27 assessed valuation thereof. The real property tax rates imposed in this section shall be applied on the basis of
28 one hundred percentum of fair market value of such real property except for public service property, which shall
29 be on the basis as provided in Section 58.1-2604 of the Code of Virginia.
30

31 **Sec. 3. Amount of Levy on Real Estate Within the Sandbridge Special Service District.**

32 There shall be levied and collected for fiscal year 2009, taxes for the special purpose of providing beach
33 and shoreline restoration and management at Sandbridge on all real estate within the Sandbridge Special Service
34 District, not exempt from taxation, at the rate of six cents (\$0.06) on each one hundred dollars (\$100) of assessed
35 value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this
36 ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of
37 the fair market value of such real property except for public service real property, which shall be on the basis as
38 provided in Section 58.1-2604 of the Code of Virginia.
39

40 **Sec. 4. Amount of Levy on Real Estate Within the Town Center Special Service District.**

41 For the special purpose of operating and maintaining the parking garage and providing enhanced
42 services for the plaza and public spaces within the boundaries of the service district at the Town Center, as well
43 as other additional services authorized by Virginia Code § 15.2-2403, there shall be levied and collected for fiscal
44 year 2008, taxes on all real estate within the Town Center Special Service District, not exempt from taxation, at
45 the rate of ~~fifty cents (\$0.50)~~ **forty-five cents (\$0.45)** on each one hundred dollars (\$100) of assessed value
46 thereof. This real estate tax rate shall be in addition to the real estate tax set forth in Section 1 of this ordinance.
47 The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market
48 value of such real property, except for public service real property, which shall be on the basis as provided in
49 Section 58.1-2604 of the Code of Virginia.
50

51 **Sec. 5. Severability.**

52 If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision
53 shall not affect the validity of the remaining portions of this ordinance.
54

55 **Sec. 6. Effective Date.**

56 The effective date of this ordinance shall be July 1, 2008.

57

58 Adopted by the City Council of the City of Virginia Beach, Virginia on this 13th day of May, 2008.

59

60 Requires an affirmative vote by a majority of the members of City Council.

1 **AN ORDINANCE ESTABLISHING THE TAX LEVY ON**
2 **PERSONAL PROPERTY AND MACHINERY AND TOOLS FOR**
3 **THE CALENDAR YEAR 2009**

4 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

5
6 **Sec. 1. Amount of Levy on Tangible Personal Property.**

7 In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and
8 collected for general purposes for the calendar year 2009 on all tangible personal property, including all separate
9 classifications of personal property set forth in the Code of Virginia, not exempt from taxation and not otherwise
10 provided for in this ordinance, at the rate of three dollars and seventy cents (\$3.70) on each one hundred dollars
11 (\$100) assessed valuation thereof.

12 Specific categories of personal property taxed at this rate include, but are not limited to, the
13 following:

- 14 a. aircraft and flight simulators as described in Code of Virginia § 58.1-3506 (A) (2) and (3) ;
15 b. antique motor vehicles as described in Code of Virginia § 58.1-3506 (A) (4) ;
16 c. heavy construction equipment as described in Code of Virginia § 58.1-3506 (A) (6) ;
17 d. computer equipment as described in Code of Virginia § 58.1-3506 (A) (9) ;
18 e. tangible personal property as described in (a) Code of Virginia § 58.1-3660 as "certified
19 pollution control equipment and facilities" or (b) Code of Virginia § 58.1-3661 as "certified solar equipment,
20 facilities or devices and certified recycling equipment, facilities or devices"; and

21 f. personal vehicles as described in § 58.1-3524 of the Code of Virginia. Taxes shall be
22 levied and collected for general purposes for the calendar year 2009 on the assessed value of all personal
23 vehicles not otherwise exempted from taxation in this ordinance, subject to the following:

- 24 1. Any personal vehicle with a total assessed value of \$1,000 or less will be levied no tax.
25 2. Any personal vehicle with an assessed value of between \$1,001 and \$20,000 will be
26 levied ~~39.7%~~ 42.5% of the computed tax based on the total assessed value of the vehicle. Reimbursement is
27 expected from the state under the Personal Property Tax Relief Act equal to the remaining ~~60.3%~~ 57.5% of the
28 computed tax on the first \$20,000 of assessed value.

29 3. Any personal vehicle with an assessed value of over \$20,000 will be levied ~~39.7%~~ 42.5%
30 of the computed tax based on the first \$20,000 of assessed value and 100% of the computed tax based on the
31 assessed value in excess of \$20,000. Reimbursement is expected from the state under the Personal Property
32 Tax Relief Act equal to the remaining ~~60.3%~~ 57.5% of the computed tax on the first \$20,000 of assessed value.

33 4. Pursuant to authority conferred in Item 503.D of the 2005 Virginia Appropriations Act, the
34 City Treasurer is authorized to issue a supplemental personal property tax bill, in the amount of 100% of the tax
35 due without regard to any former entitlement to state relief, plus applicable penalties and interest, to any taxpayer
36 whose taxes with respect to a qualifying vehicle for tax year 2005 or any prior tax year remain unpaid on
37 September 1, 2006, or such earlier date as reimbursement with respect to such bill is no longer available from the
38 Commonwealth, whichever earlier occurs. Penalties and interest with respect to bills issued pursuant to this
39 section shall be computed on the entire amount of tax owed. Interest shall be computed from the original due
40 date of the tax.

41
42 **Sec. 2. Amount of Levy on Manufactured Homes.**

43 In accordance with Section 58.1-3506 (A) (8) of the Code of Virginia, there shall be levied and
44 collected for general purposes for the calendar year 2009 taxes on all vehicles without motive power, used or
45 designated to be used as manufactured homes, as defined by Section 36-85.3 of the Code of Virginia, at the rate
46 of eighty-nine cents (\$0.89) on each one hundred dollars (\$100) of assessed valuation thereof.

47
48 **Sec. 3. Amount of Levy on All Boats or Watercraft Weighing Five Tons or More.**

49 In accordance with Section 58.1-3506 (A) (1) of the Code of Virginia, there shall be levied and
50 collected for general purposes for the calendar year 2009 taxes on all boats or watercraft weighing five (5) tons or
51 more, except as provided for in Section 5 of this ordinance, at the rate of one dollar and fifty cents (\$1.50) on each
52 one hundred dollars (\$100) of assessed valuation thereof.

53 **Sec. 4. Amount of Levy on Machinery and Tools.**

54 In accordance with Section 58.1-3507 of the Code of Virginia, there shall be levied and collected
55 for general purposes for the calendar year 2009 taxes on machinery and tools, including machinery and tools
56 used directly in the harvesting of forest products or semiconductor manufacturing, not exempt from taxation, at
57 the rate of one dollar and ninety cents (~~\$1.00~~) (\$1.90) on each one hundred dollars (\$100) of assessed valuation
58 thereof. As provided by Code of Virginia § 58.1-3506 (B) , the following personal property shall also be taxed at
59 the rate of machinery and tools:

- 60 a. all tangible personal property used in research and development businesses, as
61 described in Code of Virginia § 58.1-3506 (A) (5) ;
62 b. generating or cogenerating equipment, as described in Code of Virginia § 58.1-3506 (A)
63 (7); and
64 c. all motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds
65 or more used to transport property for hire by a motor carrier engaged in interstate
66 commerce, as described in Code of Virginia § 58.1-3506 (A) (23) .

67
68 **Sec. 5. Amount of Levy on Privately Owned Pleasure Boats and Watercraft Used for Recreational**
69 **Purposes Only.**

70 In accordance with Sections 58.1-3506 (A) (10) , (A) (26) , and (A) (27) of the Code of Virginia,
71 there shall be levied and collected for general purposes for the calendar year 2009 taxes on all privately owned
72 pleasure boats and watercraft used for recreational purposes only, at the rate of one millionth of one cent
73 (\$.000001) on each one hundred dollars (\$100) of assessed valuation thereof.

74
75 **Sec. 6. Amount of Levy on Privately Owned Camping Trailers, Privately Owned Travel Trailers, and**
76 **Motor Homes Used for Recreational Purposes Only, and Privately Owned Horse Trailers.**

77 In accordance with Sections 58.1-3506 (A) (16) and (A) (28) of the Code of Virginia, there shall
78 be levied and collected for general purposes for the calendar year 2009 taxes at the rate of one dollar and fifty
79 cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation thereof on the following property: (a) all
80 privately owned camping trailers and motor homes as defined in Section 46.2-100 of the Code of Virginia and
81 privately owned travel trailers as defined in Code of Virginia § 46.2-1900, that are used for recreational purposes
82 only; and (b) privately owned trailers as defined in § 46.2-100 of the Code of Virginia that are designed and used
83 for the transportation of horses, except those trailers described in subdivision (A) (11) of § 58.1-3505 of the Code
84 of Virginia.

85
86 **Sec. 7. Amount of Levy on One Motor Vehicle Owned and Regularly Used by a Disabled Veteran.**

87 In accordance with Section 58.1-3506 (A) (17) of the Code of Virginia, there shall be a reduced
88 tax, levied and collected for general purposes for the calendar year 2009 at the rate of one dollar and fifty cents
89 (\$1.50) on each one hundred dollars (\$100) of assessed valuation, on one (1) motor vehicle owned and regularly
90 used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind, or
91 who is permanently and totally disabled as certified by the Department of Veterans' Affairs. Any motor vehicles in
92 addition to the one (1) so taxed shall not qualify for the taxation at the rate established herein, and shall be taxed
93 at the rate or rates applicable to that class of property. To qualify, the veteran shall provide a written statement to
94 the Commissioner of the Revenue from the Department of Veterans' Affairs that the veteran has been so
95 designated or classified by the Department of Veterans' Affairs as to meet the requirements of Section 58.1-3506
96 (A) (17), and that his or her disability is service connected.

97
98 **Sec. 8. Amount of Levy on a Motor Vehicle Owned and Used Primarily by or for Someone at Least**
99 **Sixty-Five Years of Age or Anyone Found to be Permanently and Totally Disabled.**

100 a. In accordance with Sections 58.1-3506.1 et seq. of the Code of Virginia, there shall be a reduced
101 tax, levied and collected for general purposes for calendar year 2009, at the rate of three dollars (\$3.00) on each
102 one hundred dollars (\$100.00) of assessed valuation, on one (1) automobile or pickup truck owned and used
103 primarily by or for anyone at least sixty-five years of age or anyone found to be permanently and totally disabled,
104 as defined in Section 58.1-3506.3 of the Code of Virginia, subject to the following conditions:

105 1. The total combined income received, excluding the first \$7,500 of income, from all
106 sources during calendar year 2008 by the owner of the motor vehicle shall not exceed twenty-two thousand
107 dollars (\$22,000).

108 2. The owner's net financial worth, including the present value of all equitable interests, as of
109 December 31 of calendar year 2008, excluding the value of the principal residence and the land, not exceeding
110 one (1) acre, upon which it is situated, shall not exceed seventy thousand dollars (\$70,000).

111 3. All income and net worth limitations shall be computed by aggregating the income and
112 assets, as the case may be, of a husband and wife who reside in the same dwelling and shall be applied to any
113 owner of the motor vehicle who seeks the benefit of the preferential tax rate permitted under this ordinance,
114 irrespective of how such motor vehicle may be titled.

115 b. Any such motor vehicle owned by a husband and wife may qualify if either spouse is sixty-five or
116 over or if either spouse is permanently and totally disabled, and the conditions set forth in subsection (a) have
117 been satisfied.

118
119 **Sec. 9. Assessed Value Determination.**
120 In accordance with Section 58.1-3103 of the Code of Virginia, personal property mentioned in the
121 above sections shall be assessed at actual fair market value, to be determined by the Commissioner of the
122 Revenue for the City of Virginia Beach.

123
124 **Sec. 10. Severability.**
125 If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such
126 decision shall not affect the validity of the remaining portions of this ordinance.

127
128 **Sec. 11. Effective Date.**
129 This ordinance shall be effective January 1, 2009.

130
131 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

132 *Requires an affirmative vote by a majority of the members of City Council.*
133

1 **AN ORDINANCE AMENDING THE TAX LEVY ON PERSONAL PROPERTY**
2 **FOR CALENDAR YEAR 2009 BY DECREASING THE TAX RATE ON**
3 **MACHINERY AND TOOLS**
4

5 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGININA BEACH, VIRGINIA:

6
7 That "An Ordinance Establishing the Tax Levy on Personal Property Machinery and Tools for
8 Calendar Year 2009," adopted on May 13, 2008, is hereby amended as follows:
9

10 **Sec. 4. Amount of Levy on Machinery and Tools.**

11 In accordance with Section 58.1-3507 of the Code of Virginia, there shall be levied and collected
12 for general purposes for the calendar year 2009 taxes on machinery and tools, including machinery and tools
13 used directly in the harvesting of forest products or semiconductor manufacturing, not exempt from taxation, at
14 the rate of one dollar and ninety cents (~~\$1.90~~) (\$1.00) on each one hundred dollars (\$100) of assessed valuation
15 thereof. As provided by Code of Virginia § 58.1-3506 (B) , the following personal property shall also be taxed at
16 the rate of machinery and tools:

- 17 a. all tangible personal property used in research and development businesses, as described in
18 Code of Virginia § 58.1-3506 (A) (5) ;
19 b. generating or cogenerating equipment, as described in Code of Virginia § 58.1-3506 (A) (7);
20 and
21 c. all motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or
22 more used to transport property for hire by a motor carrier engaged in interstate commerce, as
23 described in Code of Virginia § 58.1-3506 (A) (23).
24

25 **Sec. 11. Effective Date.**

26 This ordinance shall be effective on January 1, 2009.

27
28 Adopted by the Council of the City of Virginia Beach, Virginia, on this 10th day of June, 2008.

29 *Requires an affirmative vote by a majority of the members of City Council.*
30

1 **AN ORDINANCE TO REDUCE THE PERSONAL PROPERTY – MACHINERY**
2 **AND TOOLS REVENUE BY \$1,281,316 AND REDUCE THE GENERAL FUND**
3 **TRANSFER TO CAPITAL PROJECT #9-141, ECONOMIC DEVELOPMENT**
4 **INVESTMENT PROGRAM BY \$1,281,316**
5

6 WHEREAS, Eliminating the recently adopted tax rate increase to Personal Property –
7 Machinery and Tools from one dollar and ninety cents (\$1.90) to the previous rate of one dollar (\$1.00) on each
8 one hundred dollars (\$100) of assessed value should help City businesses remain vibrant employment centers
9 for our citizens, given the uncertainty in the economy.
10

11 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA
12 BEACH, VIRGINIA:

- 13
- 14 1. That estimated Personal Property – Machinery and Tools revenue in the FY 2008-09 Operating
15 Budget is hereby reduced by \$1,281,316.
16
 - 17 2. That the General Fund transfer to Capital Project #9-141, Economic Development Investment
18 Program in the FY 2008-09 Operating Budget is hereby reduced by \$1,281,316.
19
 - 20 3. That \$1,281,316 of the Cigarette Tax dedicated to the Economic Development Investment
21 Program is hereby reallocated to the General Fund for FY 2008-09 only.
22

23 BE IT FURTHER ORDAINED:

24

25 That the FY 2008-09 Capital Budget is hereby amended by reducing the appropriation for
26 Capital Project #9-141, Economic Development Investment Program by \$1,281,316.
27

28 Adopted by the Council of the City of Virginia Beach, Virginia, on the 10th day of June, 2008.

Requires an affirmative vote by a majority of the members of the City Council.

1 **AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO**
2 **SUBMIT AN ANNUAL FUNDING PLAN TO THE U.S.**
3 **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

4 WHEREAS, the United States Congress has established legislation designated as the Housing and
5 Community Development Act of 1974 that sets forth the development of viable urban communities as a national
6 goal;

7
8 WHEREAS, there is federal assistance available for the support of Community Development and Housing
9 activities directed toward specific objectives, such as eliminating deteriorated conditions in low and moderate
10 income neighborhoods that are detrimental to the public health, safety, and welfare, as well as improving the
11 City's housing stock and community services, along with other related activities; and

12
13 WHEREAS, as a prerequisite to receiving the above-referenced federal assistance, the City of Virginia
14 Beach has developed an Annual Funding Plan for submission to the Department of Housing and Urban
15 Development and has created the necessary mechanisms for its implementation in compliance with federal and
16 local directives;

17
18 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH,
19 VIRGINIA:

20 That the City Manager is hereby authorized and directed, as the executive and administrative head of the
21 City, to submit the City's FY 2009 Annual Funding Plan (the "Plan") and amendments thereto, along with
22 understandings and assurances contained therein and such additional information as may be required, to the
23 Department of Housing and Urban Development to permit the review, approval, and funding of the Plan.

24
25 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 AN ORDINANCE TO AMEND THE CITY CODE PERTAINING
2 TO THE EXEMPTION OR DEFERRAL OF REAL ESTATE
3 TAXES FOR ELDERLY OR DISABLED PERSONS BY
4 INCREASING INCOME AND NET WORTH LIMITS

5 SECTIONS AMENDED: §§ 35-64 AND 35-67

6 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

7 That Sections 35-64 and 35-67 of the City Code are hereby amended and reordained to read as follows:

8
9 **Sec. 35-64. General prerequisites to grant; effect of residency in hospital, nursing home, etc.**

10 (a) Either the exemption, deferral or freeze, but not more than one (1), as provided for in this division
11 shall be granted to persons subject to the following provisions:

- 12 (1) The title to the property for which exemption, deferral or freeze is claimed is held, or partially
13 held, on June thirtieth immediately preceding the taxable year, by the person or persons
14 claiming exemption, deferral or freeze and is occupied as the sole dwelling of such person or
15 persons.
- 16 (2) The head of the household occupying the dwelling and owning title or partial title thereto or
17 either spouse in a dwelling jointly held by a husband and wife is either permanently and totally
18 disabled or is sixty-five (65) years of age or older on June thirtieth of the year immediately
19 preceding the taxable year; provided, however, that a dwelling jointly held by a husband and
20 wife may qualify if either spouse is over sixty-five (65) years of age.
- 21 (3) For the tax exemption programs, the total combined income received from all sources during
22 the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their
23 principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not
24 exceed ~~sixty-two thousand three hundred and fifty dollars (\$62,000)~~ four hundred and fifty dollars (\$63,450) provided
25 that the first ten thousand dollars (\$10,000.00) of income of each relative, other than a spouse
26 of the owner, who is living in the dwelling, shall not be included in such total; and provided
27 further that the first ten thousand dollars (\$10,000.00) or any portion thereof of income received
28 by a permanently and totally disabled owner shall not be included in such total.
- 29 (4) For the tax freeze program, the total combined income received from all sources during the
30 preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal
31 residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed
32 ~~sixty-two thousand three hundred and fifty dollars (\$62,000)~~ four hundred and fifty dollars (\$63,450); provided that the
33 first ten thousand dollars (\$10,000.00) of income of each relative, other than a spouse of the
34 owner, who is living in the dwelling, shall not be included in such total; and provided that the
35 first ten thousand dollars (\$10,000.00) or any portion thereof of income received by a
36 permanently and totally disabled owner shall not be included in such total.
- 37 (5) For the tax exemption programs, the net combined financial worth, including equitable interests,
38 as of December thirty-first of the year immediately preceding the taxable year, of the owners,
39 and of the spouse of any owner, excluding the value of the dwelling and the land (not
40 exceeding one acre) upon which it is situated, shall not exceed three hundred and fifty
41 thousand dollars (\$350,000.00).
- 42 (6) For the tax freeze program, the net combined financial worth, including equitable interests, as
43 of December thirty-first of the year immediately preceding the taxable year, of the owners, and
44 of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding
45 one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars
46 (\$350,000.00).
- 47 (7) For the tax deferral program, the total combined income received from all sources during the
48 preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal
49 residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed
50 ~~sixty-two thousand three hundred and fifty dollars (\$62,000)~~ four hundred and fifty dollars (\$63,450) provided that the
51 first ten thousand dollars (\$10,000.00) of income of each relative, other than a spouse of the
52 owner, who is living in the dwelling, shall not be included in such total; and provided further that
53 the first ten thousand dollars (\$10,000.00) or any portion thereof of income received by a
54 permanently and totally disabled owner shall not be included in such total.

55 (8) For the tax deferral program, the net combined financial worth, including equitable interests, as
 56 of December thirty-first of the year immediately preceding the taxable year, of the owners, and
 57 of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding
 58 one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars
 59 (\$350,000.00).

60 (9) The dwelling is occupied.

61

62 **Sec. 35-67. Amount of exemption.**

63 When a person claiming exemption under this division conforms to the standards and does not exceed
 64 the limitations contained in this division, the tax exemption shall be as shown on the following schedule:

<i>Total income, All Sources</i>		<i>Tax Exemption</i>
\$0.00 - \$46,000.00	<u>\$0.00 - \$47,100.00</u>	100%
\$46,000.01 - \$50,000.00	<u>\$47,100.01 - \$51,200.00</u>	80%
\$50,000.01 - \$54,000.00	<u>\$51,200.01 - \$55,300.00</u>	60%
\$54,000.01 - \$58,000.00	<u>\$55,300.01 - \$59,400.00</u>	40%
\$58,000.01 - \$62,000.00	<u>\$59,400.01 - \$63,450.00</u>	20%

73
 74 No lien shall accrue as a result of the amount certified as exempt.

75 BE IT FURTHER ORDAINED: That this ordinance shall be effective on July 1, 2008.

76
 77
 78 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **AN ORDINANCE TO DECLARE \$ 9,000,000 OF FUNDING**
2 **WITHIN THE SANDBRIDGE TAX INCREMENT FINANCING**
3 **DISTRICT AS SURPLUS FUNDS IN THE FY 2007-08**
4 **OPERATING BUDGET**

5 WHEREAS, the Sandbridge Tax Increment Financing District (Sandbridge TIF) and the Sandbridge
6 Special Service District (Sandbridge SSD), were established to provide a funding source for beach and shoreline
7 restoration and management at Sandbridge;

8
9 WHEREAS, an analysis of the Sandbridge TIF and the Sandbridge SSD occurs annually to ensure that
10 funding is adequate for long-term beach and shoreline restoration and management along Sandbridge;

11
12 WHEREAS, current projections indicate that the Sandbridge TIF and Sandbridge SSD have sufficient
13 funding to meet long-term obligations for beach and shoreline restoration and management;

14
15 WHEREAS, projections also indicate that the funding available exceeds the long-term obligations of the
16 project;

17
18 WHEREAS, \$ 9,000,000 is available as an unencumbered appropriation in the FY 2007-08 Sandbridge
19 TIF Reserve for Future Commitments.

20
21 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH,
22 VIRGINIA:

- 23 (1) That \$ 9,000,000 of funding within the Sandbridge TIF is hereby declared to be in excess of the
24 long-term obligations for beach and shoreline restoration and management and is hereby declared
25 surplus.
26 (2) That \$ 9,000,000 is hereby transferred within the FY 2007-08 Operating Budget from the
27 Sandbridge TIF to the General Fund – Unappropriated Real Estate Tax Revenues.

28
29 BE IT FURTHER ORDAINED: That this ordinance shall be effective on June 30, 2008.

30
31 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE**
2 **LODGING TAX BY EXTENDING ITS SUNSET PROVISIONS TO**
3 **MAINTAIN THE TAX AT ITS CURRENT AMOUNT**

4 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

5 That section 35-159 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained
6 to read as follows:

7
8 **Sec. 35-159. Levied; Amount.**

- 9 (a) There is hereby levied and imposed on each transient a tax equivalent to eight (8) percent of the total
10 amount paid for lodging, by or for any such transient, to any lodging place, plus a flat tax of one dollar
11 (\$1.00) for each night of lodging at any lodging place other than a campground. The percentage-based
12 portion of the tax rate shall be reduced by one-half (0.5) percent on July 1, ~~2008~~, 2013 and further
13 reduced by an additional two and one-half (2.5) percent on June 30, 2027. The flat tax shall remain in
14 effect through June 30, ~~2008~~ 2013.
- 15 (b) There is hereby levied and imposed on each transient within the Sandbridge Special Service District
16 (district) a tax, in addition to that levied in subsection (a) hereof, equivalent to two and one-half (2.5)
17 percent of the total amount paid for lodging within the district, by or for any such transient to any lodging
18 place, excluding hotels, motels and travel campgrounds.

19
20 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE**
2 **EQUIVALENT RESIDENTIAL UNIT (ERU) FEE**

3 SECTION AMENDED: § 32.5-2

4 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

5 That section 32.5-2 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained
6 to read as follows:

7
8 **Sec. 32.5-2. Definitions.**

9 The following words and terms used in this section shall have the following meanings:

10 (a) *Equivalent residential unit* or *ERU* means the equivalent impervious area of a single-
11 family residential developed property per dwelling unit located within the city based on
12 the statistical average horizontal impervious area of a single-family residence in the city.
13 An equivalent residential unit (ERU) equals two thousand two hundred sixty-nine (2,269)
14 square feet of impervious surface area.

15 (b) *ERU rate* means the utility fee charged on an equivalent residential unit, which shall be
16 ~~sixteen and one tenth cents (\$0.161) per day, effective July 1, 2005; seventeen and one~~
17 ~~tenth cents (\$0.171) per day, effective July 1, 2006; and eighteen and one tenth cents~~
18 ~~(\$0.181) per day effective July 1, 2007. twenty and one-tenth cents (\$0.201) per day,~~
19 ~~effective July 1, 2008; twenty-two and one-tenth cents (\$0.221) per day, effective July 1,~~
20 ~~2009, and twenty-four and one-tenths cents (\$0.241) per day, effective July 1, 2010.~~

21 . . .

22
23 BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2008.

24
25 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **AN ORDINANCE TO AMEND CITY CODE SECTION 27-5 TO**
2 **INCREASE THE PENALTY FOR FALSE BURGLAR ALARMS**
3 **FOR COMMERCIAL AND RESIDENTIAL PROPERTIES**

4 **Sec. 27-5. Service charge for false alarms to which police are required to respond.**

5
6 There is hereby established a service charge of ~~twenty five dollars (\$25.00)~~ one hundred fifty dollars
7 (\$150) to be paid by each residence after two false alarm calls within a twelve month period and for each false
8 alarm call thereafter to which the police of the city are required to respond. That two hundred fifty dollars (\$250)
9 is hereby charged to each business, industrial user for each false alarm caused by negligence to which the police
10 of the city are required to respond after two false alarm calls within a twelve month period and each call
11 thereafter. Such charge shall be payable to the city treasurer.

12
13 (Ord. No. 983,9-10-79)

14 This ordinance shall be effective July 1, 2008.

15
16 Adopted by the Council of the City of Virginia Beach, Virginia, on this the 13th day of May, 2008.
17

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE**
2 **INCREASE IN ADMINISTRATIVE FEES FOR REGULATION OF**
3 **UNSAFE STRUCTURES AND ABATEMENT OF VARIOUS**
4 **NUISANCES**

5 SECTIONS AMENDED: §§ 16-35, 23-46, 23-48, 23-50, 23-50.1

6 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

7 That sections 16-35, 23-46, 23-48, 23-50, 23-50.1 of the Code of the City of Virginia Beach, Virginia are
8 hereby amended and reordained to read as follows:

9
10 **Sec. 16-35. Regulated.**

11 (d) In the event the owner of a building, wall or structure who has been served with the notice provided for in
12 subsection (c) hereof shall fail to comply with the terms of such notice within the time specified therein, the Code
13 Enforcement Administrator, through his or her own agents or employees, shall be authorized to order the building,
14 wall or structure, or portion thereof, to be repaired, or to be demolished and the debris removed, at the cost of the
15 owner. Such cost shall include an administrative fee in the amount of one hundred fifty dollars ~~(\$100.00)~~
16 ~~(\$150.00)~~. For the purposes of this section, repair may include maintenance work to the exterior of a building to
17 prevent deterioration of the building or adjacent buildings. No building, wall or structure, or portion thereof, shall
18 be repaired or demolished by order of the code enforcement administrator for at least thirty (30) days following the
19 later of the return of the receipt or newspaper publication as provided for in subsection (c) hereof.

20
21 **Sec. 23-46. Nuisance generally.**

22 (e) A violation of any of the provisions of this section, or failure to comply with the terms of a notice issued and
23 served as provided in this section within the time prescribed in such notice, shall constitute a class 2
24 misdemeanor. In addition to any penalties imposed hereunder, the City may institute legal action to enjoin the
25 continuing violation of this section and may remove or contract for the removal of such public nuisance, in which
26 event the cost and expenses thereof, including an administrative fee in the amount of one hundred fifty dollars
27 ~~(\$100.00)~~ ~~(\$150.00)~~, shall be chargeable to and paid by the owner or occupant of the land or premises. Any such
28 charge which is not paid within thirty (30) days of the date or which is billed to the person or persons named in the
29 notice may be collected by an action at law or in any manner provided by law for the collection of taxes.

30
31 **Sec.23-48. Open storage of rusted, junked, etc., machinery, equipment, etc.**

32 (a) It shall be unlawful for any person to place or leave, on any property in the city, any dilapidated furniture,
33 appliance, machinery, equipment, building material or other item, which is either in a wholly or partially rusted,
34 wrecked, junked, dismantled or inoperative condition and which is not completely enclosed within a building. Any
35 such item which remains on the property for a period of seven (7) days after notice of violation of this section is
36 given to the owner of such property shall be presumed to be abandoned and subject to being removed from the
37 property by the city or its agents without further notice. In the event any such item is so removed, the cost of
38 removal, including an administrative fee in the amount of one hundred fifty dollars ~~(\$100.00)~~ ~~(\$150.00)~~, shall be
39 charged to the owner of the property. Any such charge which is not paid within thirty (30) days of the date on
40 which it is billed to the owner shall constitute a lien upon the property and may be collected in any manner
41 provided by law for the collection of taxes.

42
43 **Sec. 23-50. Accumulations of trash, garbage, etc., or excessive growth of weeds or grass.**

44 (d) Failure to comply with the terms of a notice issued and served as provided in this section within the time
45 prescribed in such notice shall constitute a Class 2 misdemeanor. In addition to any penalties imposed hereunder,
46 the city may institute legal action to enjoin the continuing violation of this section and may remove or contract for
47 the removal of such trash, garbage, refuse, litter or similar substances or grass, weeds, brush or similar
48 vegetation, in which event the cost and expenses thereof, including an administrative fee in the amount of one
49 hundred fifty dollars ~~(\$100.00)~~ ~~(\$150.00)~~, shall be chargeable to and paid by the owner or occupant of the land or
50 premises. Any such charge which is not paid within thirty (30) days of the date on which it is billed to the owner of
51 such land or premises shall constitute a lien upon the property and may be collected in any manner provided by
52 law for the collection of taxes; provided, however, that no such lien shall be valid against any owner of land or
53 premises who was not served with the notice prescribed in subsection (a) or (b) hereinabove, as the case may be.

55 **Sec. 23-50.1. Removal of certain trees.**

56 (c) Failure to comply with the terms of a notice issued and served as provided in this section within the time
57 prescribed by such notice shall be punishable as a Class 4 misdemeanor. In addition to any fine imposed
58 hereunder, the Code Enforcement Administrator may, in the name of the city, institute legal action to enjoin the
59 continuing violation of this section and may remove or contract for the removal of any such tree or portion thereof,
60 in which event the cost of such removal, including an administrative fee in the amount of one hundred fity dollars
61 ~~(\$100.00)~~ (\$150.00), shall be charged to the person or persons named in the notice and collected by action at law
62 or as delinquent real estate taxes are collected, or both. The remedies provided for herein shall be cumulative in
63 nature.

64

65 BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2008.

66

67 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO
2 YARD WASTE CONTAINERS BY ESTABLISHING A FORTY DOLLAR
3 FEE FOR 24-HOUR USE MONDAY THROUGH THURSDAY AND
4 SEVENTY FIVE DOLLARS FOR WEEKEND USE

5 SECTION AMENDED: § 31-35

6 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

7 That section 31-35 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained
8 to read as follows:

9
10 **Sec. 31-35. Use of yard waste containers.**

11 The City shall make available to those homeowners who are residents of the city a yard waste container,
12 which shall be picked up and delivered by city employees. Prior to the container being delivered, there shall be
13 paid to the city a fee of ~~thirty~~ forty dollars ~~(\$30.00)~~ (\$40.00), ~~which shall be paid to the city before the container is~~
14 ~~delivered,~~ for the use of a yard waste container delivered for a 24-hour period Monday through Thursday and
15 seventy-five dollars (\$75.00) for deliveries made on Fridays and picked up on Monday. The city employees shall
16 deliver and place the yard waste container on the property of the homeowner of an occupied dwelling who has
17 requested the yard waste container. ~~Deliveries made on Fridays shall be picked up on Monday.~~ Prior to delivery
18 of the yard waste container, the homeowner shall sign a statement which shall state:

- 19 (1) That he is not a contractor and that his need arises from his homeownership;
20 (2) That the yard waste container shall only be used for tree limbs, leaves, shrubbery, grass trimmings
21 and yard debris;
22 (3) That he will not place hazardous waste, stumps, building and construction materials or other bulky
23 items within the yard waste container;
24 (4) That he will not fill the load above the top of the container; and
25 (5) That he will release the city from liability for any damages resulting from city equipment or personnel
26 being on private property to deliver or remove the yard waste container.
27 (6) That he will be responsible for any injuries and/or damages that result to individuals using the
28 container or directly to the container while being used by the homeowner.
29 (7) That he will reimburse the city for any costs associated with the handling and disposal of any material
30 or items placed in the yard waste container in violation of any of the provisions of this section.

31
32 BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2008.

33
34 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE**
2 **ESTABLISHMENT OF INSPECTION FEES FOR RENTAL DWELLING**
3 **UNITS**

4 SECTION AMENDED: § 16-12.7

5 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

6 That section 16-12.7 of the Code of the City of Virginia Beach, Virginia is hereby amended and
7 reordained to read as follows:

8
9 **Sec. 16-12.7. Issuance of certificate; fees.**

10 ~~Except as provided in below, there shall be no a fee of fifty dollars (\$50.00) for the initial inspection and one re-~~
11 ~~inspection on rental dwelling units in rental inspection districts created by City Council. inspection fee for the~~
12 ~~inspection of a dwelling unit. If repairs or corrections are deemed necessary by the code enforcement~~
13 ~~administrator, and a follow-up is required, no fee shall be charged for the follow-up. If, however, subsequent~~
14 ~~follow-ups are required, there shall be charged a fee of fifty dollars (\$50.00) per dwelling unit for each subsequent~~
15 ~~unit follow-up. No follow-up shall be performed, nor any certificate be issued, until all fees have been paid.~~

16 BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2008.

17 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.
18
19

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE**
2 **ESTABLISHMENT OF AN ADMINISTRATIVE FEE RELATED TO THE**
3 **ABATEMENT OF INOPERABLE VEHICLES ON RESIDENTIAL,**
4 **COMMERCIAL OR AGRICULTURAL PROPERTY**

5 SECTION AMENDED: § 16-40

6 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

7
8 That section 16-40 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained
9 to read as follows:

10
11 **Sec. 16-40. Open storage of inoperable vehicles on residential, commercial or agricultural property.**

12 (1) (c) Any person violating any provision of this section shall be given a notice that the keeping of such
13 inoperable vehicle constitutes a violation which must be abated within seven (7) days from the date of
14 such notice. The notice shall (1) reasonably describe the subject inoperable vehicle; (2) state that any
15 owner of such inoperable vehicle or any owner of property upon which such inoperable vehicle is
16 located may appeal the decision that the vehicle is in violation of this Section by a written notice of
17 appeal with the Code Enforcement Administrator of the Department of Housing And Neighborhood
18 Preservation within seven (7) days from the date of the notice; (3) state that failure to comply with the
19 requirements of this Section may result in the removal and disposal of the vehicle ; ~~and~~ (4) state that
20 such removal and disposal shall be at the expense of the owner of such inoperable vehicle or the
21 owner of the property upon which such vehicle is located-; and (5) state that an administrative fee in
22 the amount of one hundred fifty dollars (\$150.00) shall be chargeable to and paid by the owner of
23 such inoperable vehicle or the owner of the property upon which such vehicle is located and may be
24 collected as taxes and levies are collected.

25 (e) "...Should the cost of removal and disposal exceed the proceeds of sale as outlined in subsection
26 (e) above, the additional cost of any such removal and disposal shall be chargeable to the owner of
27 the inoperable vehicle or of the property and may be collected by the city as taxes and levies are
28 collected; and every cost authorized by this section with which the owner of the property has been
29 assessed shall constitute a lien against the property from which the inoperable vehicle was removed,
30 the lien to continue until actual payment of such costs has been made to the city.

31 (f) The owner or his agent may, at any time from the date of removal, up to and including the
32 twentieth day of storage, claim such vehicle upon payment of towing, preservation and storage
33 charges.

34
35 BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2008.

36
37 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO**
2 **VARIOUS WATER AND SEWER FEES**

3 SECTIONS AMENDED: §§ 28-4, 37-7.1, and Appendix B, Section 5.9

4 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

5
6 That sections 28-4, 37-7.1, and Appendix B, Section 5.9 of the Code of the City of Virginia Beach, Virginia
7 are hereby amended and reordained to read as follows:

8
9 **Sec. 28-4. Sanitary sewer connection fees, generally.**

10 (b) Where connection is made to the public sewer system, connection fees shall be ~~fifty-six dollars (\$56.00) fifty~~
11 ~~nine dollars (\$59.00)~~ per drainage fixture unit, as defined in the current edition of the Uniform Statewide Building
12 Code or, where gravity sewer service is not available to the property, twenty-eight dollars (\$28.00) per drainage
13 fixture unit.

14 (b1) Notwithstanding the provisions of subsection (b) hereof, where a use or structure connected to the sanitary
15 sewer system is expanded or modified so as to result in an increase in drainage fixture units, and such addition or
16 modification does not require site plan approval, connection fees shall be thirteen dollars (\$13.00) per drainage
17 fixture unit added.

18 (c) Where the property owner must construct a sewer or sewers, which are to become a part of the public sewer
19 system, to provide service to a specific parcel or parcels, as shall be shown on the approved construction plans,
20 connection fees shall be thirteen dollars (\$13.00) per drainage fixture unit.

21 (d) Whenever system installation costs are calculated pursuant to subsection (c) of this section, and the property
22 to be served discharges through a pump station owned by the city, then, in addition to the fees prescribed in
23 subsection (c) above, there shall also be charged a fee in the sum of seven hundred fifty six dollars (\$756.00)
24 from July 1, 2008 to June 30, 2009, and one thousand one hundred eighty seven dollars (\$1,187.00) effective
25 July 1, 2009 ~~three hundred twenty five dollars (\$325.00)~~ per gallon per minute/peak flow. "Peak flow" shall be
26 construed to mean the prevailing peak flow standards set forth by the state health department or the actual peak
27 flow, whichever is greater.

28 (e) Special sewer connection fees for seasonally operated campgrounds connected to any main or interceptor are
29 hereby established. Such fees shall be determined as follows:

30 (1) For campgrounds operated on a seasonal basis, each campsite or recreational vehicle pad shall be deemed
31 to contain one-half of the number of drainage fixture units contained in a residential bathroom, as established by
32 the current edition of the Uniform Statewide Building Code. For each such drainage fixture unit, the fee shall be
33 ~~fifty-six dollars (\$56.00) fifty nine dollars (\$59.00).~~

34 (2) For campgrounds operated on a year-round basis, each campsite or recreational vehicle pad shall be deemed
35 to contain the number of drainage fixture units contained in a residential bathroom, as established by the current
36 edition of the Uniform Statewide Building Code. For each such drainage fixture unit, the fee shall be ~~fifty-six~~
37 ~~dollars (\$56.00) fifty nine dollars (\$59.00).~~

38 For these fees to be applicable, the owner must enter into a contract with the city providing that, at such future
39 times as the campground is converted to year-round use, the fees specified in subsections (b) and (c) of this
40 section shall be applicable and that the owner shall pay the difference in such fees at the time of conversion to
41 year-round use.

42
43 **Sec. 37-7.1. Water resource recovery fees generally.**

44 (a) The fees prescribed by the following subsections of this section shall be paid as the property owner's share of
45 the cost of water resource development and associated distribution facilities. Such fees shall be known as
46 "recovery fees." The fees shall be determined on the basis of the drainage fixture unit schedule as provided in the
47 Uniform Statewide Building Code (Plumbing), as amended from time to time. Such fees shall also be applicable to
48 a use or structure presently connected to the water system whenever such use or structure is expanded, changed
49 or modified resulting in an increase in drainage fixture units, and to a use or structure not presently connected to
50 the water system when such use or structure connects. If a property owner has previously paid water line fees but
51 has not obtained a building permit, the property owner shall be charged the full amount of applicable recovery
52 fees, less a credit of any water line fees previously paid.

53 (b) Recovery fees shall be as follows:

54 (1) Each drainage fixture unit shall be charged a recovery fee according to the following schedule:

55 (i) Thirty-two dollars (\$32.00) per drainage fixture unit from the effective date of this section until June 30, 1986.

- 56 (ii) Sixty-three dollars (\$63.00) per drainage fixture unit from July 1, 1986, to December 31, 1986.
57 (iii) Sixty-six dollars (\$66.00) per drainage fixture until effective November 24, 1987.
58 (iv) Seventy-nine dollars (\$79.00) per drainage fixture from July 1, 2008, to June 30, 2009.
59 (v.) Ninety-two dollars (\$92.00) per drainage fixture effective July 1, 2009.
60

61 **Appendix B Subdivision Regulations, Sec. 5.9 Sanitary Sewerage.**

62 (d) Where general sewerage systems provided by the developer include pumping stations, where on-site standby
63 power is not provided by the developer, the developer will be required to deposit with the Department of Public
64 Utilities the sum of one thousand one hundred thirty three dollars ~~(\$1,000.00)~~ (\$1,133.00) from July 1, 2008 to
65 June 30, 2009, and one thousand six hundred sixty six dollars (\$1,666.00) effective July 1, 2009, per pumping
66 station to be used for the purchase of emergency portable equipment. ~~In the event a sewerage pumping station~~
67 ~~will have a capacity greater than one thousand (1,000) gallons per minute pumping rate, an additional fee of one~~
68 ~~dollar (\$1.00) per gallon per minute over one thousand (1,000) gallons per minute will be required.~~

69 (e) Developer shall pay all costs of engineering and inspection, landscaping, data communications, and such
70 other costs as may be involved in the connection to the public sewerage system. Landscaping fees shall be in the
71 sum of one thousand five hundred seventy dollars (\$1,570) from July 1, 2008 to June 30, 2009, and one thousand
72 six hundred thirty nine dollars (\$1,639.00) effective July 1, 2009. Developer shall also pay such connection, line
73 and tap fees as may be specified by city ordinance. No sewerage service shall be furnished by the city to any lot
74 created under this ordinance until all charges are paid; provided, however, that in case of a hardship, temporary
75 use may be made where the method of handling is jointly approved by the Director of Public Utilities and the
76 Director of Public Health and where the developer or lot owner accepts full responsibility and bears the cost of
77 such operation

78
79 BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2008.

80
81 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE**
2 **ESTABLISHMENT OF A LATE FEE RELATED TO THE PAYMENT OF**
3 **WATER BILLS**

4 SECTION AMENDED: § 37-54

5 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

6
7 That section 37-54 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained
8 to read as follows:

9
10 **Sec. 37-54. When due and payable; delinquency.**

11 (a) All bills for charges prescribed by this article shall be due and payable within thirty (30) days from
12 the date of the bill, and shall be deemed delinquent if not paid in full within such time. A late fee of
13 \$1.50 will be charged to accounts for a bill that is not paid within thirty (30) days from the date of the
14 bill. The Department of Public Utilities shall notify the customer, in writing, of such delinquency, and
15 shall direct the customer to show cause, within fifteen (15) days, why his water service should not be
16 discontinued.

17 (b) Failure to receive a bill for charges prescribed by this article shall not prevent the discontinuance
18 of service in accord with the provisions of this section.

19 (c) If, within forty-five (45) days of the date of a bill, all charges and interest provided for in this article
20 are not paid, a twenty dollar (\$20.00) delinquent service fee shall be applied to the account and the
21 water supply to the premises shall be disconnected.

22 (d) When water service is discontinued pursuant to this section, water shall not again be turned on
23 until all arrearages and charges have been paid, including the late fee and the delinquent service fee
24 of twenty dollars (\$20.00), if the premises are occupied by the same customer who incurred the bill;
25 provided, that any customer delinquent or in arrears shall settle all past indebtedness, wherever
26 incurred, before again being served city water.

27
28 BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2008.

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30 Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

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**AN ORDINANCE TO AMEND SECTION
33-71 OF THE CITY CODE FOR VARIOUS
PLANNING FEES**

Sec. 33-71. Schedule.

(a) Permit, inspection and guarantee fees for work for which a permit is required by this article shall be required or not required in accordance with the following schedule:

	Type of Project	Permit Fee	Inspection Fee	Minimum Guarantee Fee
(1)	One (1) permit for work of a continuing nature	\$75.00 <u>\$100</u>	Based on 1.5% the total cost of construction as provided in the engineer's cost estimate, excluding water, sewer and street light costs, with a \$50.00 minimum.	Deposit in accordance with estimated cost
(2)	Logging road, tram road and other temporary entrances	\$75.00 <u>\$100</u>	\$50.00	Deposit in accordance with estimated cost
(3)	Cutting, trimming or spraying trees or shrubs	\$75.00 <u>\$100</u>	\$50.00	\$25.00
(4)	Blanket permit	\$300.00 <u>\$500</u>	\$0.00	
(5)	Single- or two-family driveway aprons	\$35.00	\$0.00	\$0.00
(6)	Single permit	\$75.00 <u>\$100</u>	\$0.00	\$0.00
(7)	All other work	\$75.00 <u>\$100</u>	Based on 1.5% of the total cost of construction as provided in the engineer's cost estimate, excluding street light costs, with a \$50.00 minimum; provided, however, that water and sewer fees shall be based on 10% of the construction cost up to \$7500.00 plus 1.5% of the construction cost in excess of \$7500.00, with a \$50.00 minimum.	Deposit in accordance with estimated cost.

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(b) At the time easement or dedication plats are submitted a review fee in the amount of eighty-four dollars (\$84.00) shall be required.
(Code 1965, § 32-49; Ord. No. 1869, 5-15-89; Ord. No. 2073, 6-25-91; Ord. No. 2377, 3-26-96; Ord. No. 2633, 5-15-01; Ord. No. 2808, 5-11-04; Ord. No. 2876, 5-10-05)

Sec. 33-72. Reserved.

16 **Editor's note:** Ord. No. 2377, adopted March 26, 1996, repealed § 33-72, which set out the
17 amount of inspection fees under this article and which derived from Code 1965, § 32-47; and Ord.
18 No. 1869, adopted May 15, 1989.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

REQUESTED BY COUNCILMEMBER BARBARA M. HENLEY

1 **AN ORDINANCE TO AMEND CITY CODE SECTION 35-80.1,**
2 **PERTAINING TO REAL ESTATE TAX EXEMPTIONS AND TAX**
3 **CREDITS FOR REHABILITATION OF HISTORICALLY SIGNIFICANT**
4 **STRUCTURES**

5
6 SECTION AMENDED: § 35-80.1

7
8 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

9
10 That Section 35-80.1 of the Code of the City of Virginia Beach, Virginia, is hereby amended and
11 reordained to read as follows:

12
13 Sec. 35-80.1. Exemption for historically significant rehabilitated structures.

14
15 (a) *Finding; purpose.* The city council hereby recognizes the educational and cultural value of
16 the city's historically significant structures. The purpose of this section is to assist in the preservation of
17 such structures, and to that end, the substantial rehabilitation of historically significant structures shall
18 entitle the owner to a partial exemption from real estate taxes or real estate tax credit, subject to the
19 terms and conditions set forth in this section. The real estate assessor shall administer this section with
20 guidance from the ~~historical review board~~ director of planning as to the effect of rehabilitation projects on
21 the historical significance of structures.

22
23 (b) *Eligibility for exemption.* To be eligible for the partial exemption from real estate taxation or
24 tax credit provided by this section, a structure shall be historically significant and no less than fifty (50)
25 years of age at the time the application is made. Any such exemption shall only apply to rehabilitated
26 existing structures, and shall not apply to new construction. For the purpose of this section:

- 27
28 (1) "rehabilitation" shall mean the ~~restoration of an existing structure to its former state~~
29 ~~or condition~~ process of returning a property to a state of utility, through repair or
30 alteration, which makes possible an efficient contemporary use while preserving
31 those portions and features of the property which are significant to its historic,
32 architectural, and cultural values; and
33
34 (2) "historically significant structure" shall mean a structure listed on the Virginia Beach
35 Historical Register, as established ~~at in~~ in section 8-91 of this Code, or a structure
36 eligible for listing on the Register, and for which an application for inclusion on the
37 Register is pending at the time rehabilitation commences; and
38
39 (3) "qualifying costs" include the costs of all work done to the structural components,
40 heating, plumbing and electrical systems of the building, work done to update
41 kitchens and bathrooms, work necessary for compliance with the Americans With
42 Disabilities Act, the installation of fire suppression systems and fire escapes,
43 reasonable architectural and engineering fees, construction period interest and
44 taxes, and construction management costs. Acquisition costs, site work and
45 landscaping elements and any expenses attributable to additions or enlargements
46 of the building shall not be included.

47
48 Residential structures, hotel or motel structures, and commercial or industrial structures, as
49 provided by Virginia Code of Virginia §§ Sections 58.1-3220, 58.1-3220.1 and 58.1-3221, respectively,
50 ~~are~~ shall be eligible for the partial exemption provided by this section. The tax credit provided by this
51 section shall be available only to those property owners who, in addition to meeting the foregoing
52 requirements, meet the requirements set forth in subdivision (3) of subsection (f).

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(c) *Application for exemption; base value.* To qualify for a partial tax exemption for the rehabilitation of a historically significant structure, the owner(s) of such structure shall, at the same time an application is made for a building permit to rehabilitate such structure, file with the real estate assessor ~~and the historical review board~~ an application and construction plans. The application shall be on a form created and supplied by the real estate assessor. Among the other information supplied, the applicant shall estimate on the application form the qualifying costs of the rehabilitation project and any increase in value of the structure that may result. Such application must be filed prior to the commencement of any rehabilitation work for which an exemption is sought. No structure shall be eligible for such exemption unless the appropriate building permit(s) have been acquired.

(d) *Review of application and plans.* The ~~historical review board~~ director of planning or his designee shall review all applications, plans and other information submitted that relate to a rehabilitation project for which the exemption provided by this section is sought. If, after reviewing the application and plans for a proposed rehabilitation project, the ~~historical review board~~ director of planning determines in writing that the proposed project will diminish the historical significance of the structure, the real estate assessor shall, by certified mail, inform the applicant that the exemption will be denied for the proposed rehabilitation. If the ~~historical review board~~ director of planning determines in writing that a proposed rehabilitation project will restore or maintain the historical significance of the structure, the real estate assessor shall notify the applicant that the project has been approved for the exemption, subject to compliance with the terms of this section. The assessment of the structure for the current tax year, prior to commencement of the rehabilitation, shall constitute the base value of the structure. The ~~historical review board~~ director of planning shall endeavor to ~~review an application~~ make a determination within ~~sixty (60)~~ thirty (30) days from the date ~~a completed application~~ a completed application is received, and all applications, plans or other materials ~~reviewed~~ submitted by the ~~historical review board~~ applicant shall be returned to the real estate assessor after the review and inspection process is completed.

(e) *Inspection; effective date.* Within thirty (30) days of the rehabilitation project's completion, the owner shall notify the real estate assessor in writing that the project has been completed. The real estate assessor shall transmit this notice to the ~~historical review board~~ director of planning, which shall then inspect the rehabilitated structure to verify that the work has been completed as described in the previously filed application and plans. If the ~~historical review board~~ director of planning verifies in writing that such rehabilitation project has been satisfactorily completed, the real estate assessor shall so notify the applicant. The real estate assessor shall then reassess the rehabilitated structure, and record the new value as provided by law. Such verification and re-assessment shall be performed within sixty (60) days after such written notice of completion is received. Any tax exemption shall become effective on July 1 of the year following completion of the rehabilitation project. No structure shall be eligible for the partial exemption provided by this section unless the ~~historical review board~~ director of planning verifies that the rehabilitation work described on the application and plans has been completed in substantially the same manner described in the previously filed application and plans. In any case where the work performed substantially varies from the work described in the application and plans, the real estate assessor shall notify the applicant that the exemption will be denied.

(f) *Exemption and tax credit for rehabilitated historically significant residential structures.* The exemption for rehabilitated historically significant residential structures shall be calculated and applied as set forth below:

- (1) For rehabilitated historically significant residential structures, the exemption shall be in an amount equal to the greater of the initial increase in assessed value of the structure above its base value resulting from the rehabilitation of the structure, as determined by the real estate assessor, or an amount equal to fifty per cent (50%) of the qualifying costs of the rehabilitation, as defined in subdivision (3) of subsection (b), not to exceed the amount of the assessment of the structure at any time after its rehabilitation. The applicant shall submit to the

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~~real estate assessor documentation of all qualifying costs incurred as a basis for the exemption, and shall execute an affidavit stating that all such costs were incurred as part of the project. This~~ The exemption shall run with the land for fifteen (15) years. ~~No rehabilitation project shall qualify for this exemption unless the rehabilitation results in an increase of at least twenty (20) percent in the assessed value of the structure above the base value.~~ No increase in assessment occurring after the first year of such rehabilitation exemption shall qualify for an increase in such exemption. In the event of a decrease in the property's assessed value after the first year of any rehabilitation exemption, the exemption shall be based on the difference in taxes computed on the base value and the decreased assessed value of the property.

~~(2)~~ In addition to the exemption provided for in this subsection, there shall also be a real estate tax credit for rehabilitated historically significant residential structures for those property owners who have purchased and rehabilitated, in accordance with the provisions of this section, a historically significant residential structure which at the time of purchase was encumbered by local property tax liens exceeding fifty per cent (50%) of the assessed value of the property. Such tax credit shall be in an amount equal to the total amount of the tax liens, not to exceed the amount by which the local property tax liens exceeded fifty per cent (50%) of the assessed value of the property at the time of purchase. The credit shall be applied upon completion of the rehabilitation and may be allocated by the property owner over a period of no longer than ten (10) years.

~~(2)~~ (3) By August 15th of each year of the period of exemption from real estate taxes, the real estate assessor shall notify the city treasurer of the exemption and tax credit, if any, and the amount to be credited to the property owner's tax bill.

(g) *Exemption for rehabilitated historically significant commercial or industrial structures.* The exemption for rehabilitated historically significant commercial or industrial structures shall be calculated and applied as set forth below:

(1) For rehabilitated historically significant commercial or industrial structures, the exemption shall be an amount equal to ~~the greater of the initial increase in assessed value of the structure above its base value resulting from the rehabilitation of the structure, as determined by the real estate assessor, or an amount equal to fifty per cent (50%) percent of the qualified qualifying costs of rehabilitating the structure;~~ provided, however, that the amount of the exemption provided by this subsection shall not exceed the amount of the assessment of the structure at any time after its rehabilitation. This exemption shall run with the land for ~~five (5)~~ fifteen (15) years. ~~No increase in assessment occurring after the first year of such rehabilitation exemption shall qualify for an increase in such exemption. In the event of a decrease in the property's assessed value after the first year of any rehabilitation exemption, the exemption shall be based on the difference in taxes computed on the base value and the decreased assessed value of the property. For any rehabilitation project to qualify for this exemption, the rehabilitation project costs must amount to at least twenty five (25) percent of the structure's assessed value immediately prior to the rehabilitation work. The costs that may qualify in calculating the exemption include actual expenditures associated with any exterior, structural, mechanical or electrical improvements necessary to rehabilitate a historically significant structure for commercial or industrial use, including, but not limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors, windows, fire suppression systems, roofing and flashing, exterior repair, excavations, grading,~~

161 paving, driveways, roads, sidewalks, landscaping or other land improvements,
162 cleaning and cleanup. The applicant shall submit to the real estate assessor
163 documentation of all qualifying costs incurred as a basis for the exemption, and
164 shall execute an affidavit stating that all such costs were incurred as part of the
165 project.

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167 (2) By August 15th of each year of the period of exemption from real estate taxes,
168 the real estate assessor shall notify the city treasurer of the exemption and the
169 amount to be credited to the property owner's tax bill.

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171 (h) Exemption for rehabilitated historically significant hotel or motel structures. The
172 exemption for rehabilitated historically significant hotel or motel structures shall be calculated and applied
173 as set forth below:

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175 (1) For rehabilitated historically significant hotel or motel structures, the exemption
176 shall be in an amount equal to ninety per cent (90%) of the total assessed value
177 of the rehabilitated structure, not to exceed the increase in the assessed value
178 resulting from the rehabilitation of the structure as determined by the real estate
179 assessor. The exemption shall commence upon completion of the rehabilitation,
180 renovation or replacement and shall run with the real estate for a period of
181 twenty-five (25) years. No increase in assessment occurring after the first year of
182 such rehabilitation exemption shall qualify for an increase in such exemption. In
183 the event of a decrease in the property's assessed value after the first year of
184 any rehabilitation exemption, the exemption shall be based on the difference in
185 taxes computed on the base value and the decreased assessed value of the
186 property.

187
188 (2) By August 15th of each year of the period of exemption from real estate taxes,
189 the real estate assessor shall notify the city treasurer of the exemption and the
190 amount to be credited to the property owner's tax bill.

191
192 (h) (i) Land book. Pursuant to Code of Virginia §§ 58.1-3220(C) and 58.1-3221(C), the
193 commissioner of the revenue shall not list or display any exemption provided by this section as a reduced
194 value in the land book.

195
196 (i) Ineligibility for exemption or tax credit; termination of exemption same. Improvements
197 made upon vacant land, demolition or total replacements of historically significant structures, and
198 rehabilitation efforts that the historical review board planning director has determined, in writing, will
199 diminish the historical significance of a structure shall not be eligible for the partial exemption from real
200 estate taxation or tax credit provided by this section. ~~Failing~~ Failure to comply with any provision of this
201 section, or the making of false statements in the course of applying for the exemption or tax credit
202 provided by this section, shall constitute grounds for denial of the exemption or tax credit. Changes to a
203 structure that, after a rehabilitation project has been completed and an exemption or tax credit granted,
204 cause it to be ~~deleted~~ removed from the Virginia Beach Historical Register, shall terminate the exemption
205 and tax credit provided by this section, effective July 1 of the next tax year.

206
207 **COMMENT**

208 **The proposed amendments are intended to encourage the preservation of historically significant**
209 **structures in the City by streamlining the existing process for seeking a partial real estate tax exemption for**
210 **rehabilitation of historically significant structures and by increasing the opportunities for obtaining such**
211 **exemptions**

212 **The proposed amendments are described as follows:**

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Subsection (a):

- A reference to a local real estate tax credit is added. The substantive provisions regarding the tax credit are set forth in Subsection (f).

Subsection (b):

- The term "rehabilitation" is redefined so as to eliminate the need to restore an existing structure to its former state. The new definition recognizes that the rehabilitation of historic structures allows them to be brought up to date for contemporary use while at the same time preserving their historic, architectural and cultural values.
- The definition of "historically significant" structures is expanded to include properties that are eligible, and have applied, for inclusion on the City's Historical Register at the time of rehabilitation.
- Adds a definition of "qualifying costs" (i.e., costs of rehabilitation that are eligible to be used as the basis for the real estate tax exemption). The qualifying costs generally are the same as, but not identical to, those allowed under state and federal historic preservation tax credit programs.
- Historically significant hotels and motels are added to the list of structures eligible for the historic preservation tax exemption, and a further reference to the tax credit provisions are added.

Subsection (c):

- Conforming amendments are made (replacement of Historic Review Board as reviewing entity) in light of amendments to Subsection (d)

Subsection (d):

- The Historic Review Board is replaced as the entity that reviews applications for exemptions. The Director of Planning or his designee will perform that function.
- The review time for applications is reduced from 60 days to 30 days,

Subsection (e):

- The amendments conform the provisions of the subsection to those of Subsection (d).

Subsection (f):

- In subdivision (1), language is added to allow for an alternative exemption equal to 50% of the qualifying cost of rehabilitation of historically significant residential structures. This exemption would apply if that amount is greater than the exemption currently in the ordinance (an amount equal to the increase in the assessed value of the structure as a result of the rehabilitation). In addition, the amendments delete the requirement that the assessed value of a structure must be increased by at least 20% as a result of the rehabilitation. The amendments also require a property owner seeking the exemption to document the qualifying costs of rehabilitation.

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- In subdivision (2), a new provision has been added. The provisions allows, in addition to the tax exemption, a tax credit against the real estate tax for property owners who bought and rehabilitated a historically significant residential structure that was subject to local real estate tax liens exceeding 50% at the time of purchase. The tax credit may not exceed the amount by which the local property tax liens exceeded fifty per cent (50%) of the assessed value of the property at the time of purchase, and may be allocated by the property owner over a period of no longer than ten (10) years.
- In subdivision (3), a conforming amendment is made.

Subsection (g):

- In subdivision (1), a provision allowing an alternative exemption for historically significant commercial or industrial structures is added. Currently, the exemption is equal to 50% of the qualifying costs of rehabilitation. The alternative exemption is for an amount equal to the increase in assessed value of the structure as a result of the rehabilitation. The greater amount of the two alternatives would apply. In addition, the length of the exemption is increased from five to fifteen years, and the requirement that the assessed value of a structure must be increased by at least 25% in order to qualify for the exemption is deleted.

Subsection (h):

- The amendments establish a tax exemption for historically significant hotels and motels. The exemption is in the amount equal to the greater of (90%) of the total assessed value of the rehabilitated structure, not to exceed the increase in the assessed value resulting from the rehabilitation of the structure

Subsection (i):

- Only technical amendments of no substantive effect are made.

Subsection (j):

- Only conforming amendments are made.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2008.

1 **A RESOLUTION CONCERNING THE CITY'S FY 2008-09**
2 **ACTUARIAL PAYMENT IN ACCORDANCE WITH THE GASB45**
3 **GUIDELINES AND THE FUND BALANCE OF THE CITY AND**
4 **SCHOOL HEALTH INSURANCE INTERNAL SERVICE FUND**
5

6 WHEREAS, the City of Virginia Beach desires to fund its long term health insurance commitment
7 to retirees pursuant to Government Accounting Standards Board Circular 45 ("GASB45");
8

9 WHEREAS, for FY 2008-09, the actuarially required contribution for the City to meet the GASB45
10 guidelines is \$5 million;
11

12 WHEREAS, it is financially prudent to have a fund balance policy for the Health Insurance Special
13 Revenue whereby the fund shall retain a balance of an amount equal to one month's of health care
14 expenses based on the previous year's actual cost.
15

16 NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA
17 BEACH, VIRGINIA:
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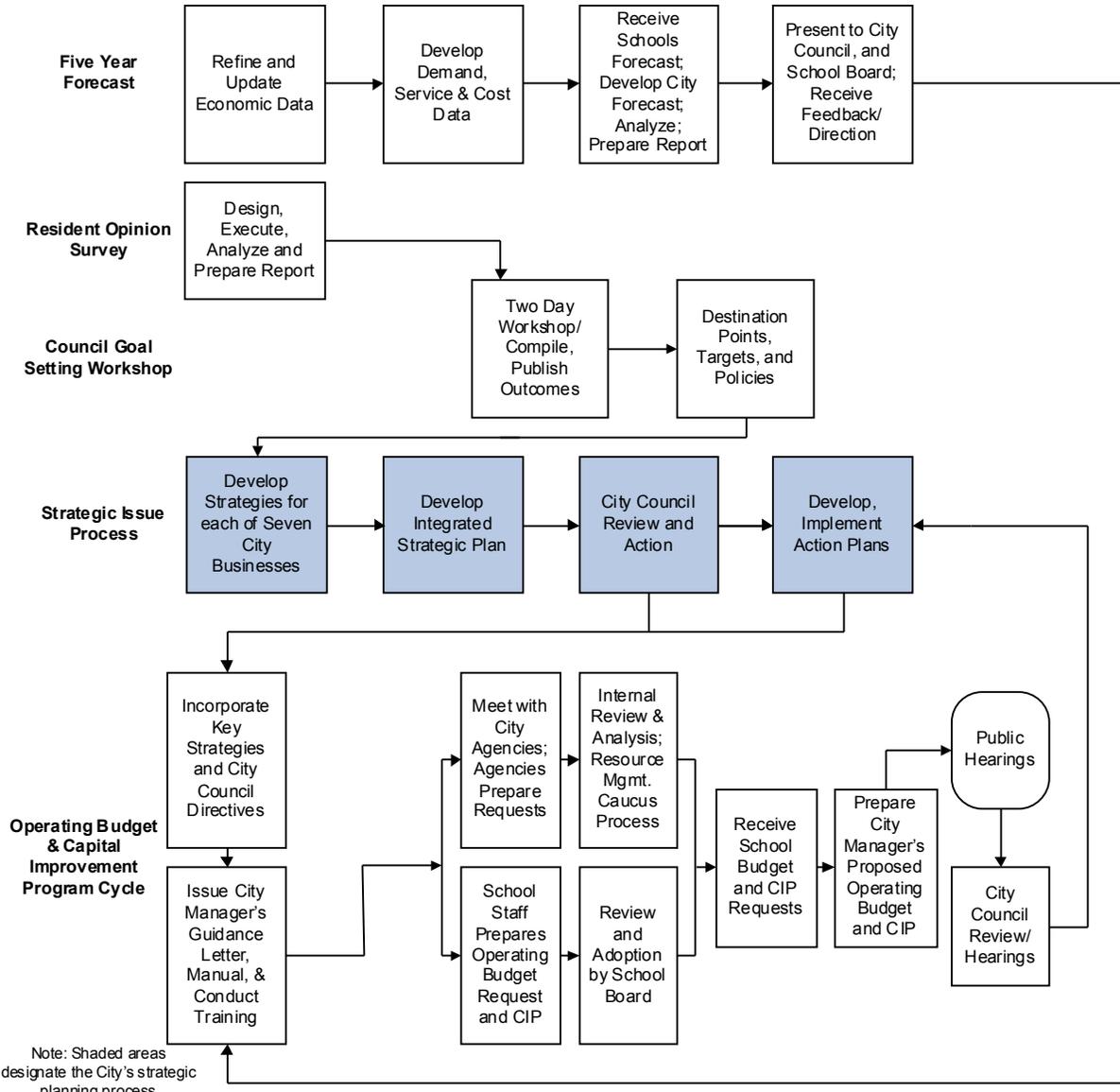
19 1. That the FY 2008-09 GASB45 actuarially required payment of \$5 million shall be funded
20 with \$4 million from the General Fund and \$1 million from the City and School Health Insurance Internal
21 Service Fund.
22

23 2. That the City and School Health Insurance Internal Service Fund shall retain a balance in
24 the fund equal to one month's health care expense, based upon the previous year's actual cost.
25

26 Adopted by the Council of the City of Virginia Beach, Virginia on the 13th day of May, 2008.

Resource Management Process Overview

The chart below provides a graphic view of the City's strategic planning and resource allocation process:



Legal Framework

Submission of the Budget - The City Manager shall submit to the City Council a budget and a budget message at least 90 days prior to the beginning of each fiscal year.

Balancing of the Budget - As required by Section 5.04 of the Virginia Beach Charter, the budget recommendation by the City Manager must be balanced with revenues equal to expenditures. If expenditures exceed the receipts estimated, the City Manager shall either recommend an increase in the tax rates on real estate, tangible property, or other new or existing items, or recommend a reduction in expenditures. If estimated receipts exceed estimated expenditures, the City Manager may recommend revisions in the tax and license ordinances to bring the budget into balance.

School Budget - The City's operating budget incorporates the budget for educational purposes. The School Board submits a School Board approved budget to the City Council and the City Manager. The City Manager may recommend a revised School Budget. City Council considers the School Budget as part of the total operating budget and may appropriate funds based on categories established by State Law.

Base Level Budget Ordinance - In March, 2005 the City Council adopted an ordinance, sponsored by Councilman Schmidt, which requires the biennial operating budget to be presented with real estate tax revenue grown only by new construction. All other revenues of the government are allowed to reflect their normal growth. The anticipation growth in real estate tax revenue, which results from the growth in assessments, is held off at the base level of the budget. Then, in priority order, programs which would require the use of the growth are added back. This equates to the "base" level.

Public Hearings on the Budget - Section 5.07 of the Virginia Beach Charter requires City Council to hold a public hearing on the budget as submitted. Notice of the public hearing is published not less than seven days prior to the date of the hearing. As a practice, the City Council holds two such hearings each year. The City Council also holds several workshops to discuss the budget and to seek answers to questions concerning the proposed budget.

Adoption of the Budget - After the public hearing, City Council may make changes in the budget as it may determine. Following its revisions, the City Council then adopts the budget at one reading.

Amending the Adopted Budget - The City Council may amend the budget from time to time during the fiscal year. The City Manager may transfer funding in amounts in accordance with the Operating Budget Ordinance. Section 2-187.1 of the Virginia Beach City Code states that supplemental appropriations which exceed 1% of the total revenue shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and public hearing seven days prior to the meeting date.

Amending the Adopted Capital Improvement Program - The Capital Improvements Program and the Capital Budget are governed by City Code Section 2-195 which parallels the requirements of the City's Operating Budget.

Budget Administration - The legally appropriated funding level determines the spending limits for municipal operations. The City Manager establishes additional controls to assist directors in managing their operations within the amounts and intent approved by City Council. Departments/Agencies are allowed, during the fiscal year, to make adjustments within their appropriation limits through the transfer process; the City Manager may transfer up to \$100,000 on his signature; and the City Council must approve transfers over \$100,000.

Resident Opinion Survey

A bi-annual survey of citizens is made to assist in evaluating City services and identifying areas in need of attention. One purpose of the survey is to provide the City Council and the departments with statistically valid citizen usage rates of and perceptions regarding City services.

Council Goal Setting Workshop

An annual two-day workshop is held by the City Council to review the City's progress, assess its direction, and identify and discuss issues and priorities. The results of this workshop include a Policy Agenda which identifies 1) long-term priorities for a five-year period and 2) shorter-term targets for action. These goals and targets then become a part of management's planning, action, and monitoring process. They are incorporated in the Operating Budget and CIP preparation guidelines and review.

Strategic Issues Process

In order to develop implementation plans for attaining the City Council goal areas, the City Manager and the Management Leadership Team (MLT) established a series of Director-level teams. Each Strategic Issue Team (SIT) was charged with a specific goal area or sub-goal area (see discussion of each team's mission included in the City Council Goal Section of this document). The teams examine the root causes, key factors, and driving forces of the issue defined. They work to examine viable alternatives and define potential strategic actions. (This process does not automatically assume the need for additional funds, but often the need to redirect existing funds to higher priority areas).

Five-Year Forecast

Each year an updated five-year forecast of revenues and expenditures for School and City programs is prepared and presented to City Council and the School Board. The forecast is designed to provide long-range financial and program information to the City Council and the School Board and to serve as a forum policy review.

Operating Budget Process

The traditional process of departments requesting funds for their existing and proposed programs; the budget office reviewing those requests and making a recommendation to the departments on resource levels; the departments then appealing their concerns over those recommendations to the City Manager who refereed between the competing needs; and then the City Council reviewing and ultimately approving a package of resources, programs and services for the upcoming fiscal year has been replaced with a process which broke through these traditional roles and pulled the players together to jointly make decisions.

A Resource Management Caucus, comprised of the City Manager, the Department of Management Services and SIT members from other departments, sets priorities and provides advice on the package of services and programs to be recommended to the City Manager. The following describes the process used to develop the Operating Budget.

- The Departments each prepare their resource requests in accordance with the program needs and issues and in response to the Strategic Plan. This preparation is done in the City's Departmental Budget Request System (DBRS). Each Department submits the following:
 - A description of the department, its mission, its objectives, and its performance indicators.
 - Funding requests necessary to maintain the same levels of effort/service delivery as provided during the current fiscal year.
 - Funding requests necessary to meet known increases in demand for existing services.
 - Requests for expansion of services or new programs are submitted to Management Services through program proposals in order to present the caucus with a systems view of the programs being proposed.

The requests are submitted to the Department of Management Services where they are analyzed for accuracy, completeness, and consistency with policies.

- The Department of Management Services is responsible for preparation of all revenue estimates. In addition, the Department with the help of others, facilitates all meetings of the Resource Management Caucus.
- Summaries of each Department's unfunded requests are provided to all members of the Resource Management Caucus for information and review. In addition, information on revenues is provided. These summaries illustrate any gap between service needs and revenues.
- The Resource Management Caucus, through a series of meetings involving brainstorming, priority setting, and facilitated small group discussions, works through the issues and funding priorities based on strategic considerations.
- The City Manager reviews the priority recommendations and finalizes the services to be included in the upcoming budget.
- The City Council receives the Resource Management Plan, of which the Operating Budget is a part, no later than April 1, for their consideration. As part of their review process, the City Council holds several workshops with the Department Directors to discuss issues and concerns. In addition, they hold two public hearings to receive public input into the proposed plan. Final action on the Operating Budget must occur no later than May 15.

Performance Measurement Process

A significant part of the Operating Budget emphasizes selected indicators of program performance in terms of output, quality, and efficiency. City-wide Indicators are currently under development to assess outcomes at the City-wide and/or community levels within each of the major business areas of the City.

Capital Improvement Process

The development of the six-year Capital Improvement Program (CIP), from the distribution of forms to adoption by the City Council, requires approximately 160 days. The process begins with the allocation of target funding levels based on prior years' CIPs and expected availability of financing. The development of the program requires coordination and cooperation from many departments. The following have major responsibilities in producing the CIP:

- Department of Planning and Community Development participate in transportation project planning and prepares the Comprehensive Plan regarding land use development.

- Department of Management Services (DMS) coordinates the overall process, determines funding and budget plans, provides technical assistance to departments, and makes recommendations. The CIP Focus Group consists of members from each department submitting CIP project requests and financing. The purpose of this group is to foster communication and coordination regarding the City's capital improvement projects.
- Departments responsible for submission of Capital Improvement Project requests are:
 - Schools Division: schools and educational facilities;
 - Public Works: roadways, storm water, and coastal projects;
 - Convention and Visitor Development: economic and tourism development projects (in cooperation with Public Works);
 - Management Services: new City buildings, renovation, site work, or expansion;
 - Parks and Recreation: parks and recreational facilities;
 - Public Utilities: water and sewer lines, mains, pumps, and related facilities.

The Department of Management Services analyzes departmental submissions within two fiscal parameters: dedicated tax revenue streams and overall debt. Some of the revenue sources updated annually include: Tourism Growth Incentive Fund, Open Space Initiative, Storm Water, Water and Sewer Utility Fee, Parking Enterprise Fund, Sandbridge Special Service District, and VDOT Maintenance Reimbursement.

There is a separate CIP Caucus comprised of members of each functional area, Strategic Issue Team leaders, and the Management Leadership Team. The CIP Caucus, like the Operating Budget Caucus, reviews the requested items (in the case of the CIP, projects) that are above the basic level of funding to determine priorities.

In addition, DMS evaluates funding limits for the overall CIP based on debt indicators and the City Council's debt limit policy. DMS's debt management analysis utilizes four key indicators with prescribed limits.

The CIP is submitted to City Council along with the Operating Budget and they are reviewed together.

Combined Operating Budget and Capital Improvement Program Process

There has always been a defined linkage between the annual Operating Budget and the Capital Improvement Program. The Operating Budget provides funding for certain capital projects and will carry the operating impacts of those projects once constructed. The impact of the CIP is also reflected in the five-year forecast.

Public Information

Citizens have the opportunity to attend two public hearings held to allow the public to make comments before the City Council formally votes to adopt the Resource Management Plan for the next fiscal year. The Proposed Resource Management Plan is available to citizens at public libraries, City Hall, and at www.vbgov.com. Public notices, which present highlights of the Plan, are published in the local newspaper.

Resource Management Plan Calendar

September

09/28/07 - Program proposals requesting funding for expansion of services or new programs are submitted to the Department of Management Services.

October

10/05/07 - 11/30/07 - Departments along with their assigned analysts from Management Services spend the next two months developing individual program resource requests and entering the data into the Budget and CIP databases.

10/05/07 - The Department of Management Services develops a target computation.

10/05/07 - Resource Management Caucus meets to discuss targets and to set the process for the FY 2008-09 and FY 2009-10 operating budgets.

November

11/13/07 - Capital Improvement Program requests are due to the Department of Management Services.

11/20/07 - Five-Year Forecast is presented to City Council, detailing the City's financial position over the next five years and other economic trends affecting the City.

11/30/07 - Departmental budget requests are due to the Department of Management Services.

January

01/25/08 - Resource Management Caucus meets to prioritize new and unfunded existing programs to recommend for inclusion in the Resource Management Plan.

February

02/05/08 - School Superintendent submits Estimate of Needs for FY 2008-09 and FY 2009-10 to the School Board.

March

03/04/08 - Adoption of Schools Operating Budget and Capital Improvement Program by the School Board.

03/25/08 - Proposed Resource Management Plan is presented to the City Council.

April

04/08/08 - City Council Workshop on the Proposed Resource Management Plan

04/15/08 - City Council Workshop on the Proposed Resource Management Plan

04/17/08 - Public hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/22/08 - City Council Workshop on the Proposed Resource Management Plan

04/22/08 - Public hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/29/08 - City Council Workshop on the Proposed Resource Management Plan

May

05/06/08 - City Council Reconciliation Workshop on the Proposed Resource Management Plan.

05/13/08 - Public hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

05/13/08 - Adoption of the Resource Management Plan.

Accounting and Budgeting Basis

The accounting, budgeting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are budgeted and accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 45 days after year end. Expenditures are recorded when the related fund liability is incurred, if measurable (except for unmatured interest on general long-term debt which is recognized when due and paid).

The following is a list of the major revenue sources which meet the "susceptible to accrual" criteria:

- General Property Taxes
- Interest on Deposits
- General Sales Taxes
- Revenue from the Commonwealth
- Revenue from the Federal Government
- Utility Taxes
- Amusement Taxes
- Hotel Taxes
- Restaurant Taxes

All Proprietary Funds are budgeted and accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, revenues are recognized when earned and expenses are recorded when a liability is incurred. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" (Statement No. 20, Proprietary Fund types follow all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) pronouncements and predecessor Accounting Principles Board Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989). Under paragraph 7 of Statement No. 20, the City has elected not to apply FASB pronouncements issued after November 30, 1989.

The City reports deferred revenue in the fund financial statements. Deferred revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the fund balance sheet and revenue is recognized.



City Council Policy

Title: Policy for the Sharing of Certain General Fund Revenues Between the City of Virginia Beach and the Virginia Beach School Board		Index Number: 6.02
Date of Adoption: 02/25/97	Date of Revision: 03/12/07	Page 7 of 7

1.0 Purpose

The purpose of this policy is to establish a procedure for allocating to the City and the School Board, respectively, certain General Fund revenues estimated to be available in a given fiscal year.

This policy will establish a predictable, objective means of sharing local revenues and establish a balance between School programming needs and the wide range of other needs of the City. This policy will provide both the City and the School Board notification about revenue estimated to be available for fiscal year planning.

Revenues allocated to the School Board represent the City's contribution to Schools. These revenues are used to fund the local share of the School Board's operating budget, local debt service costs, and pay-as-you-go capital improvements. The remaining revenues shall be allocated to the City. Tax Increments Financing revenue and Special Service District revenue shall not be subject to the Revenue Sharing Formula. The Revenue Sharing Formula will be reviewed periodically by a committee as established in section 9.1 of this policy, and will be adjusted as necessary.

2.0 Definitions

2.1 **The City** refers to the City of Virginia Beach, exclusive of Schools.

2.2 **City Council** refers to the City of Virginia Beach City Council.

2.3 **Schools** refers to the Virginia Beach City Public Schools.

2.4 **The School Board** refers to the Virginia Beach School Board.

2.5 **Revenues subject to the formula** are defined as general fund revenues from the real estate, personal property, general sales, utility (Non-Telecommunications), State Telecommunications, business license taxes, and from cable television franchise fees (through current 2016).

2.6 **The Revenue Sharing Formula** is the percentage formula by which Revenues Subject to the Formula are allocated between the Schools and the City.

2.7 **Budgeted Revenues** are the original estimates of revenues subject to the Revenue Sharing Formula adopted by City Council in May of each year.

2.8 **Actual revenues** are the collected revenues subject to the Revenue Sharing Formula.

3.0 Procedure to Accomplish the Policy

3.1 As a starting point for the fiscal year 2007-08 budget, the Schools will be allocated 51.3% of the Revenues Subject to the Formula, and the City will retain 48.7% of the Revenues Subject to the Formula. These aggregate percentages are based on the actual allocations of Revenues Subject to the Formula by City Council in fiscal year 2006-07 as calculated after the adoption of the budget. These percentages may be adjusted for any fiscal year at the discretion of the City Council. An adjustment may be necessary due to a tax increase or decrease, an increase or decrease in other revenue, or any other circumstance, at the discretion of the City Council. Immediately following the adoption of the budget for fiscal year 2006-07, the City's Department of Management Services will determine the actual percentages of Revenues Subject to the Formula allocated to Schools and retained by the City. The actual percentages of Revenues Subject to the Formula allocated to the Schools and retained by the City shall be the starting point for allocations of Revenues Subject to the Formula for the next fiscal year. This process shall continue each year, with the City's Department of Management Services calculating the actual allocation percentages after the adoption of the budget each year, and actual percentage allocations of Revenues Subject to the Formula for each fiscal year constituting the starting point for allocations for the subsequent fiscal year.

3.2 A table showing the history of total Revenues Subject to the Formula, total Revenues Subject to the Formula allocated to the Schools, tax rates, tax rate changes, and the resulting Revenue Sharing Formula for each year is incorporated as a part of this policy in Appendix A. This table will be updated annually to reflect the most recent Revenue Sharing Formula based on the most recent budget adopted by City Council.

3.3 Preliminary revenue allocation, using the actual allocation percentages for the previous year, will be based on annual October 1 revenue estimates. Updates will be made during budget development, based on December 31 collections, and provided to both parties within 20 calendar days of the December 31 collections.

3.4 If in the development of the City biennial budget a local tax change is being considered, the City Manager will provide notification to the Superintendent of Schools detailing the scope and magnitude of any contemplated tax rate change. The City Manager shall provide notice as early in the school budget development process as possible, preferably prior to the presentation of the Superintendent's Estimate of Needs in February.

3.5 The proportion of revenues for the City and Schools allocated based on the Revenue Sharing Formula shall not be affected by section 2-186.1 of the City Code regarding preparation of the budget using a "base budget" method. The City and the Schools recognize that it is not the intention of section 2-186.1 of the City Code to alter the Revenue Sharing Formula.

3.6 For fiscal years 2006-07 and 2007-08, Revenues Subject to the Formula will also be calculated, for informational purposes only, according to the allocation ratio for each individual revenue stream included in the Revenue Sharing Formula, taking into consideration changes to the rates for the various streams as a result of Council action. These stream-specific allocation ratios are detailed on Appendix B of this policy. At the scheduled Revenue Sharing Policy review in January 2007, the aggregate method of calculating the Schools' portion of the revenue (set forth by section 3.1 of this

policy) will be compared to the stream-specific method of calculating the Schools' portion of the revenue to ensure that the use of the aggregate percentage as described in Section 3.1 does not, exclusive of other factors, negatively impact the amount of revenue that the Schools receive. If it is determined that the allocation method described in Section 3.1, in and of itself, negatively impacts the amount of revenue that the Schools receive, definitive steps will be taken to remedy the situation.

4.0 Additional Funding-Schools

- 4.1 If the School Board determines a need for additional local funding to maintain its current level of operations or to provide for additional initiatives, it shall make a formal written request to the City Council, through its chairman, stating the purpose(s) for which the additional funding is needed, and the amount of additional funding required.
- 4.2 The City Council shall review any School Board request for additional local funding and determine if additional funding is available. If the City Council determines that additional local funding cannot be made available without an increase in local tax rates, it shall formally notify the School Board.
- 4.3 If the School Board desires to request an increase in local tax rates to generate the additional local funding requested, the School Board shall hold a public hearing on the issue of whether local tax rates should be increased to provide additional revenue for the purpose(s) identified by the School Board. Following the public hearing, if the School Board desires to request an increase in local tax rates, the School Board shall make a formal request to the City Council to increase local tax rates to a level necessary to generate the additional funding. The School Board shall make such a request in the form of an adopted School Board resolution.
- 4.4 City Council shall consider any properly submitted request by the School Board for a local tax increase and determine the appropriate action.
- 4.5 If, after deliberation and appropriate public involvement, including the consideration of a referendum in appropriate circumstances, the City Council adopts a local tax rate increase to generate the additional local funding requested by the School Board, the full amount of revenue produced by the local tax increase shall become part of the School revenue share for the fiscal year budget being developed, and for all future fiscal years.

5.0 Additional Funding-City

If the City Council determines that additional funding is needed to maintain the current level of City operations or to provide for additional initiatives in City programs or services, the City Council shall determine the appropriate action. If after deliberation and appropriate public involvement, including consideration of a referendum in appropriate circumstances, the City Council adopts a tax rate increase to generate the additional local funding for City Government programs, the full amount of revenue produced by the local tax increase shall become part of the City revenue share for the fiscal year budget being developed, and for all future fiscal years.

6.0 Tax Rate Decrease

If the City Council determines that it is in the best interest of the community to decrease the rate for any of the taxes or fees that are included in the Revenue Sharing Formula, the revenue estimates will be calculated using the lowered tax rates. The City revenue share and the Schools revenue share shall be affected by a tax rate reduction in the same proportion that budgeted revenues were shared for that fiscal year, unless otherwise specifically determined by the City Council.

7.0 Actual Revenues Deviate from Budgeted Revenues

- 7.1 If, at the end of the fiscal year, the actual revenues exceed the budgeted revenues, the amount of excess revenues shall be shared by the City and the School Board in the same proportion that budgeted revenues were shared for that fiscal year; provided that such excess revenues shall only be shared after the necessary resources for the Fund Balance Reserve Policy have been determined and fulfilled.
- 7.2 If, however, the City anticipates, at any time during the fiscal year, that actual revenues will fall below budgeted revenues, the School Board, upon notification by the City Manager of such an anticipated shortfall, will be expected to reduce expenditures in an amount equal to the School Board's proportion of a shortfall.

8.0 Unanticipated Revenues

Any increase in revenues resulting from actions of the Commonwealth of Virginia not contemplated by this policy shall not be subject to the Revenue Sharing Formula but shall be the subject of joint discussions of the City and the Schools.

9.0 Revision to Policy

- 9.1 A committee comprised of two members of City Council, two members of the School Board, the City Manager, the Superintendent of Schools, the City Chief Financial Officer, the School Chief Financial Officer and the Director of the Department of Management Services shall periodically review this policy and its application.
- 9.2 This policy shall be reviewed, and revised as appropriate or necessary,
 - (a) whenever a rate change for any of the taxes included in the Revenue Sharing Formula has been adopted;
 - (b) whenever the funds made available to the School Board pursuant to this policy are not adequate to meet the State Board of Education's mandated "standards of quality";
 - (c) whenever any significant unanticipated changes occur in the level of estimated federal and state revenues available to the School Board;
 - (d) whenever any significant unanticipated changes occur in City revenues not included in the Revenue Sharing Formula; and
 - (e) periodically, but at least biennially, beginning not later than January 31, 2007.

Approved as
to Content:

Anthony Whitson
Director of Management Services

20 March '07
Date

Approved as
to Legal Sufficiency:

John L. Allen
City Attorney

3/20/07
Date

Reviewed by:

James K. Sporn
City Manager

MARCH 20, 2007
Date

APPROVED BY
CITY COUNCIL:

Meyers E. Oberndorf
Mayor

June 12, 2007
Date

Revenue Sharing Formula Policy

Appendix A FY 1997 - 2009

Revenue	FY 1997 Rate	FY 1998 Rate	FY 1999 Rate	FY 2000 Rate	FY 2001 Rate	FY 2002 Rate	FY 2003 Rate
Real Estate Tax	1.22	231,078,016	240,968,494	253,781,350	267,618,466	282,792,433	298,785,562
RE Tax Public Service	1.22	6,099,806	5,910,744	6,160,203	6,291,653	6,649,361	7,024,086
RE Tax Delinquent	1.22	570,479	530,202	625,896	823,202	906,822	928,856
Personal Property Tax	3.70	74,621,159	75,867,261	86,321,826	88,016,364	98,021,277	100,320,466
General Sales Tax	1%	36,171,287	36,631,825	38,764,180	40,331,525	41,208,796	41,370,311
Utility Taxes - see note (a)		28,816,558	29,681,023	30,270,754	31,823,732	31,908,988	31,968,743
Utility Taxes - Consumption							1,385,444 (c)
Utility Taxes - Cellular Phones (b)	\$3	1,807,200	1,942,740	1,711,061	1,663,132	2,017,610	3,180,901
Business License Tax	varies	22,504,867	25,521,687	25,570,088	27,880,165	29,396,269	30,815,259
Cable Franchise Tax	5%	2,969,583	3,288,292	3,393,352	3,446,326	3,754,440	4,639,462
Total Revenue in Formula	380,401,752	404,638,955	420,342,268	446,598,710	467,894,565	496,655,996	520,419,090
School Operating Transfer		182,236,233	187,703,617	199,879,794	208,189,195	225,336,750	234,934,664
Debt Service		31,079,628	31,481,013	34,607,610	36,248,916	35,688,677	38,712,634
CIP Pay-Go			2,424,339	1,037,460	2,311,304	1,000,000	1,000,000
Total School Allocation	202,121,285	213,315,861	221,608,969	235,524,864	246,749,415	262,025,427	274,647,298
Total City Allocation	178,280,467	191,323,094	198,733,299	211,073,846	221,145,150	234,630,569	245,771,792
City funding as % of total Revenue	46.87%	47.28%	47.28%	47.26%	47.26%	47.24%	47.23%
School funding as % of total Revenue	53.13%	52.72%	52.72%	52.74%	52.74%	52.76%	52.77%

(a) In FY 1998, residential utility tax increased from \$2.40 to \$3.00 per month for electric, gas, telephone, and water utilities. The commercial rates increased as well on a tiered basis. Because this increase was at the request of the City, 100% of the increase was allocated to the City. It was calculated that 89.1% of the total utility tax was henceforth subject to the Revenue Sharing.
 (b) 10% of first \$30.00.
 (c) Consumption is tiered; set by State Code.

Revenue	FY 2004 Rate	FY 2005 Rate	FY 2006 Rate	FY 2007 Rate	FY 2008 Rate	FY 2009 Rate
Real Estate Tax	326,074,713	362,347,945 1.1964	377,664,464 1.0239	441,312,070 0.990	469,574,581 0.890	479,206,211 0.890
RE Tax Public Service	7,241,806	6,905,591 1.1964	5,016,179 1.0239	3,775,947 0.990	4,090,908 0.890	4,518,482 0.890
RE Tax Delinquent	1,016,145	1,121,572 1.1964	1,014,381 1.0239	1,014,381 0.990	1,157,836 0.890	1,244,459 0.890
Personal Property Tax	106,624,523	110,035,897	113,389,566	127,582,769	138,514,563	133,953,642 (e)
General Sales Tax	43,807,065	45,538,506	50,833,174	53,390,260	55,691,645	56,040,158
Utility Taxes	32,061,944	33,569,117	32,064,827	30,169,337	23,680,089	23,791,320
VA Telecommunications Tax					16,909,586	23,634,421 (f)
Utility Taxes - Consumption	1,418,695	1,641,706	1,576,053	1,585,793	1,624,392	1,619,709
Utility Taxes - Cellular	4,372,070	5,267,578	8,466,780	7,906,182		
Business License Tax	31,958,284	34,065,874	37,140,370	40,794,218	44,987,246	43,180,830
Cable Franchise Tax	4,795,420	4,857,144	4,612,615	4,941,085	4,746,613	5,413,198
Total Revenue in Formula	559,370,665	605,350,930	631,778,409	712,472,042 (g)	760,977,459	772,602,430
School Operating Transfer	254,754,290	256,418,891	268,713,519	307,224,646	336,870,685	338,982,548
Debt Service	39,582,583	41,303,652	40,912,433	40,282,967	41,402,094	41,411,259
CIP Pay-Go	1,000,000	17,597,408	17,597,408	17,597,408	12,108,658	13,936,308
Total School Allocation	295,336,873	315,319,951	327,223,360	365,105,021	390,381,436	394,330,115
Total City Allocation	264,033,792	290,030,979	304,555,049	347,367,021	370,596,023	378,272,315
City funding as % of total Revenue	47.20%	47.91%	48.21%	48.76%	48.70%	51.04% (h)
School funding as % of total Revenue	52.80%	52.09%	51.79%	51.24%	51.30%	48.96%

(e) Beginning in FY 2008-09, this excludes the proposed increase in Machinery Tools tax and Pleasure Craft/boats, because the City requested these tax increases.
 (f) The E-911 Communications Special Revenue Fund previously was allocated 29.53% of the total Virginia Telecommunication Tax, which equated to the historical amount received through the previous local taxes. This fund was merged into the General Fund in FY 2008-09 and, therefore, this 29.53% allocation is excluded from the revenue sharing formula.
 (g) The City portion of BRAC funding (\$7,500,000) was subtracted from the total revenues (shared costs between City and Schools).
 (h) This allocation is less than 51.3% due to the increases in taxes on pleasure crafts (boats to \$1.00) and Machinery and Tools (from \$1.00 to \$1.90), both of which were requested by and remitted to the City. Also, with the merger of the E-911 Communications Special Revenue Fund to the General Fund, 29.53% of these revenues are allocated to this function; the school revenue sharing formula applies to the residual amount. The amount dedicated to E-911 communications represents the historical allocation of the previous local telecommunications taxes.

Revenue Sharing Formula Policy

Appendix B Historical Information

Fiscal Year	Real Estate (includes delinquent and interest on delinquent)	Utility and Utility Consumption	Personal Property (includes delinquent) *	General Sales	Cell Phone	Business License	Cable Franchise	Va Telecom Tax**	Aggregate Percentage
1997-98	\$1.22	46.87% City 53.13% Schools		46.87% City 53.13% Schools					46.87% City 53.13% Schools
1998-99	46.87% City 53.13% Schools	Rate Increase requested by City		46.87% City 53.13% Schools					47.28% City 52.72% Schools
1999-00		52.66% City 47.34% Schools		46.87% City 53.13% Schools					47.26% City 52.74% Schools
2000-01				46.87% City 53.13% Schools					
2001-02				46.87% City 53.13% Schools					47.24% City 52.76% Schools
2002-03				46.87% City 53.13%					47.23% City 52.77% Schools
2003-04				46.87% City 53.13%					47.20% City 52.80% Schools
2004-05	\$1.1964 Reduction 100% Schools			46.87% City 53.13%					47.91% City 52.09% Schools
2005-06	\$1.0239 Reduction 53.13% Schools			46.87% City 53.13%					48.21% City 51.79% Schools
2006-07	\$0.99 49.08% City 50.92% Schools	48.21% City 51.79% Schools		48.21% City 51.79% Schools					48.76% City 51.24% Schools
2007-08	\$0.89 48.7% City 51.3% Schools	48.70% City 51.3% Schools		48.70% City 51.3% Schools				48.7% City 51.3% Schools	48.7% City 51.3% Schools
2008-09	\$0.89 48.7% City 51.3% Schools	48.70% City 51.3% Schools		48.70% City 51.3% Schools				48.7% City 51.3% Schools	51.04% City 48.96% Schools

* Beginning in FY 2008-09, this excludes personal property taxes associated with the increase tax on pleasure craft boats and the increase from \$1.00 to \$1.90 in the Machinery and Tools tax, both of which were requested by and remitted to the City.

** Beginning in FY 2008-09 with the merger of the E-911 Communications Special Revenue to the General Fund, 29.53% of these revenues are allocated to this function; the school revenue sharing formula applies to the residual amount. The amount dedicated to E-911 communications represents the historical allocation of the previous local telecommunications taxes.

POLICY REPORT **School Modernization Project Financing**

Background

Over the past two years, the School Board and City Council worked together to study and define modernization needs in the system's oldest elementary schools, those constructed before 1970. Planning studies were conducted involving parents, administrators and teachers at each candidate school. A 6-year Capital Program was developed based on the study results. The W.T. Cooke school (the oldest school in the system) was determined to be in need of complete replacement. It was fully funded in 1997 and will open anew in January 2000. The Old Donation Center for the Gifted and Talented (ODC) was studied with an eye toward more than doubling its capacity (from 400 to 1,000). However, the evolution of School Board policy regarding Gifted and Talented programming as well as the cost and perception that such an extensive enlargement was not consistent with renovation and modernization parameters led to the removal of ODC from the program. Separately, and at the same time, the original study of noise zones and crash potential zones associated with Oceana Naval Air Station necessitated the replacement of Linkhorn Park and Seatack Elementary Schools, originally constructed in 1955 and 1952, respectively. With these commitments fulfilled, the City Council funded Architectural and Engineering design for the next four (4) schools in the modernization program (Creeds, Bayside, Shelton Park and Thalia.)

There remained a total need of \$132.8 million¹ to complete the 17 schools included in the modernization program over a six- (6) year period. Regular CIP funding provided for \$75.3 million. Consequently, a referendum was scheduled for November, 1998 to provide for the remaining \$57.5 million. It was anticipated that a real estate tax increase of up to 2.8¢ would be required to address the referendum costs.

On November 3, 1998, the voters did not approve the referendum. Continuing their collaborative approach, the School Board and City Council appointed a School Modernization Committee to review options and propose plans and policies to address the modernization needs and related matters. The School Board was represented by Ms. Rosemary Wilson, Vice-chair and Mr. Arthur Tate. City Council was represented by Ms. Margaret Eure and Mr. Linwood Branch. The Superintendent and City Manager have provided staff assistance to the Committee. The Committee met four times and received and reviewed materials from staff. This policy report is the final product of the Committee recommended unanimously to the Board and Council for favorable action.

Facts and Considerations

State Funding — Changing Circumstances, Uncertain Outcomes

At the time of the referendum, the General Assembly had just approved (effective July 1, 1998) the first state aid for school construction. This action provided \$2.46 billion to the City of Virginia Beach for FY 1998-99. The General Assembly, and later the Governor appointed commissions to study school construction needs. In mid-November (after the referendum), the Governor surprised the Commonwealth by announcing a program to return lottery profits to localities for education (including for construction). This proposal would result in \$17.4 million to Virginia Beach for FY 1998-99 and FY 1999-2000 biennium.

The extent to which localities can rely on these funds over the long-run may depend on factors such as the continued growth in the economy, the cost of the "car tax" elimination program, other program demands and calls for additional tax relief (e.g., reducing the sales tax on food). These changes are at once welcome and yet increase dependency on the state appropriation process. A faithful reliance on that source in the past has not always been rewarded. Any solution to the need, however, must bring state funding into the mix. The Committee had to develop alternatives which recognized these realities.

Use of Future End-Of-Year Reversions

The School system has ended the past two fiscal years with substantial school operating fund ending balances (\$16.9 million for FY 1996-97 and \$15.2 million for FY 1997-98.) These have been directed to a variety of needs, including the modernization program. While balances of the magnitude recently experienced may not continue, the Committee considered what, if any part of such future ending balances could and should be applied to the modernization. Given the importance of the modernization effort and the ability to adjust schedules depending upon availability of resources, modernization was considered a prime use for ending balances (when compared to possible uses which would require on-going commitments such as compensation issues or new or expanded program initiatives.) However, the Committee recognized that instructional technology and buses were also strong candidates for use of such ending balance resources.

¹ With completion of the 17 schools, a total of 20 elementary schools built before 1970 will have been replaced/modernized. Full replacements already funded are W. T. Cooke, Linkhorn Park and Seatack. Including study and advance design funds, pre-referendum investment totaled \$33,679,361.

Un-Programmed Future Demands on School Resources

One of the areas of concern expressed by the Council members of the Committee was past experiences in which School Board/Council agreements were reached on an issue only to have another large, resource-intensive issue arise shortly after such agreement was reached. The School Board members and School staff to the Committee identified several outstanding issues which will require commitment of some resources. None, however, in the magnitude of the modernization needs. The recommendations crafted by the Committee did not direct all possible resources to modernization in view of these needs. However, it was assumed no large cost demands would be forthcoming. Any change to this assumption could require a review of the Committee's recommendation should the emerging issue to be deemed a higher priority to the community, the School Board and Council.

Unresolved Fiscal Issues

It is not possible or desirable to consider a program of over \$130 million in isolation. While not specifically within its charge, the Committee reviewed several unresolved or unclear issues the fiscal implications of which might impact the modernization program in the future. These included:

Technology — The Committee received a briefing on the School Technology Initiative which is needed to meet state Standards of Learning. Numerous issues remain; in particular, annual recurring cost impacts and a financial plan to address them. In addition to this instructional technology, there are data collection/technical system needs for instructional support (such as student tracking and records) and non-instructional activities (such as human resources/payroll.) Some of these systems have cost estimates while others have yet to be studied in that depth. Technology is currently funded primarily with year end balances and state grant funds and matches.

Alternative Education — A growing need among students, particularly as the student population becomes more diverse and presents many students with complex needs, is for alternatives to regular classroom instruction. While some alternatives may involve regional efforts, local efforts are also being reviewed for modifications or enhancements. These needs may or may not require operating fund support at a level above current budget amounts.

Buses — Virginia Beach School Division maintains a fleet of some 600 buses which are recommended (by state guidelines, but not mandate) for replacement on a twelve year cycle. While not every bus is in use every day, maintaining the full fleet at this cycle would require 50 replacement buses per year at a cost of over two million dollars. These needs are currently funded primarily through ending operating budget balances.

Noise Attenuation — The expansion of flight activities at Oceana Naval Air Station (both in number of flights and type of jets) has increased noise potential. The noise zones encompass an area which includes 22 schools. A study is currently underway to determine what, if any, modifications will be needed at some or all of these schools to ensure an acceptable noise level. While some of these schools are included in the modernization effort and can have noise issues addressed within the modernization, other schools may need some work. No costs are available at this time and no funding beyond the study is included in the proposed School CIP currently being considered by the School Board.

Other Existing Facilities — Within the next several years, both the existing Seatack and Old Linkhorn Park schools will be vacant. Disposition of those facilities and the associated land has not been determined. Further, the Old Donation Center was removed from the modernization program and remains in use as a 400-student elementary Gifted and Talented Academy.

Additional New Facilities

The Capital Improvement Program anticipates that a new high school will be constructed beginning in 1999. The only other new facilities (not currently under construction) included in the current, approved 6-year School CIP is the thirteen million dollar City share of the Advanced Technical Center being developed with Tidewater Community College (Project# 1-208) and \$600,000 for design of Elementary School 2006 (Project #1-090) to serve the Red Mill/Sandbridge area of the city.

Program/Project Scale and Scope

While not universally understood, the modernization plan was not to simply repair or renovate the subject elementary schools. Through the program/design studies, "modernization" came to mean raising the schools to a instructional program and square footage standard comparable to the newer elementary schools (i.e., Christopher Farms.) Classrooms, core areas (libraries, cafeterias, etc.), administrative and storage spaces were all to be significantly expanded and upgraded. Major additions to most of the schools are a part of the plans. The additional space and capacity to be added across all the modernized schools is the equivalent of approximately two (2) new 900 student - capacity elementary schools.

When plans and studies were being made, the school system still anticipated future growth in both programs and overall pupil population (although not necessarily in the neighborhoods served by schools to be modernized.) However, as the Modernization Committee took up its work, new school demographic estimates forecasted a downturn in pupil population, particularly in the elementary grades. Given this trend, additional space will not be needed for student growth, leaving a need only for current and foreseeable instructional program growth.

The Committee, therefore, examined the scale and scope of the program from two perspectives:

- Reducing the scope and cost of each school modernization;
- Reducing the number of schools included. That is, eliminating one school from the program, closing that school, and modernizing the remaining schools.

Both of these issues proved difficult. The former confronted the Committee with the reality that the first four (4) schools have essentially been designed and that major changes would involve delays. Further, the planning process for all schools involved teachers, administrators and parents, increasing expectations. The latter approach would necessitate choosing a school to close (the closing would not take place for 3-5 years, allowing most, if not all current students to complete their K-5 education in the school in which they started), and the gradual realignment of attendance districts.

The Committee determined that these issues were under the sole purview of the School Board and could be addressed by the Board as appropriate. However, the Committee concluded that modest cost and related scope reduction would not significantly impact modernization plans and was essential to achieving the mission of the Committee.

Program Length/Schedule

The 17 school program was planned for implementation over a six-year period. The Committee considered various alternatives for adjusting the schedule to better match implementation with funding availability, recognizing that the impact of a three percent annual inflation factor could increase program costs if the schedule was greatly lengthened.

Long - Term Program Needs

The 17-school program was designed to "catch-up" to modernization needs and establish a basis for a continuing modernization program of approximately two (2) schools per year. As schools in the system age, there will be an on-going need to systematically modernize schools on a 30-35 year cycle. By that time, instructional programs, curriculum and technology advances will necessitate modernization. These efforts should also extend to middle and high schools. The Committee was concerned that any financing plan for the 17 school program incorporate this long-term perspective.

Contingency Plans

The Committee identified a series of uncertainties which could impact any adopted plan including reduced state aid, cost overruns, recession-caused city funding reductions or construction delays. A series of policies was considered in order to formulate "full-back" positions and to protect the integrity of the program. Any plan which removed the State lottery proceeds as a part of the plan required multiple year delays in the program and increased costs due to inflation over those years. These alternatives highlighted the dependence which the City and Schools must have upon the State in order to maintain instructional infrastructure.

Operating Budget Impacts

Because the schools will be both larger and better equipped, additional operating and maintenance costs will be incurred for such costs as lighting, HVAC and custodial services. These annual costs were estimated at \$125,000 - \$150,000 per school and were provided for through the referendum. They remain a consideration as the funding for this need included within the recommended plan of action may not cover the incremental cost of adequately operating the modernized facilities, even when increased efficiencies in new systems are taken into account. However, these costs will have to be reviewed as they actually occur, recognizing that new sources of funding are unlikely.

Alternatives

The Committee reviewed over ten scenarios, reflecting assumptions regarding state aid (both lottery funding and existing school infrastructure funding), length of program, scope of work, use of other school/non-school CIP resources, and economic conditions.

Criteria for Recommended Alternatives

Having considered the issues outlined above, the Committee developed criteria which were to be fulfilled by any alternative recommended to the School Board and City Council. These criteria are:

1. An alternative is financially responsible (no negatives in the total program bottom line in a given year or cumulatively.)
2. An alternative does not rely on a local tax rate increase.
3. An alternative cannot so heavily utilize available school resources as to sacrifice school technology needs.
4. An alternative assumes there is available in the first six years of the program \$75.3 million in place in charter bonds, pay-as-you-go and identified ending balances, except as reductions in state aid to construction are projected.
5. An alternative addresses the need to continue modernization after completion of the first 17 schools and addresses an average of two schools per year in the "but" years. The funding needed to study the next set of schools as well as begin design of modernization plans for them is incorporated into an alternative.

6. An alternative includes pay-as-you-go funding of \$1 million/year from resources within the City/School Revenue Sharing Policy and any addition for technical accounting adjustments necessitated by the methods of distribution of lottery / state aid proceeds.
7. An alternative will gradually shift the one million dollars pay-as-you-go School resources within the Revenue Sharing Policy from the modernization program to the school operating fund to address operation and maintenance costs associated with the modernized schools.
8. An alternative does not rely upon year end school operational balances (except for FY 97-98) but such balances may be directed toward the program as they become available. Depending upon how FY 1998-99 lottery proceeds are received, these may be realized as part of the school operating fund balance in that year thus requiring action to direct those funds to keep the proposed modernization program whole.
9. An alternative will be reviewed every two years to verify economic conditions, state revenue and other assumptions.
10. An alternative will not reduce scope of modernization by more than 5% average. Anything larger would significantly alter the modernization plan.
11. Delays in scheduling of schools within the various alternatives will be accompanied by a three percent per year increase for inflation. This inflation rate will be reviewed with other assumptions at the biennial review of the plan.

Consensus Scenario

Based on these criteria, the Committee developed a "Consensus Scenario" which addresses all the criteria and included the following assumptions:

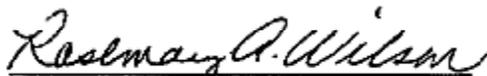
1. Reduce the \$2.4 million in state school infrastructure funding to only the current biennium with some reduction in the second year for possible "double-counting" of lottery funds.
2. Assume that lottery proceeds are available in perpetuity but will decline by 2% per year over time due to overall decline in lottery profits. And assume current and future School Boards will direct all newly allocated lottery resources to Modernization, in keeping with the plan.
3. Assume a five percent reduction in scope of the program with the exception of the first four schools. Design is complete on these and such a reduction would cost more in design. A one - percent reduction will be applied to them to preserve a sense of equity for later schools. (10% reduction was considered but not recommended because such a cut would seriously harm the proposed program of modernization.)
4. Assume the program will be spread out to eight years
5. Assume that twelve million dollars per year in charter bond authority available for school purposes will be allocated to modernization from FY 2001-02 onward.
6. Assume that \$1.5 million will be available to the Modernization program in FY1999-00 from unexpended balances in New Castle Elementary and W.T. Cooke Elementary projects. These balances are expected to be available as a result of favorable bids for these projects.
7. A local real estate tax rate increase will not be required for the program.

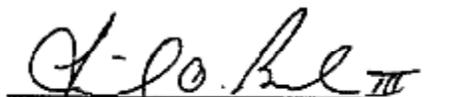
Recommendations

The Committee recommends that the City Council and School Board adopt this report as policy, by Resolution, to encompass the following:

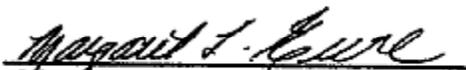
1. Adopt the Consensus Scenario (attached) for moving forward with the modernization program. The School Board will incorporate the plan in its FY 1999-2000 - FY 2004-05 Capital Improvement Program now under review. City Council will appropriate FY 1998-99 funds (\$14.6 million) now available and will proceed with the appropriation of 1999 state funds of approximately \$8.6 million in April (or when made available by the State) to the program. The City Council will incorporate the plan in its FY 1999-2000 - FY 2004-2005 CIP.
2. Adopt a policy for the use of School Reversion funds which will commit them on a continuing basis to the modernization program if additional resources derived from the provision of state lottery funds are reduced below the levels anticipated in the Consensus Scenario Alternative. Absent such reduction, priorities for use of year-end school funds should be: Modernization initiative, Technology, and Buses. While this order is a ranking, it is understood that specific circumstances as well as the amount of resources available may dictate some change in order.
3. Adopt a policy to direct any balances in completed school (ZIP modernization/replacement projects to other modernization and replacement projects.
4. Adopt a policy which directs all funds freed up as a consequence of State provision of Lottery funds to the Modernization program for the duration of the program. This assumption is a critical component of the Consensus Scenario Alternative, accounting for over \$80 million in resources over the ten year study period. This is not an amount that could be made up from other identified sources.
5. Request that the existing School Technology Committee provide information as to school technology funding needs, including a recommended long-term plan regarding that issue. Provide City Council representation to that Committee to provide a Council perspective.
6. Adopt a policy to review the modernization plan every two years (on or before January 31 to ensure inclusion of the findings in capital program amendments) to reflect most recent estimates of revenues, costs and related data.
7. Maintain the policy of including in the School CIP at least one million per year pay-as-you-go funding derived from within the City/School Revenue Sharing Policy and accept the component of the Proposed Modernization Plan that gradually shifts the one million dollars pay-as-you-go to the school operating fund to address operation and maintenance costs associated with the modernized schools beginning in FY 2000-01.

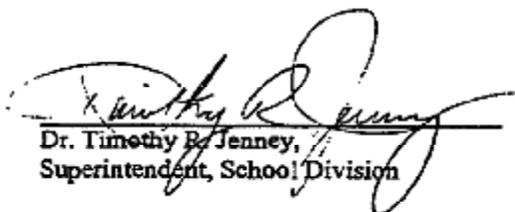
While action on these recommendations is proposed as a prelude to or part of capital budget development for FY 1999-2000, it is recognized that adjustment to the chosen Alternatives may be necessary, depending upon General Assembly action on the Governor's Proposed Budget Amendments for the FY 1998-2000 Biennium. Once these recommendations are approved by both the School Board and the City Council, it is incumbent upon both bodies to communicate to the Virginia Beach General Assembly delegation the importance of the Lottery proceeds to the City of Virginia Beach in maintaining a safe and appropriate infrastructure for housing and educating our children.

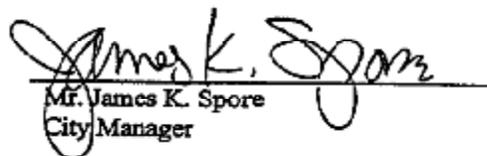

Mrs. Rosemary A. Wilson
Vice-Chair, School Board


Mr. Linwood O. Branch III
Council Member


Mr. Arthur T. Tate
School Board Member


Mrs. Margaret L. Eure
Council Member


Dr. Timothy R. Jenney,
Superintendent, School Division


Mr. James K. Spore
City Manager



City Council Policy

Title: Maintenance and Repair of Aging City Infrastructure		Index Number: #45416	
Date of Adoption: 9/7/99	Date of Revision:	Page 1	of 2

1. Purpose

- 1.1 Aging infrastructure is a growing nationwide problem which demands increased attention. Currently, the estimated cost to maintain and repair the nation's infrastructure is at least \$853 billion.
- 1.2 Virginia Beach is a relatively young city, established in 1963, which has now become a mature urban area with a population of approximately 430,000. Over the years, a large public investment has been made in building the City's infrastructure. The estimated replacement value of the City's investment is currently \$5.38 billion. A large portion of that infrastructure, such as public buildings, roads, water and sewer lines, and schools, was constructed during the 1970s and earlier, and these facilities are now reaching ages where major maintenance and repair, if not full replacement, should be planned.
- 1.3 For the last several years, City Council, the School Board, and City and Schools staffs have recognized the need for this increased commitment to repair, renovate and replace the City's older infrastructure. Council has addressed this issue by including additional funds in the Capital Improvement Program (CIP) for maintenance and repair projects.
- 1.4 Competition for City resources is keen while the City's infrastructure maintenance and repair needs are growing. Since it is in the public interest to plan now for the future maintenance and repair of this substantial public investment, City Council desires to establish a policy on infrastructure maintenance and repair to focus attention on the unseen but growing infrastructure issue and to prevent large and costly replacements in the future.

2.0 Council Policy

- 2.1 It is the policy of City Council to support the planned maintenance and repair of the City's infrastructure in a manner which provides the best facilities at the least cost and maintains the value of the City's investment.
- 2.2 It is the policy of City Council to treat infrastructure maintenance and repair costs as fixed costs for new projects.
- 2.3 It is the long-term goal of City Council to achieve maintenance and repair levels which insure that the City's infrastructure is functional and maintained in good condition by allocating the resources required by condition assessment surveys or generally accepted industry funding standards.
- 2.4 It is the policy of City Council to seek the expansion of resource capacity for these purposes.

Title: Maintaining City Infrastructure	Index Number: #45416
Date of Adoption: 9/7/99	Date of Revision: Page 2 of 2

3.C Procedure(s) to Accomplish Policy

- 3.1 Staff will continue its planned infrastructure inventory and assessment until a complete and accurate inventory and assessment of the City's infrastructure is complete. The inventory and assessment will be maintained thereafter so funding requirements can be identified.
- 3.2 The City Manager shall, in the annual budget document, report the amount of the City's resources being applied to infrastructure maintenance and repair, and its relationship to replacement plant value.
- 3.3 The City Manager shall, in concert with regional efforts, pursue increased resources for infrastructure maintenance and repair with emphasis on increases in State allocations for the maintenance and repair of roads, schools, and other infrastructure.

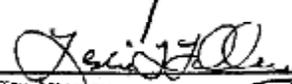
4.C Responsibility and Authority

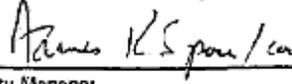
- 4.1 The City Manager shall be responsible for submitting a budget which adequately funds the maintenance and repair of City infrastructure, and for reporting progress toward achieving Council's goals.

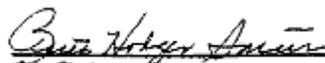
5.C Definitions

- 5.1 "Maintenance" is defined as the recurrent, day-to-day, periodic, or scheduled work required to preserve real property in such condition that it may be used for its designated purpose.
- 5.2 "Repair" is defined as the restoration or in-kind replacement of real property to such condition that it may be used for its designated purpose. This would include projects like the replacement of Cooke Elementary School or the Social Services building.
- 5.3 "Expansion" or "new construction" is defined as the installation or assembly of a new facility, or the addition, extension, alteration, or conversion of an existing facility for a new or expanded use.

Approved as to Content:  8-17-99
Director/Administrator Date

Approved as to Legal Sufficiency:  8-27-99
City Attorney Date

Reviewed by:  9 1 99
City Manager Date

Item Number: 865416  9/7/99
City Clerk Date



City Council Policy

Title: Not Supplanting State, Federal, and Private Funds with Local Funds	Index Number: 47714
Date of Adoption: 2/06/01	Date of Revision: Page 1 of 2

1.0 Purpose and Need

The citizens of Virginia Beach receive important, beneficial services from a wide variety of State, federal, and private agencies, as well as from City programs which rely on funding from these agencies. These agencies are critical partners with the City and the School system in the provision of programs to our community. When these agencies terminate programming, reduce services, or curtail funding, it cannot be assumed that the City of Virginia Beach will maintain these programs. The City's ability to assume the financial responsibility for these services without significantly impacting other service areas which are solely the responsibility of the City, or without having to raise taxes, is limited.

The purpose of this policy is to formally adopt the City's long-standing practice of not automatically supplanting funds from State, federal, or private agencies with local funds when those agencies reduce or eliminate funding to City or School programs.

2.0 Policy

It is the policy of City Council to prevent, to the extent possible, the shifting of financial responsibility for State, federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to the various community programs that rely on that funding.

3.0 Procedure to Accomplish Administrative Directive

3.1 The Department of Management Services will provide information to the City Manager on a periodic basis that reports any reductions in funding from State, federal, or private sources that are expected to adversely affect services to the citizens of Virginia Beach. When services are severely affected by such reductions, the City Manager and the Department of Management Services will determine what actions, if any, may be necessary to mitigate the impact on local services.

3.2 The City Manager will report to City Council any instances where reductions in State, federal, or private funding will have a severe enough effect on services that Council action is necessary.

4.0 Responsibility and Authority

The Department of Management Services is responsible for reporting to the City Manager any reductions in State, federal, or private funding that could have an effect on services provided to the citizens of Virginia Beach.

5.0 Definitions

Supplanting: For purposes of this policy, the substituting of local funds for reductions in State, federal, or private funding.

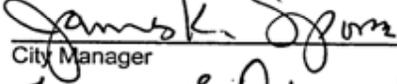
Title: Not Supplanting State, Federal, and Private Funds with Local Funds		Index Number:
Date of Adoption:	Date of Revision:	Page 2 of 2

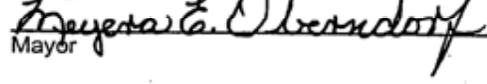
State, federal, and private agencies: Agencies of either the State or federal governments, or non-governmental agencies, that either provide funds to the City of Virginia Beach for the provision of local services or offer those services themselves directly to the citizens.

Approved as to Content:  5 Feb. 01
Director/Administrator Date

Approved as to Legal Sufficiency:  02/21/01
City Attorney Date

Approved:  2-26-01
Chief Financial Officer Date

Approved:  2/26/01
City Manager Date

Approved:  2-26-01
Mayor Date

ALTERNATE VERSION

REQUESTED BY COUNCILMEMBERS DIEZEL AND WOOD

1 A RESOLUTION TO ADDRESS PUBLIC
2 SAFETY PAY COMPRESSION DISPARITIES

3 WHEREAS, the safety of Virginia Beach's citizens is
4 greatly enhanced by the City retaining its experienced public
5 safety employees; and

6 WHEREAS, pay compression has led many experienced public
7 safety employees to leave the City workforce to pursue positions
8 with other employers, including the federal government and the
9 private sector.

10 NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
11 VIRGINIA BEACH, VIRGINIA:

12 That the City Manager is hereby directed to incorporate into
13 the budget process the following considerations, across the public
14 safety pay and classification ranges, utilizing the current City
15 pay plans:

16 1. To prevent future pay compression in the public safety
17 pay and classification plans, pay adjustments shall be applied to
18 all employees and ranges;

19 2. For both fiscal year 06-07 and fiscal year 07-08,
20 adjustments based on years of service and years in grade shall be
21 made to the current public safety pay and classification plans, at
22 a maximum cost of \$4.5 million per fiscal year;

23 3. Prior to December 1, 2007, a revised step plan shall be
24 submitted to Council for review and discussion so it may be
25 considered as part of the fiscal year 08-09 budget;

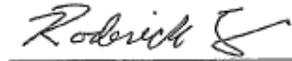
26 4. Even if the above steps fail to alleviate supervisory pay
27 compression, such compression shall be alleviated within three
28 years of identification;

29 5. Future market salary surveys shall be restricted
30 initially to Hampton Roads communities; and

31 6. Proposed budgets shall include an annual summary of
32 entry-level public safety salaries in surrounding Hampton Roads
33 communities.

34 Adopted by the Council of the City of Virginia Beach,
35 Virginia, on the 7th day of February, 2006.

APPROVED AS TO LEGAL SUFFICIENCY



City Attorney's Office

CA-9909
H/P&A/OrdRes/Public Safety Compensation RES.doc
February 7 2006
R-4

**Entry Level Police, Fire and Sheriff Salary Survey
As of December 12, 2007**

Locality	Police Officer Recruit				Police Officer			
	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	36,629	44,871	53,112	Police Officer Recruit	38,484	47,143	55,801	Police Officer
Chesapeake	34,272	42,840	51,408	Police Officer Trainee	35,843	44,804	53,765	Police Officer
Hampton	34,650	37,250	39,850	Police Officer Recruit	36,700	48,303	59,905	Police Officer
Newport News	34,650	35,848	37,045	Police Officer Recruit	36,700	38,475	40,250	Police Officer
Norfolk	35,000	35,000	35,000	Police Officer Recruit	40,277	49,082	57,887	Police Officer II
Portsmouth	31,411	41,620	51,828	Police Officer Trainee	32,983	43,702	54,420	Police Officer
Suffolk	33,605	42,006	50,407	Police Officer I	35,174	43,968	52,762	Police Officer II

Locality	Firefighter Recruit				Firefighter			
	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	36,629	44,871	53,112	Firefighter Recruit	38,484	47,143	55,801	Firefighter
Chesapeake	34,272	42,840	51,408	Firefighter Trainee	35,843	44,804	53,765	Firefighter/EMT
Hampton	34,650	37,250	39,850	Firefighter Recruit	36,700	48,303	59,905	Firefighter
Newport News	34,650	35,848	37,045	Firefighter/Medic Recruit	36,700	38,475	40,250	No Match*
Norfolk	33,825	33,825	33,825	Firefighter Recruit	39,177	44,053	48,929	Firefighter/EMT
Portsmouth	31,411	41,620	51,828	Firefighter Trainee	32,983	43,702	54,420	Firefighter
Suffolk	33,605	42,006	50,407	Firefighter I	35,174	43,968	52,762	Firefighter II

Note: No match. Newport News Fire Academy graduates are required to attain EMT-Intermediate certification. VA Beach Fire Academy graduates are required to attain EMT-Enhanced. VA Beach compensates Fire employees with EMT-Intermediate certification two pay ranges above the Firefighter level.

Locality	Deputy Sheriff Recruit				First Level Deputy Sheriff			
	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	34,864			Deputy Sheriff	36,259	42,709	50,554	Deputy Sheriff (minimum reflects 4% merit after 15 months)
Chesapeake	34,272	42,840	51,408	Deputy Sheriff Trainee	35,843	44,804	53,765	Deputy Sheriff
Hampton	31,434			Deputy Sheriff	33,975			Deputy Sheriff (minimum reflects 9% increase to base salary after 13 months)
Newport News	30,365			Deputy I	31,580	40,440	49,300	Deputy II
Norfolk				No Recruit Level	29,497	38,193	46,889	Deputy Sheriff
Portsmouth	28,234			Deputy Sheriff	33,144	40,603	52,973	9.7% regrade and \$2,171 supplement at the end of first year and completion of the academy)
Suffolk				No Recruit Level	33,605	42,006	50,407	Deputy Sheriff

Chesapeake and Newport News are the only jurisdictions that reported a separate trainee or recruit title for deputies while in training. Chesapeake's trainee is assigned to a pay range, though they are promoted to Deputy Sheriff before they reach the pay range maximum (similar to our Police Officer Recruit). Newport News has a flat salary for the Deputy I that is used for deputies in training

Virginia Beach, Hampton, and Portsmouth do not have a separate trainee title. However, these cities provide a specific percentage pay increase upon completion of training, and use this percentage increase as the reported minimum for the Deputy Sheriff upon completion of training. The midpoint shown for the First Level Deputy is based on the minimum and maximum assigned to the title



Administrative Directive

Title: Grant Management		Index Number: AD 1.05
Date of Adoption: September 6, 1994	Date of Revision: April 16, 2001	Page 1 of 4

1.0 Purpose and Need

Grant funds from State, federal, or other agencies and organizations are an important revenue source that can aid the City in providing quality services to citizens and customers while keeping our taxes as low as possible. The growing increase in the number of grants awarded to the City has necessitated a higher level of coordination to ensure that grant funds are being used to achieve the City's Strategic Plan and derive the greatest benefit.

Departments are urged to solicit grants - especially where a grant will help achieve the City's Strategic Plan, enhance or support the City's basic services, or address any other City priority - while trying not to incur a high level of overhead on small grants that do not greatly influence the City's strategy.

Prior to seeking grant funding, a department should consider the following:

- Will the grant be used to address a City strategy or other priority?
- Would the grant funding be used for a previously identified need of the City for which no other source of funding is available?
- If the program being funded by the grant is needed to accomplish a City priority or achieve the department's mission, should it be supported instead by City funds to ensure that adequate resources are made available?
- Will the grant provide only short-term financing for a long-term commitment on the part of the City?

This Directive provides guidance on the process to be used by City departments in pursuing certain grants, and establishes a centralized means of identifying which grants are being sought, thereby promoting a systems approach to the use of grant funds.

2.0 Administrative Directive

This Directive is a guide to any City department or agency seeking grant funding. Grants that meet all of the following criteria are exempt from the analysis required to be submitted to the Department of Management Services under Section 3.0 of this Directive:

1. The total grant amount, including City match, is \$25,000 or less
2. The City match, whether cash or in-kind, is 50% or less of the total grant amount
3. No additional full-time permanent or part-time positions are funded through the grant
4. No legislative approval is required
5. The City has no ongoing responsibility after the grant period ends (including maintenance and technology upgrades)

Annual grants that are approved as part of the annual operating budget or Capital Improvement Program are also excluded from section 3.0 of this Directive.

No part of this Directive should be construed as superceding any portion of the adopted annual operating budget ordinance or Capital Improvement Program ordinance. In the event of a conflict between this Directive and either ordinance, the ordinance shall control.

All grants must comply with all City policies and procedures, including purchasing and technology improvement policies, and the City Attorney's Contract Preparation/Review Guidelines.

3.0 Procedure to Accomplish Administrative Directive

Any City department or agency that intends to apply for a grant covered by this Directive shall provide a grant analysis to the Department of Management Services at least ten (10) business days prior to the date the grant application is due to the granting agency, unless exempted under Section 2.0 of this Directive. No such grant shall be submitted to a granting agency without prior review by the Department of Management Services.

Title: Grant Management		Index Number: AD 1.05
Date of Adoption: September 6, 1994	Date of Revision: April 16, 2001	Page 2 of 4

The Department of Management Services may, at its discretion, request a grant review by the City's Management Leadership Team (MLT) prior to approval. Examples of grants that may necessitate review by the MLT are those requiring a long-term commitment by the City after the grant period ends, those impacting various system processes, and those involving the creation of a significant number of additional positions.

The specific process required for grant review is identified in the annual Budget Manual in the section entitled "Grant Management Process." The Budget Manual is available on the Department of Management Services' Intranet site.

4.0 **Responsibility and Authority**

Department directors shall be responsible for reviewing and providing a written endorsement of all grant applications submitted by their personnel either in paper form or electronically. All grant applications, prior to submission to the granting agencies, shall be approved and signed by the City Manager or his designee. No City department is authorized to submit a grant application, either in paper form or electronically, directly to a granting organization without the signature of the City Manager or his designee.

5.0 **Definitions**

Grant: Funding awarded to the City by another level of government or by an outside agency or organization, and which meets the following requirements:

- The funding supports a public purpose.
- The funding is for a specified period of time.
- An application process is required to obtain the funds.
- Acquiring the funds is generally the result of a competitive process.
- Periodic reports are required to be submitted to the granting agency.
- The grant is subject to audit by the granting agency.

Annual Grant: A grant that is awarded annually, regardless of the specific grant period (e.g., City fiscal year, federal fiscal year, or calendar year).

Multi-Year Grant: A grant that affects the appropriation of funding beyond one fiscal year.

Legislative Approval: The need for City Council to approve a grant, as identified in the guidelines of the grant for which funding is being sought. Such approval would typically be required either before the application is submitted or after the grant is awarded. Not all grants include this requirement.

Agenda Request: A formal request to be placed on the City Council agenda. The agenda request is required to allow the Council to vote to appropriate the grant funding. Grant funding that has not been appropriated may not be spent.

Ordinance: An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. Before grant funding can be spent it must be appropriated. Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate ordinance, the ordinance appropriates grant funds for the department to spend.

Resolution: Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the City Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

6.0 **Specific Requirements**

- A. City departments are responsible for the following:
1. Seeking grant funding for identified needs that are not otherwise funded.
 2. Obtaining all required signatures pertaining to the grant application and grant acceptance.
 3. Completing applications for identified grants in accordance with guidelines prescribed by the granting agency.
 4. Collaborating with other departments as needed to ensure that grant funding provides the greatest possible benefit.

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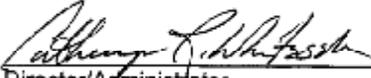
5. Submitting a grant analysis to the Department of Management Services (for non-exempted grants), including the following:
 - a. A one-page synopsis of the problem to be addressed and the solution being provided through the grant funding, including a description of how the use of the grant funds supports the City's strategies, basic services, or other priorities.
 - b. A description of how the goals of the grant-funded City program will be measured.
 - c. A statement as to whether or not funding for the grant program had been previously sought through the normal budget process.
 - d. A budget summary for each year of the grant period; identification of any available continuation grants; and a source of matching funds (cash or in-kind), including the amount of matching funds needed, for the years that the grant is expected to continue. The impact of redirecting in-kind funds from existing services should also be identified.
 - e. A source of funding, including the amount of funds needed, to continue the program after grant funds are no longer available.
6. Initiating the agenda request process to acquire City Council acceptance of the grant and appropriation of grant funds.
7. Developing resolutions as required by granting agencies.
8. Administering the grant-funded program and ensuring that all grant requirements are met.
9. Ensuring that grant expenditures are within the level of awarded grant funding.
10. Coordinating with the City's Finance Department to ensure that grant funding is requested and received in a timely manner, and providing the Finance Department with a copy of the grant agreement and fiscal procedures.
11. Submitting all reports as required by the granting agency, including coordinating financial reporting with the City's Finance Department.
12. Notifying Human Resources at least one pay period prior to any grant position no longer being funded.

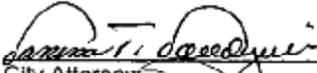
- B. The Department of Management Services is responsible for the following:
1. Functioning as Process Owner of the grant management process.
 2. Assisting departments in identifying sources of grant funding.
 3. Providing a timely response to grant analyses prepared by those departments seeking grants.
 4. Assisting departments in the preparation of agenda items seeking City Council acceptance of a grant and appropriation of grant funding.
 5. Maintaining the following information on file as part of the department's role in resource management:
 - a. A copy of the grant application.
 - b. The department's grant analysis review.
 - c. A copy of the agenda package, including the signed appropriation ordinance, and the associated journal voucher.
 - d. A copy of the signed grant acceptance form.
 - e. A copy of the award letter.
 6. Communicating with other City agencies and departments after acceptance and appropriation of the grant.
 7. Providing grant-related budget information to the Comptroller's Office and Payroll Division of the Finance Department.
 8. Ensuring that City departments are familiar with the grant management process.
 9. Ensuring that Council ordinances include wording that indicates that grant-funded positions will be terminated when grant funding is no longer available.
 10. Assigning a revenue code to awarded grants, and notifying the City Treasurer of the revenue code and amount of grant funding.
 11. Assigning a grant number to awarded grants.

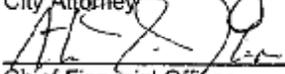
- C. The Department of Finance is responsible for the following:
1. Serving as fiscal agent, when required by the grant.
 2. Coordinating with City departments to ensure that grant funding is requested and received in a timely manner.
 3. Communicating with City departments to ensure that ended grants are properly closed out.
 4. When necessary, submitting required financial reports to the granting agency.

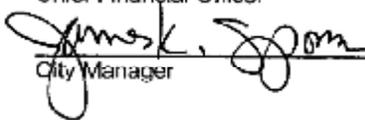
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- D. The Department of Human Resources is responsible for the following:
1. Indicating on the Personnel Transaction Form (P-3) of any employee hired with grant funding that the position is funded under a grant.
 2. Processing a grant-funded position out of the system after receiving notification that the grant has been discontinued.
 3. Assigning position control numbers to full-time grant positions.

Approved as to Content:  12 April, 2001
 Director/Administrator Date

Approved as to Legal Sufficiency:  4/16/01
 City Attorney Date

Approved:  4-16-01
 Chief Financial Officer Date

Approved:  4/16/01
 City Manager Date



Administrative Directive

Title: Resource Administration Directive		Index Number: AD 7.01
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1.0 Purpose and Need

The Annual Operating Budget Appropriation Ordinance authorizes the City Manager or the Director of Management Services to establish and administer budgeting within appropriation units, consistent with best management practices, reporting requirements, and programs and services adopted by the City Council.

The Resource Administration Directive has been established to:

1. Maintain the requirements of the City Charter, the City Code, the Annual Operating Budget Appropriation Ordinance and the Capital Improvement Program Appropriation Ordinance.
2. Ensure the financial integrity of the City through the establishment of policies which provide that the appropriation authority granted by the Annual Operating Budget and the Capital Improvement Program Appropriation Ordinances is not exceeded, without prior approval of Council.
3. Provide a framework for responsible expenditure decisions.
4. Maximize the flexibility and accountability of Department Directors in responding to the demands of their departments' missions and in fulfilling their program objectives, while adhering to legal and administrative policies.

2.0 Administrative Directive

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

3.0 Procedure to Accomplish Administrative Directive

The Department of Management Services is responsible for coordinating the City's Resource Management Plan and making recommendations to the City Manager. Management Services shall act as the City Manager's designee in the approval of appropriation transfer requests. Management Services will coordinate annual fiscal management training with Finance, Human Resources, Audit Services, and other interested departments. Budget unit managers are strongly encouraged to attend.

All related forms are available on the Department of Management Services intranet page. Detailed instructions and overviews of procedures are also described on the site. Forms can be submitted electronically; however, a signed hard copy must also be submitted to Management Services. Only employees whose signatures are on file with Management Services are authorized to sign transfers.

Any modifications to appropriations within controlled accounts will require submission of a Transfer of Appropriations form or Redefinition of Funds Letter to be approved by Management Services. The departments should send these requests directly to Management Services. Management Services will notify Council of approved transfers between \$25,000 to \$100,000 on a monthly basis.

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3.0 Procedure to Accomplish Administrative Directive (continued)

City Council approval is required for any transfer that 1) exceeds \$100,000, 2) significantly expands an existing program, 3) initiates a program that has not previously been requested in the budget, 4) increases permanent positions, or 5) appropriates new funds. Departments must follow the Agenda Process for these requests.

All requests for new programs, program enhancements, or expansions of programs will be reviewed by Management Services, with recommendations made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. In general, only program additions or enhancements that were requested but not funded during the budget process are eligible for consideration. Exceptions may be made in cases where the department could not reasonably foresee the need for the request (example: new mandate, change in technology, etc). Programs that involve redirection of existing funds that are available within the requesting department's fiscal year appropriation and do not require additional funding in future years or involve additional permanent FTEs may not necessitate Council action.

Internal Service Funds will also be required to submit requests for new programs, program enhancements, or expansions of programs, which will be reviewed by Management Services. Recommendations will be made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. The same evaluation criteria apply to requests from Internal Service Funds. Additionally, the only use of retained earnings by Internal Service Funds that does not require Council action is increasing the cost of goods sold.

Department Directors may appeal the disapproval of funding requests by Management Services staff to the Director of Management Services. All information related to the request, including the reason(s) for denial, will be forwarded for review and reconsideration. Should the Director of Management Services also disapprove the request, Department Directors may appeal the decision to the Management Leadership Team. All information related to the request, including the reason(s) for denial, will be forwarded to the Management Leadership Team for review and reconsideration. Decisions of the Management Leadership Team are final.

4.0 Responsibility and Authority

1. Department Directors

Department Directors have a responsibility to ensure that:

- a. The expenditures and encumbrances do not expand, enhance or create programs which will be an on-going commitment or will create a future liability of the City, beyond the current fiscal year, without the approval of the City Manager and City Council.
- b. The appropriation units remain balanced so that the aggregate total of expenditures and encumbrances does not exceed the aggregate total of the adjusted appropriations in each appropriation unit.
- c. The estimated revenues which support each program are or will be realized by the City, and that Special Revenue and Enterprise Funds do not expend more than the realized revenues.
- d. The balance of each appropriation unit is maintained within each fund. Should an appropriation unit contain appropriations from different funds, the balance of each fund must be maintained separately and exclusively from the other funds within that appropriation unit.

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4.0 **Responsibility and Authority** (continued)

- e. The expenditures and encumbrances conform to City Council's policies and other expenditure restrictions. Department Directors should be aware of unique policies or restrictions relating to their own programs. (In general, copies of all policies established by the administrative departments are forwarded to operating departments, who are responsible for retaining them.)
- f. Departments conform to the policies and procedures of the City's Grant Management Process, as described in Administrative Directive 1.05.
- g. The total expenditures for Personal Services (801s and 602s), Capital Purchases (607s), and Land Structures and Improvements (609s), do not exceed appropriations for those accounts.

 Note: Part-time salaries line item is the exception to balancing at the account category level for the above controlled accounts. This line must balance alone at the appropriation unit level to ensure that the aggregate amount expended for part-time salaries does not exceed the amount appropriated for that purpose because overspending in this account may result in exceeding the number of authorized positions within the appropriation unit. Appropriations in this line may offset other Personal Services expenditures, but other appropriations in Personal Services expenditures cannot offset part-time salaries.
- h. The aggregate total of expenditures and encumbrances for non-controlled accounts (603s, 604s, 605s, and 606s) does not exceed the aggregate total appropriated for those accounts for the appropriation unit.
- i. Budget Unit Managers are encouraged to attend annual training provided jointly by Management Services, Finance, Human Resources, Audit Services, and other interested departments to maintain accurate and effective budget management.

Department Directors are authorized to perform the following:

- j. Make spending adjustments within non-controlled accounts that do not exceed the scope or intent of the department's approved budget (i.e., there should be no new or expanded programs). It is not necessary for individual line items to balance; the non-controlled accounts for the appropriation unit must balance in total. See definition in section 5.0. All other requests will be evaluated and approved by Management Services in the form of Transfers of Appropriations and City Council Agenda Requests.
- k. Request a personnel transaction (i.e., promotion or reclassification) provided that existing budgetary funds are available in the salary and fringe benefit accounts within the budget unit to offset any increase in expenditures.

 Prior to making a personnel request, the department must certify to the Department of Human Resources that adequate appropriations are available within the personnel accounts to offset increased costs. If the funds are not available, the department must request a transfer to the appropriate budget unit. The transfer must be approved prior to the effective date of the promotion/reclassification.
- l. Prepare a Transfer of Appropriations Request or prepare a City Council Agenda Request, where applicable. (See City Manager and City Council sections for requirements of these requests.)
- m. Request a redefinition of Capital Outlay appropriations via submission of a letter to Management Services indicating the justification for the request and the reason that there is available funding to be redefined.

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4.0 **Responsibility and Authority** (continued)

2. The City Manager, or his designee, is authorized to transfer funding in accordance with the Annual Operating Budget Appropriation Ordinance, Capital Improvement Program Appropriation Ordinance, and Section 2-187.1 of the City Code.

Authorization is required from the City Manager, or his designee, to:

- a. Transfer appropriations of up to \$100,000 to or from controlled accounts, between appropriation units, from Reserves for Contingencies accounts, or between capital projects. Management Services provides a monthly report to City Council of transfers between \$25,000 and \$100,000.
 - i. Transfers to and from controlled accounts (especially personnel accounts) will be evaluated on a case-by-case basis to determine the emergency nature of the request. Criteria for consideration include: 1) the request is mission critical, 2) there is an adequate justification of the emergency nature, 3) the benefits of the request exceed the costs and the impact of not immediately implementing the request would disrupt service delivery (i.e., why the request cannot wait until the next budget process), and 4) the item was requested by the department during the budget process and was ranked favorably by the Caucus.
 - ii. Evaluation criteria for Transfers of Appropriations include: 1) the expenditure could not be reasonably anticipated during the budget process, 2) the request results from a mandate, or 3) the request constitutes a change in operating policies and procedures as a result of direction from the City Manager or City Council.
 - iii. Requests for transfers from Reserves for Contingencies will not be considered unless Management Services determines with the department that the appropriation unit cannot absorb the cost first, within the department's non-controlled accounts and second, within controlled accounts that are anticipated to have excess funding.
 - iv. Transfers within Internal Service Funds exceeding \$100,000 must be approved by City Council if it is outside the scope of the approved budget. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.
- b. Transfer positions between budget units, divisions, and departments, subject to the \$100,000 limit on transfers. (Operating Budget Ordinance)
- c. Approve and redefine the use of appropriations for specific Capital Outlay items (607s).
- d. Increase the number of part-time FTEs within the current fiscal year, subject to the \$100,000 limit on transfers, provided that the aggregate amount expended for such positions does not exceed the respective appropriations. (Operating Budget Ordinance)
- e. Transmit items to City Council for adoption.
- f. Decrease estimated revenues and corresponding appropriations to reflect expected revenue collections. City Council must be notified of reductions greater than \$100,000.
- g. Transfer excess appropriations to Reserves for Contingencies, after all anticipated expenditures for which those funds were appropriated have been included.

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4.0 **Responsibility and Authority** (continued)

- h. Transfer appropriated funds and existing positions as necessary to implement organizational adjustments that have been authorized by the City Council. The City Manager shall report to the City Council regarding the status and progress of any such organizational adjustments on an annual basis.
 - i. Carry forward appropriations which were authorized but not completed prior to the end of the fiscal year. These requests are reviewed for appropriateness and to ensure that there is sufficient fund balance to meet City Council policies. Salary funds are not eligible to be carried forward (Operating Budget Ordinance). Criteria for Carry-forward appropriations are: 1) the funds shall remain in the same fund, budget unit, and account code; 2) the item was specifically appropriated for the purpose identified in the request; 3) the legal appropriation unit or department has an unencumbered balance greater than the amount requested; 4) the fund balance of the affected fund has sufficient funding available at the close of the books to fund the continuation of the appropriation and is compliant with all proscribed policies; and, 5) the item to be carried forward must be critical to the mission of a program or service offered by the City. Carry-forwards are not to be used to re-appropriate "surplus" funds or to be used as an alternative source of funding from the current fiscal year to the subsequent fiscal year that is not in alignment with its original intended use.
 - j. Adjust the financing sources for various capital projects to reflect effective utilization of financing sources. The City Manager or his designee may also reduce appropriations to any capital project to reflect reductions in financing sources. However, prior notice to City Council is required for any reductions to total appropriations greater than \$100,000.
 - k. Transfer from dedicated Reserves for Contingencies that have funding for a specific purpose.
 - l. Make corrections to the budget where movement of funds does not change the intent of the original appropriation, but allows for proper accounting of the funds.
3. City Council is authorized to amend the Operating Budget during the fiscal year. City Council approval is required for all of the following actions prior to the utilization of funds:
- a. Amend original appropriations through supplemental appropriations of additional revenue, fund balance or retained earnings.
 - b. Amend the Operating Budget and Capital Budget through the transfer of appropriations that exceed \$100,000.
 - c. Increase the total number of permanent positions.
 - d. Implement new, significant expansions or enhancements to programs or services, which will be an ongoing commitment or a future liability for the City beyond the current fiscal year. Any request that was not considered during the budget process will constitute a new program and will require City Council action. Any request deemed to exceed the scope of authority and intent reflected in the Resource Management Plan by the City Manager or his designee will require City Council action.
 - e. Initiate a new capital project.

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5.0 **Definitions**

Terms are defined as they relate to the Operating and Capital Budget administration and provide a general explanation of technical concepts.

Account Categories: Line item expenditure account codes are grouped and numbered according to general uses. They are identified by the first three digits: 60X, where the 6 signifies that it is an expenditure. Following is a list and brief description of account codes.

- 601s – Personal Services: Compensation of direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- 602s – Fringe Benefits: Job-related benefits provided for employees as part of their total compensation.
- 603s – Contractual Services: Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- 604s – Internal Services: Charges to departments for intra-governmentally provided support services such as microcomputer support, automotive services, internal telecommunications, print shop and risk management.
- 605s and 606s – Other Charges: Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- 607s – Capital Outlay: Expenditures resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more.
- 608s – Leases and Rentals: Leases not capitalized and rental of land, structures and equipment.
- 609s – Land Structures and Improvements: Major capital facilities, with a total cost less than \$50,000, that are constructed or acquired, such as land or buildings, and alterations to existing properties. Any project over \$50,000 may be a Capital Project and is addressed through the Capital Improvement Program.

Agenda Request: Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Adopted Capital Improvement Program.

Appropriation Amendment: Adjustments made to the Annual Operating Budget during the fiscal year.

Appropriation Ordinance: Formal legislative enactment by Council. Means through which the Resource Management Plan is enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent Council actions. It is also the mechanism used to amend the Operating and Capital Improvement Budgets.

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5.0 **Definitions** (continued)

Appropriation Unit: The legal level at which the Operating Budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the Operating Budget and Capital Budget. In general, an appropriation unit is equivalent to a department, within a single fund.

Controlled Accounts: Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Estimated Revenues: The amount of revenue estimated to support appropriations.

Full-Time Equivalent (FTE): Equivalent to the actual hours worked by a full-time position (greater than or equal to 1950 hours annually), employed a minimum of 37.5 hours per week for 52 weeks per year.

Fund: Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance: Referred to as retained earnings in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. It must be authorized for expenditure (appropriated) by Council prior to spending. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

Management Leadership Team: Decision-making body comprised of the City Manager, the Chief Operating Officer, the Chief of Staff, the Chief Financial Officer and the Chief Information Officer.

Non-Controlled Accounts: Accounts over which the City Manager does not exercise control. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Part-Time Employee: A City employee who is scheduled to actually work less than 37.5 hours per consecutive week, or an employee who is scheduled to actually work 37.5 hours per consecutive week for less than 52 consecutive weeks.

Redefinition: Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Resource Management Plan: Document that outlines the expenditures, personnel and revenues needed for financing the annual operations, services and programs of the City government. It is comprised of the Annual Operating Budget and the Capital Improvement Program.

Retained Earnings: See Fund Balance.

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6.0 **Specific Requirements**

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

Approved as to Content:


 Director, Management Services

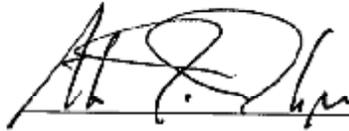
17 Feb 03
 Date

Approved as to Legal Sufficiency:


 City Attorney's Office

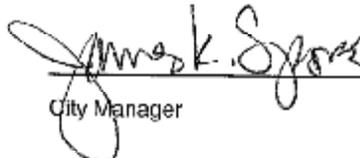
2/9/03
 Date

Approved:


 Chief Financial Officer

2.12.03
 Date

Approved:


 City Manager

2/17/03
 Date

Glossary of Terms

Definitions of terms used in the Operating Budget document are given below:

Account Categories - Line item expenditure account codes are grouped and numbered according to general uses. They are identified by the first three digits: 60X, where the 6 signifies that it is an expenditure. Following is a list and brief description of account codes.

- 601s - Personal Services: Compensation of direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- 602s - Fringe Benefits: Job-related benefits provided for employees as part of their total compensation.
- 603s - Contractual Services: Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- 604s - Internal Services: Charges to departments for intra-governmentally provided support services such as microcomputer support, automotive services, internal telecommunications, print shop and risk management.
- 605s and 606s - Other Charges: Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- 607s - Capital Outlay: Expenditures resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more.
- 608s - Leases and Rentals: Leases not capitalized and rental of land, structures and equipment.
- 609s - Land Structures and Improvements: Major capital facilities, with a total cost less than \$50,000, that are constructed or acquired, such as land or buildings, and alterations to existing properties. Any project over \$50,000 may be a Capital Project and is addressed through the Capital Improvement Program.

Accrual Basis of Accounting - Where revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. This is the accounting basis that generally is required to be used in order to conform to generally accepted accounting principles (GAAP) in preparing financial statements for external users.

Agenda Request - Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Agricultural Reserve Program (ARP) - A program aimed at preserving agricultural land and identity and reducing urban sprawl in Virginia Beach. Through this program, the City will acquire development rights to farm land.

Annual Grant - A grant that is awarded annually, regardless of the specific grant period (e.g. City fiscal year, Federal fiscal year, or calendar year).

Appropriation - Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Adopted Capital Improvement Program. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Appropriation Amendment - Adjustments made to the Annual Operating Budget during the fiscal year.

Appropriation Ordinance - Formal legislative enactment by City Council. Means through which the Resource Management Plan is enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent City Council actions. It is also the mechanism used to amend the Operating and Capital Improvement Budgets.

Appropriation Unit - The legal level at which the Operating Budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the Operating Budget and Capital Improvement Budget. In general, an appropriation unit is equivalent to a department, within a single fund.

Bad Debt Expense - Incurred when the buyer of a good or service fails to pay for the item. Used primarily by the Enterprise Funds.

Base Realignment and Closure Commission (BRACC) - A federally appointed task force whose mission is to review military installations for possible closure; and/or consolidation and realignment of existing missions, programs, personnel and facilities.

Biennial Budget - A resource management plan that includes revenue and expenditure projections for two years. Usually the first year is adopted by the legislative body and the second year is approved for planning purposes. Virginia State Code requires localities to adopt a budget annually.

Budget Unit - A compilation of all the costs associated with a particular program.

Capital Improvement Program (CIP) - A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to City Council policies, plans, and goals.

Capital Outlay - Outlays resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more and have an expected service life of more than one year. Exceptions to this are major capital facilities with costs greater than \$50,000, which are constructed or acquired - such as land and buildings. These are funded in the Capital Improvement Program (CIP).

Carry Forwards - Funds that are designated for specific needs (e.g., equipment, contracts, etc.) that were approved within the current fiscal year, but were unexpended by year-end are re-appropriated forward into the subsequent fiscal year.

Caucus - An advisory group established in the FY 1997-98 budget development process to share in the decision making process, set priorities, determine approaches, strategies, and actions to ensure a balanced budget, and provide input on the package of services and programs to be recommended to the City Manager. This group was comprised of the City Manager, the Department of Management Services (serving as facilitators and resources), and the Strategic Issue Teams (SIT).

Charges for Services - Fees the City charges users of government services, such as recreation fees, court costs, library fines, and admissions to the Virginia Marine Science Museum.

Charter Bonds - The City Council is authorized by the Virginia Beach City Charter to "... issue bonds or other obligations in any calendar year for any proper purpose in such amounts as shall not increase the total indebtedness of the City ... by more than ten million dollars above the amount of such indebtedness at the beginning of such calendar year ..." without the approval of the qualified voters of the City.

Class - A grouping of jobs having similar duties and responsibilities, requiring similar knowledge, skills and abilities, and demanding similar qualifications so that the jobs may be appropriately titled and described, and the employees performing such jobs may be equally compensated.

Commonwealth, Revenue from the - Funds provided by the Commonwealth of Virginia in support of joint operations and programs.

Comprehensive Regional Information Management and Exchange System (CRIMES) - Computer database access system used by the regional City police departments to access information from the databases of each participating locality.

Contractual Services - Services acquired on a fee basis or a fixed time contract basis from outside sources.

Controlled Accounts - Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Current Services - Continue doing exactly what a department does currently without new position requests or additional capital outlay.

Debt Service - The annual principal and interest payments for the debt incurred by the City in the process of acquiring capital outlay or constructing capital facilities.

Depreciation - Used to record devaluable capital investment of buildings and equipment, and to record anticipated uncollectible accounts. Generally this account is not used in the operating budget.

Economic Development Investment Program Fund (EDIP) - This program is a proactive and creative initiative, which enables the City to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These funds are leveraged by business for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).

Encumbrances - Commitments related to unperformed contracts for goods or services.

Estimated Revenues - The amount of revenue estimated to support appropriations.

Expenditures - Decreases in net financial resources.

Federal Government, Revenue from the - Funds provided by the federal government to compensate the locality for federal program impact, for programs jointly funded by the locality and the federal government, and outright grants such as Library Grants and Sand Replenishment.

Fines and Forfeitures - A broad range of fines and forfeitures for violations of local government ordinances. Examples include fines remitted to the City by the courts for violation of City ordinances, or fines collected by the City Treasurer for violations of City parking regulations.

Fleet Assets - Vehicles and equipment managed by Automotive Services. May or may not be included on the rolling stock replacement inventory.

Fringe Benefits - Job-related benefits provided for employees as part of their total compensation, such as employer's portion of FICA, Medicaid FICA, retirement, insurance (health, life, and dental), disability income, and employees allowances.

Full-Time Equivalents (FTE) - Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full-time employee.

Full-Time Position - A position employed 40 hours per week for 52 weeks.

Fund - Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance - Referred to as retained earnings in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. It must be authorized for expenditure (appropriated) by City Council prior to spending. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

General Property Taxes - Taxes on real and personal properties, both tangible and intangible, such as vehicles, real estate, and business equipment. Interest and penalties on delinquent taxes are also included in this category.

Grants - Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets certain requirements.

Health Insurance Portability and Accountability Act (HIPAA) - The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted on August 21, 1996 to address "portability" and funding for the Office of the Inspector General health care fraud and abuse investigations. It has taken five years for the over 440,000 words occupying 368 pages of regulations to be written. HIPAA provides for administrative simplification which includes: (1) standardization of electronic formats for transmission of nine specific transactions including claims, electronic remittance advice, eligibility, authorization, pharmacy, enrollment, coordination of benefits, attachments and first notice of claim; (2) security of electronic health information and electronic signatures; and (3) privacy of such patient identifiable information. Covered entities include health plans, health care clearinghouses (public or private entities that process standard transactions) and health care providers. It is important to note that the regulations extend to business and trade partners of covered entities.

ICMA Performance Measurement Program - National benchmarking program initiated by the International City Managers' Association.

Index of Service Demand - Measurement of the annual increase in demand for City services relative to the rate of growth in population. Services included in this index are police, fire, and rescue calls, library book borrowing, solid waste collections, recreation class registrations, health clinic clients, and vehicle registration.

Indicator - These provide a benchmark against which the level and quality of service is measured. Typically, indicators fall into three categories: "output", which measures the quantity of an activity; "quality", which measures the effectiveness of the work; and "efficiency", which measures the amount of resource required for a unit of work of service (staff hours/cost per unit of service).

Internal Services - Charges to department for intra-governmentally provided support services such as microcomputer support, mainframe computer services, automotive services, print shop, and risk management.

Lake Gaston - Capital project, which constructed an approximately 84-mile pipeline from Lake Gaston to Norfolk's raw water transmission system to secure a long-term permanent drinking water supply for Virginia Beach.

Land Structures - Major capital facilities constructed or acquired, such as land and buildings, alterations and additions to such major capital facilities, street and dike systems, and water and sewer taps and mains. Total cost of these projects is less than \$50,000.

Lease-Purchase - A means of financing whereby the City borrows the funds from a financial institution to pay for the acquisition of major pieces of equipment.

Leases and Rentals - Leases not capitalized and rental of land, structures, and equipment.

Legislative Approval - The need for City Council to approve a grant, as identified in the guidelines of the grant for which funding is being sought. Such approval would typically be required either before the application is submitted or after the grant is awarded. Not all grants include this requirement.

Management Leadership Team (MLT) - Appointed by the City Manager, the MLT's role is to promote and influence alignment of the organization and manage the interfaces of the tasks, processes, and environment by

identifying and addressing critical issues and needs, and to communicate with the organization's customers and members.

Market Adjustment - A percentage increase to pay ranges on the City's compensation plans that may be provided to employees whose job classification is assigned to an affected pay range

Merit Increase - A salary increase within the pay range of the class to which the employee is assigned that is awarded based on job performance in accordance with the City's performance appraisal program.

Miscellaneous Revenue - Donations and contributions made to the City.

Mission - A broad statement of the reason for an agency's existence, its purpose and function.

Modified Accrual Basis of Accounting - A mixture of the cash and accrual basis. The modified accrual basis should be used for governmental funds. To be recognized as a revenue or expenditure, the actual receipt or disbursement of cash must occur soon enough after a transaction or event has occurred to have an impact on current spendable resources. In other words, revenues must be both measurable and available to pay for the current period's liabilities. Revenues are considered available when collectible either during the current period or after the end of the current period but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

Money and Property, Revenue from the Use of - Revenue generated through the investment of funds in money market accounts, or through the lease or rental of City property and concessions, such as Convention Center or Princess Anne Park rentals, vending machine concessions, and use of City copy machines and boat ramps.

Multi-Year Grant - A grant that affects the appropriation of funding beyond one fiscal year.

Net Assets - Denotes fund balance in internal service funds and enterprise funds. Formerly retained earnings in internal service funds.

Non-Appropriated Budget - Funding, available to an agency to support its programs, which is provided primarily by the Commonwealth of Virginia or the Federal government. This amount is not appropriated by the City and is shown to provide the total cost of a program.

Non-Controlled Accounts - Accounts over which the City Manager does not exercise control. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Non-Revenue Receipts - The reimbursement of an expense incurred on behalf of other organizations, or the receipt for financing capital outlay or capital projects.

Objectives - Quantifiable statements of the actual and desired level of service or the outcome of policy or activities. These are focused on the mission of the department.

Ordinance - An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. Before grant funding can be spent it must be appropriated. Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate ordinance. The ordinance appropriates grant funds for the department to spend.

Other Charges - Expenditures for such purposes as utilities service, telecommunications, delivery services, insurance, office supplies, food and food service supplies, agricultural supplies, medical and laboratory supplies, housekeeping and janitorial supplies, office furnishings, vehicle and powered equipment supplies, uniforms and wearing apparel, books, subscriptions and educational supplies, recreational supplies, shop supplies, construction and maintenance materials and supplies, merchandise for resale, shop tools, professional improvement and certifications, travel, contributions, dues and memberships, and claims and bounties.

Other Costs - Includes expenditures financed from Special Revenue, Enterprise, or Internal Service Funds representing allocations for Reserve for Contingencies, Inter-Fund Transfers, or Debt Service Costs.

Other Local Taxes - Taxes which the Commonwealth enables the localities to use and set within the State Code. Examples are the local share of the sales tax, business licenses, local vehicle registration fees (LVR), cigarette taxes, etc.

Part-Time Position - A City employee who is scheduled to actually work less than 35 hours per consecutive week, or an employee who is scheduled to actually work 35 hours per consecutive week for less than 52 consecutive weeks.

Pay-As-You-Go - (Also known as General Appropriations) An apportionment of funds from the general revenue of the City to an operating department to administer an activity relating to a specific capital project. This method of funding is normally employed as an alternative to additional borrowing. In its current references, pay-as-you-go financing is used to identify funding recently provided from a Council approved real estate tax increase to support capital construction, detailed in the Capital Improvement Program.

Performance Indicators - The “output”, “quality”, and “efficiency” measures used to assess how well an objective has been achieved.

Permits, Privilege Fees, and Regulatory Licenses - The class of permits, fees, and licenses which includes such levies as user permits to cover costs of processing requests for changes in zoning, building permits, electrical permits, plumbing permits, etc. Regulatory licenses allow for the charging of fees on such services as vehicles-for-hire and refuse disposal services. Also included in this category is the locality’s authority to charge fees to license animals and bicycles and mopeds for identification purposes.

Personal Services - Compensation for direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work, including overtime, shift differential, and similar compensation; and payment for contracted manpower.

Program Group - The program group name which may reflect a budget unit name or a name that best reflects a group of services provided by several budget units within the department.

Program Proposal - The process for requesting funding for new and expanded programs.

Public Facility Revenue Bonds - Bonds issued by the Virginia Beach Development Authority (VBDA) that have been authorized by City Council. The City may repay the debt from general revenues or from special revenues, such as tax increment financing districts. Payment on the bonds is made by the City pursuant to a Support Agreement with VBDA. The obligation to make payments is subject to annual appropriation.

Range - The minimum through maximum salary levels assigned to a class.

Reclassification - A reassignment of the appropriate job title and pay range of an employee whose job responsibilities have been determined by the Director of Human Resources to have evolved to a degree that the present job classification does not accurately reflect the actual duties performed.

Redefinition - Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Referendum Bonds - Bonds which require authorization “... by ordinance adopted by the affirmative vote of two-thirds of all members of the City Council and approved by the affirmative votes of a majority of the qualified voters of the City voting on the question at an election called and held for the purpose ...” of approving or disapproving the issuance of the bonds. While referendum bonds may be issued for general obligation purposes, normally the issue is identified as financing a specific project or group of projects, such as schools or roadways.

Reserve for Contingencies - Used to identify funds set aside as a reserve for unanticipated expenditures, budgeted salary adjustments, or any other anticipated costs to be allocated at a later date.

Resolution - Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the City Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Resource Management Plan - Document that outlines the expenditures, personnel and revenues needed for financing the annual operations, services, programs and construction projects of the City government. It is comprised of the Executive Summary, Biennial Operating Budget, and the Capital Improvement Program.

Strategic Agenda - Short term goals developed by department heads to focus on achieving the long term goals set by City Council. Four major themes were developed: Economic Vitality, Infrastructure, Youth and Families, and Community Leadership and Shared Vision. The department directors acting together, took these themes and began moving the City towards the City Council's goals, and recommended reasonable funding strategies.

Strategic Issue Team (SIT) - One of seven teams formed to manage major City issues as identified by previous Mission Teams and by the City Council's goals. These teams include: Economic Vitality, Safe Community, Quality Physical Environment, Cultural and Recreational Opportunities, Quality Education and Lifelong Learning, Family and Youth Opportunities, and Quality Organization.

Supplanting - Substituting ones source of funding to augment reductions in funding by another agency. The City's policy of not supplanting federal, state or private funding reductions with local funding applies to grants

Tax Increment Financing (TIF) - Use of the revenues generated by the growth of a designated area to fund Capital Improvement Projects within that area.

Telecommunications Devices for the Deaf (TDD) - System and equipment to enable hearing impaired persons to communicate through the telecommunication system.

Tourism Advertising Program (TAP) - Comprised of dedicated 1¢ of Hotel/Motel Room Tax rate, \$1 per room night flat tax, and dedicated ½¢ of Restaurant Meals Tax rate, this program funds advertising for the resort area, including financing the Visitor Information Center and additional national and regional advertising for the City with increased emphasis on marketing through the City's new website, www.vbfun.com.

Tourism Growth Investment Fund (TGIF) - This fund represents revenues from a variety of sources, including taxes on the rental of hotel rooms, on restaurant meals, and from admission taxes on participating sports. These revenues were earmarked by City Council to fund certain projects in support of tourism, including capital projects.

Transfers from Other Funds - Revenues received from another fund that are used to reimburse the recipient fund for expenses incurred in behalf of the "Other" fund.

Transfers to Other Funds - The transfer of appropriations from one fund to assist in funding the operations of another.

Underground Storage Tank (UST) - City program to meet federal and state mandates to identify and ensure monitoring and clean up, as needed, of buried and above ground tanks, which store fuels and other potentially hazardous or environmentally detrimental materials.

Virginia Beach Quality Service System (VBQSS) - A quality management system designed to enhance the physical, social, economic and educational quality of the City by delivering quality services to all citizens according to destination points set by the City Council.

Description of Major City Funds

Under the principles of fund accounting, all related liabilities and resources are grouped together in a self-balancing set of accounts. Generally, funds are set up and maintained for the purpose of carrying on specific activities or attaining certain objectives, in accordance with specific regulations or limitations. Provided below is a description of each of the major funds used in this budget document, and an explanation of their relationships to each other.

Access Channel Support Special Revenue Fund - accounts for fees from the cable television franchise agreement, earmarked for capital outlay in support of public access cable channels. This fund will be merged into the General Fund in FY 2008-09.

Agriculture Reserve Program Special Revenue Fund - accounts for funds required to purchase the development rights of open land.

Arts and Humanities Commission Special Revenue Fund - accounts for various grants related to arts and humanities within the City. This fund will be merged into the General Fund in FY 2008-09.

Central Business District - South Tax Increment Financing (Town Center) Fund - City Council adopted the Central Business District - South Tax Increment Financing District on November 23, 1999. Creating a Central Business District in the Pembroke area of the City has been a long-term goal. The Comprehensive Plan, adopted on November 4, 1997, noted "the need to improve the overall form and quality of the development within the CBD core area and transform what is now mostly undeveloped or underdeveloped land into an attractive, high quality, intensive, pedestrian designed, mixed use town center." On February 8, 2000, the City Council approved a Development Agreement between a Developer and the Development Authority that created a Town Center for the City. The TIF funds will mainly be used to pay for the construction of public parking facilities.

Circuit Court Clerk Technology Fund - acts as a repository for fees collected for accessing images contained in the Clerk's Office Land Records System. These funds are to be used for the purchase of technology related hardware or software for the Clerk of the Circuit Court's office.

City Beautification Fund - provides funding for various landscaping beautification projects. It derives its revenues from cash donations received annually from citizens or businesses for designated beautification projects. The donations fund the plants and other related materials and supplies needed for the projects.

City Garage Internal Service Fund - is designed to account for the financing of vehicles and repairs, parts, and the motor pool services related to the use of City vehicles by City departments. Goods and services are provided by the City Garage to other departments on a flat fee basis.

Community Development Loan and Grant Fund - accounts for Community Development Block Grant funds used to finance loans and grants to homeowners in target neighborhoods. This fund also accounts for interest and principal repayments.

Community Development Special Revenue Fund - accounts for the funds provided by the Community Development Block Grant (CDBG) and the City of Virginia Beach to address the inadequate housing of the City's low and moderate income families. This program supports the administration of both capital improvement projects in target neighborhoods and various other housing programs.

Comprehensive Services Act Special Revenue Fund - accounts for funds provided by the State of Virginia to assist in funding youth in out-of-home placements under the Comprehensive Services Act. Funds are managed by the City Council appointed Community Policy and Management Team, with funds drawn upon by Public Schools, Juvenile Probation, and Human Services. This fund will be merged into the General Fund in FY 2008-09.

DEA Seized Property Special Revenue Fund - accounts for funds provided to the Police and Commonwealth's Attorney offices, by the State and Federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support investigations and prosecution activities.

EMS State Four-for-Life Special Revenue Fund - supplements the cost of operations for the Department of Emergency Medical Services, with funding from a special \$4.00 fee which the Commonwealth added to its annual motor vehicle registration charge. This fund will be merged into the General Fund in FY 2008-09.

Emergency E-911 Communications Special Revenue Fund - accounts for revenue generated by the E-911 Utility Tax and transfers from the General Fund in support of activities not eligible for reimbursement from the E-911 tax. These revenues are utilized to support the Police Communication Unit and to provide for necessary equipment replacements and upgrades. This fund will be merged into the General Fund in FY 2008-09.

Federal Housing Assistance Grant Fund - accounts for National Affordable Housing Act grant funds utilized for rehabilitation of owner-occupied and tenant-occupied low and moderate income dwellings.

Federal Police Department Grant Fund - provides Federal grant funding and local matching for a community policing program. This fund is inactive because all grant positions have been merged into the General Fund.

Federal Section 8 Program Special Revenue Fund - accounts for funds received directly from the Federal government to provide rental assistance to low and moderate income families.

Fire Programs Special Revenue Fund - established and authorized by the Virginia State Legislature in 1985, and is funded from a percentage of fire insurance premiums paid in the Commonwealth of Virginia during each year. Funds are allocated to qualifying political jurisdictions through the use of a population-based formula designed by the State Corporation Commission. The intent set forth by mandated guidelines is for improvements and enhancements of fire safety and training. The City of Virginia Beach uses its share of funds for improvements to fire training facilities, the purchase of additional fire fighting/protective equipment and supplies, and additional training. This fund will be merged into the General Fund in FY 2008-09.

Fuels Internal Service Fund - established and separated from Automotive Services Internal Service Fund to more easily identify the costs associated with the delivery of fuel including maintenance, operation, capital and remediation costs for general fund supported fuel facilities.

General Debt Fund - used to budget and record the annual principal and interest payments for the City's long-term debt. Generally, these payments are backed by the City's general tax base. The debt incurred by the City in the process of acquiring major capital outlay or constructing capital facilities.

General Fund - supports the routine operations of the City, such as Police, Fire, and Public Libraries. It can also incur liabilities, indicated by interfund transfers, which are reimbursable by other funds. Resources are generated through the tax base and from Federal and State programs. Beginning in FY 2006-07, incorporates funding from the Pendleton Child Service Center Fund, and Information Technology Internal Service Fund.

General Government Capital Projects Fund - provides funds necessary to meet the City's need: for municipal facilities construction, ranging from community centers to offices; to preserve and enhance the extensive shorelines and navigable waterways within the City through protection, maintenance, access, and restoration projects; for projects supporting communications and technology that improve customer service delivery, and improve the functionality and efficiency of the organization and its infrastructure; for capital improvement projects supporting the economic and tourism development program; for capital improvement projects supporting the parks and recreation program; and to support the roadways capital improvement program. Sources of revenues include the operating budget, fund balance, State, Federal, debt financing, private contributions, and the Sandbridge Tax Increment Financing District and Special Service District.

Golf Course Special Revenue Fund - finances the operations of the Municipal Golf Courses. This fund is fully supported by the green fees, cart rentals, and concession operations at the golf courses.

Grants Consolidated Fund - accounts for grants-in-aid received from Federal and State agencies.

Information Technology Internal Service Fund for Subscriptions - is designed to account for the financing of existing subscriptions by City departments.

Inmate Services Special Revenue Fund - accounts for the proceeds of telephone commissions from pay telephones within the Correction Center. State law requires that these funds be used in support of programs benefiting the inmates.

Law Library Fund - is designed to finance the legal reference collection which is used primarily by the courts system. This fund is primarily supported through fees collected by the courts as "court costs."

Library Gift Fund - accounts for designated and undesignated donations to the Virginia Beach library system from individuals and groups. The undesignated donations are used for additions to the collection.

Lynnhaven Mall Tax Increment Financing Fund - the City Council established a Tax Increment Financing District for the Lynnhaven Shopping Area on June 2, 1998 in conjunction with the expansion of Lynnhaven Mall. The TIF funds are proposed to be used for improving the capacity and flow of traffic within the mall area, improving public transit access to and from the mall area, and expanding public parking.

Major Projects Special Revenue Fund - funds various projects in the FY 2001-02 Capital Improvement Program. The source for this fund comes through revenue generated by meal tax, hotel tax, and the cigarette tax, as well as the issuance of lease purchase agreements.

Marine Science Museum Grants Fund - provides funding for various Marine Science-related needs. It derives its revenues from cash donations received annually from citizens.

Mental Health Center Gift Fund - monetary contributions are received from various churches and civic league organizations, as well as memorial donations to the Older Adult Day Support Program, to help with the purchase of recreational supplies and/or pay for recreational outings (field trips) to local restaurants.

Mental Health Grants Fund - is an aggregation of Federal Block grants administered through the State's Department of Mental Health, Mental Retardation and Substance Abuse Services, as well as specific State grants with defined beginning and ending dates. All grants in this fund have specific reporting requirements to the grantor. This fund will be merged into the General Fund in FY 2008-09.

Open Space Special Revenue Fund - derives its revenue from part of the meals tax and other local sources associated with the acquisition of undeveloped property throughout Virginia Beach.

Parking Enterprise Fund - accounts for the expenditures and revenues generated by parking meters and the operation of municipal parking lots in the resort area.

Parks and Recreation Gift Fund - provides funding for various Parks and Recreation-related needs. It derives its revenues from cash donations received annually from citizens for designated (such as special events, recreation supplies, other purchased services, replacement equipment, and other Parks and Recreation activities, as may have been designated) and un-designated purposes related to Parks and Recreation programs and activities.

Parks and Recreation Special Revenue Fund - accounts for revenue from fees and charges, dedicated tax revenue for community recreation centers, the Sportsplex, and local (General Fund) support associated with the operation of the Parks and Recreation Department.

Pendleton Child Service Center Fund - accounts for expenditures made by the Pendleton Child Service Center against the resources provided by the Federal and State governments, the City of Virginia Beach, and the City of Chesapeake. This program addresses the needs of children with behavioral and emotional problems. This fund was merged to the General Fund in FY 2006-07.

Police Extraditions Special Revenue Fund - accounts for the funding required to support the operations of the City airplane in extraditing prisoners and providing transport for City officials where cost-effective. This will be merged into the General Fund for FY 2008-09.

Print Shop Internal Service Fund - provides for the printing and copying needs of City departments and the School Board.

Risk Management Internal Service Fund - provides a means of accounting for the City's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other City departments on a cost-reimbursement basis.

Sandbridge Special Service District Special Revenue Fund - records the cost of sand replenishment along the Sandbridge District oceanfront, receives its funding from specially assessed real estate taxes on properties within the district's boundaries, from a transient occupancy tax for the district, and gets additional support from the Parking Enterprise Fund, the Tourism Growth Investment Fund, and the Parks and Recreation Special Revenue Fund.

Sandbridge Tax Increment Financing Fund - on December 1, 1998, the City Council established a Tax Increment Financing District for the Sandbridge area. The TIF district, in conjunction with funding from a Special Services District also created for Sandbridge, will provide for periodic beach renourishment.

School Athletic Fund - records the costs of holding athletic activities at the City's schools. Receives its funding primarily from admission fees to athletic events, and gets additional support from the City's general fund.

School Cafeterias Fund - records the costs of operating the City's school cafeterias, receives its funding primarily from the sale of school lunches, and gets additional support from the State and Federal government.

School Communication Tower Technology Revenue Fund - on March 24, 1998, the City established the School Communication Tower Technology Special Revenue Fund to receive all payments from private tower owners who lease school property for commercial wireless towers. The funds received and the interest earned is used to acquire and replace technology including computers, software, wiring, training, facsimile, and copy machines.

School Equipment Replacement Special Revenue Fund - On January 9, 2007, the City established the School Equipment Replacement Special Revenue Fund to account for the financing and acquisition of various replacement equipment.

School General Revenue Capital Projects Fund - provides funding for the construction of new schools and school facilities. The Schools capital improvement program receives support from the Operating Budget in terms of current revenues and fund balance, State and private contributions, and debt financing.

School Grants Fund - records the costs to operate various special programs in the local schools and receives its funding from various local, State, and Federal grantor agencies.

School Instructional Technology Revenue Fund - this fund was established by the City Council with the adoption of FY 1999-00 Resource Management Plan to hold funds provided by the City outside of the Revenue Sharing Policy for School Technology. This fund has been revised to reflect funding from School's annual interest earnings up through FY 2007 or until \$12 million has been contributed. School's interest revenue received after FY 2007, will be allocated by the City to School's for projects and other operational costs.

School Landscaping Internal Service Fund - this fund accounts for monies provided by the Virginia Beach public school system for landscape design, installation, maintenance, and contract oversight at all public school sites, including physical education facilities (playgrounds), athletic fields, and parking lots.

School Operating Fund - supports the routine operations of the Virginia Beach public school system and tracks the funds provided for education by the Federal government and the State of Virginia.

School Textbook Fund - records the costs of providing textbooks to the student population, receives its funding primarily from the State Department of Taxation, and gets additional support from the City's general fund.

School Vending Operations Fund - this fund was established in FY 2001-02 after the district entered into an exclusive vending arrangement with a national soft drink vendor. Proceeds from this contract will be used to support student activities.

Sheriff's Department Special Revenue Fund - accounts for State, Federal, and local funds in support of the Sheriff's Office.

Sportsplex Special Revenue Fund - accounts for the funding required to support the operations of the Sportsplex. In FY 2006-07, this fund was transferred to the Parks and Recreation Special Revenue Fund.

Storm Water Capital Projects Fund - accounts for funds allocated for infrastructure improvements to the Storm Water Utility System. The Storm Water capital improvement program is designed to create an effective drainage system and storm water management system, protect natural resources and enhance quality of land and waterways, to maintain the City's utility systems, encourage development only in accordance with principles of natural environment protection, and provide adequate resources to maintain existing infrastructure. The Storm Water capital improvement program receives support from the Storm Water Utility Enterprise Fund of current revenues, retained earnings, and debt service for revenue bonds issued, and from other sources such as the State government, private contributions, the City's General Fund and Golf Course Special Revenue Fund.

Storm Water Utility Enterprise Fund - accounts for revenues and expenditures generated by the Storm Water Utility Fee for operational and capital needs for storm water management in the City.

Tourism Advertising Program Special Revenue Fund - accounts for revenues earmarked by City Council for the costs of advertising and marketing tourism.

Tourism Growth Investment Fund (TGIF) - accounts for revenues earmarked by City Council in support of the Tourism Growth Investment initiatives which are designed primarily to fund and maintain capital investments in the resort.

Town Center Special Tax District - in accordance with the Town Center Development Agreement, a special tax district was created in FY 2002-03 to provide annual operations and maintenance costs associated with the parking facilities and streets at Town Center. Every three years, the special tax rate will be reviewed by the City to determine the cash flow needed to properly maintain and operate the facility.

Transition Area Special Revenue Fund - this fund retains a portion of the Real Estate Taxes generated from homes built in the Transition Area. These revenues will serve as a source of financing for future infrastructure needs in that area.

Virginia Aquarium Special Revenue Fund - accounts for the funding required to operate the Virginia Marine Science Museum. Revenue is generated primarily through admissions, room rentals, museum memberships, and retail sales at the gift shop. This fund will be merged into the General Fund in FY 2008-09.

Water and Sewer Fund - accounts for the expenditures and revenues generated by the normal operations of the water and sewer divisions of the Public Utilities Department.

Water and Sewer Operating Capital Projects Fund - provides funds for the renovation/rehabilitation and replacement of water and sewer lines and pump stations, extensions of the water and sanitary sewer system coordinated with the roadway expansions, expansion of the water and sewer system to increase capacity in newer service areas, new water and sanitary sewer services through the Neighborhood 51% program. The Water & Sewer capital improvement program receives support from the Water and Sewer Utility Enterprise Fund in terms of current revenues, retained earnings, and debt service for revenue bonds issued, and from other sources such as the Federal government and Hampton Roads Sanitation District.

Descriptive List of Commonly Used Acronyms

Acronym	Title	Description
ADA	Americans with Disabilities Act	Federal legislation requiring all public buildings to be handicap accessible.
ADAPT	Automated Delivery of Assistance Payments	A state program to reduce the need for eligibility workers by creating an automated system to provide case management, eligibility determination, and benefit calculation to cover such services as Aid to Families with Dependent Children, Food Stamps, and Medicaid.
A&E	Architecture and Engineering	Studies and general design work on capital projects and special programs.
AFDC	Aid to Families with Dependent Children	Federal aid to low-income families with children to purchase food and related goods.
AICUZ	Air Installation Compatible Use Zone	The noise zones and the accident potential zones together form the AICUZ for an air installation. The AICUZ need to be updated periodically when the number and type of aircraft operations change at an installation.
ALS	Advanced Life Support	Critical care that requires immediate intervention for life or death circumstances.
ARB	Accounting Research Bulletins	Publications containing recommended accounting procedures published by FASB.
ARP	Agricultural Reserve Program	See glossary.
APZ1	Accidental Potential Zone 1	An area beyond the airfield runway where an aircraft mishap is most likely to occur if one occurs. It does not indicate a probability of an accident occurring, but is to be used for planning purposes.
AVID	Advancement Via Individual Determination	A program designed to help underachieving middle and high school students prepare for and succeed in colleges and universities. This program offers a rigorous program of instruction in academic "survival skills" such as how to study, read for content, take notes, and manage time.
AWWA	American Water Works Association	An organization of governmental Water and Sewer agencies. The Department of Public Utilities belongs to this group.
BLS	Basic Life Support	Provide care for the sick or injured.
BPOL	Business Professional Occupation License	A business tax license based upon gross receipts over \$100,000 and a flat rate of \$100.
BRACC	Base Realignment and Closure Commission	See glossary.

Acronym	Title	Description
BRT	Bus Rapid Transit	Dedicated transit lanes that accommodate unimpeded movement between the Convention Center, Marine Science Museum, and Atlantic Avenue.
BZA	Board of Zoning Appeals	A council appointed board that hears citizen requests for variances from the City Zoning Ordinance.
CAFR	Comprehensive Annual Financial Report	An audited and printed copy of the City's financial statement at the end of a given fiscal year.
CARE	Community Action Resources Empowerment	A community policing and neighborhood preservation program.
CASA	Court Appointed Special Advocate	A program administered by the State Department of Criminal Justice Services that provides volunteers who provide services as requested by the Juvenile and Domestic Relations Court to cases involving allegations that a juvenile is abused, neglected, in need of services or in need of supervision. These services include: investigation of the facts in a case, monitoring the case to ensure compliance with court orders, and assisting the guardian ad litem appointed to the case to represent the juvenile's needs and best interests.
CBD	Central Business District	The Virginia Beach Central Business District is a large area roughly bound by Thalia Creek on the east, Witchduck Road on the west, Jeanne Street on the north and Bonney Road on the south. Much of this area is comprised of commercial enterprises with some light industrial uses located in the western portion of the district. Since the year 2000, considerable growth has occurred in the Central Business District's Town Center area. The Town Center is a 17-block area located southwest of Virginia Beach and Independence Boulevards. It is a vibrant and growing urban lifestyle center with a complement of mixed uses that include high rise residential, retail, office, restaurant, entertainment, education and open spaces, all designed around a well planned urban, pedestrian friendly environment.
CC	Certificate of Compliance	A program offered by the Department of Housing that conducts inspections on rental units.
CDBG	Community Development Block Grant	Federal grant money used to improve housing and infrastructure.
CHINS	Child In Need of Services/Supervision	"Child in need of services" means a child whose behavior, conduct or condition presents or results in a serious threat to the well-being and physical safety of the child.
CIP	Capital Improvement Program	A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to Council policies, plans, and goals.

Acronym	Title	Description
CJIS	Criminal Justice Information System	This is a 20-year-old information system used by the Police Department to report state mandated information on criminal and other incidents.
COG	Community Organization Grant	A Council appointed committee that awards non-profit agencies monetary grants for providing community services.
COIA	Conflict of Interest Act	The State and Local Government Conflict of Interests Act requires some Virginia governmental officers and employees to disclose their financial interests.
CPA	Chesapeake Bay Preservation Act	An ordinance to protect and restore the water quality of the Chesapeake Bay and its tributaries.
CPMT	Community Policy and Management Team	A team of City/School staff that oversees Comprehensive Services Act funding.
CPRMS	Capital Project Resource Management System	Software used by the Department of Management Services to assist departments in preparing and submitting capital project requests. It is a project management tool.
CRIMES	Comprehensive Regional Information Management and Exchange System	Computer database access system used by the regional City police departments to access information from the databases of each participating locality.
CSA	Comprehensive Services Act	A funding pool of state funds, trust grants, Medicaid, Family Preservation Act funding, and the funding sources to strengthen families and provide services to at-risk youths.
CSB	Community Services Board	A service responsible for providing a range of behavioral health services.
D.A.R.E.	Drug Abuse Resistance Education	A comprehensive drug and violence prevention education program for children in 5 th grade.
DBRS	Department Budget Request System	Software used by the Department of Management Services that assists departments in preparing and submitting their annual budget requests.
DCJS	Department of Criminal Justice Services	A state agency that oversees grant funding to local municipalities for criminal justice related programs.
DEA	Drug Enforcement Agency	Federal agency that polices illegal drug activities.
DMAS	Department of Medical Assistance Services	A state agency that administers Medicaid.
DMV	Department of Motor Vehicles	A state agency responsible for issuing driver's licenses and issuing automated tags.
EDIP	Economic Development Investment Program	This program is a proactive and creative initiative, which enables the City to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These

Acronym	Title	Description
		funds are leveraged by business for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).
E-ENet	Emergency Educational Network	The training staff of the Fire Department produces a nine-and-a-half minute video giving tips on training practices, which is broadcast nationally by satellite.
EEO	Equal Employment Opportunity	A federal law banning the practice of employment discrimination based on race, religion, national origin, creed, sex, etc.
EMD	Emergency Medical Dispatching	A program that provides dispatchers basic medical training to assist in emergency calls.
EMS	Emergency Management Services	A City department that provides emergency rescue services.
ESG	Emergency Shelter Grant	A federal grant to aid homeless shelters.
FASB	Financial Accounting Standards Board	Organization created to serve investing public through transparent information resulting from high quality financial reporting standards.
FDE	Full Day Equivalent	Method of computation for determining overall building use (used primarily at the Convention Center).
FEMA	Federal Emergency Management Agency	An independent agency of the federal government, with the mission to reduce loss of life and property and protect our nation's critical infrastructure from all types of hazards through a comprehensive, risk-based, emergency management program of mitigation, preparedness, response and recovery.
FIOS	Fiber Optic Service	Verizon's Fiber Optic Service.
FLSA	Federal Labor Standards Administration	A Federal agency responsible for regulating labor laws.
FOIA	Freedom of Information Act	Virginia statute that guarantees citizens the right to examine public documents.
FTE	Full-Time Equivalents	Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full-time employee.
FY	Fiscal Year	A budget cycle year, from July 1 st to June 30 th in Virginia Beach.
GAAP	Generally Accepted Accounting Principles	The standard framework for financial accounting.
GASB	Governmental Accounting Standards Board	Organization created to improve standards of state and local governmental accounting and financial reporting.

Acronym	Title	Description
GDP	Gross Domestic Product	The total market value of all final goods and services produced in a given year, which is equal to total consumption, investment, governmental spending, plus the value of exports, minus the value of imports.
GIS	Geographic Information System	Geographic Information Systems are tools used to gather, transform, manipulate, analyze, and produce information related to the surface of the Earth. This data may exist as maps, 3D virtual models, tables, and/or lists.
GSTN	Government Services Training Network	A program offered by the Human Resources department to offer training to employees.
HIPAA	Health Insurance Portability and Accountability Act	See glossary.
HOME	(not an acronym)	A federal grant to provide housing repairs to qualified homeowners.
HOV	High Occupancy Vehicle	An additional lane on an interstate dedicated to vehicles with two or more passengers during peak traffic times.
HRC	Human Rights Commission	A council appointed commission that advocates and promotes human rights.
HR-CPT	Human Resource Commons Policy Team	A team comprised of various city department heads, who in conjunction with the Director of Human Resources advises the City Manager on personnel policy and organizational impacts.
HRPDC	Hampton Roads Planning District Commission	A local agency comprised of elected officials and support staff that assists municipalities in economic projections and development.
HRSD	Hampton Roads Sanitation District	A private corporation that treats sewage waste from area municipalities.
HRT	Hampton Roads Regional Transit	An independent transit authority serving the Hampton Roads area.
HSMAI	Hotel Sales and Marketing Association International	The name of a Hotel Marketing Association. Grant awards to the Convention and Visitor Bureau.
HVAC	Heating, Ventilating & Air Conditioning	A mechanized unit that provides heating and air conditioning.
IAAO	International Association of Assessing Officers	A professional organization with expertise in property appraisals, assessment administration, and property tax policy.
IBR	Incident Based Reporting	A crime incident-based system through which data are collected on each single incident and arrest within 22 offense categories made up of 46 specific crimes. For each offense, an expanded list of facts about each crime is collected.

Acronym	Title	Description
ICMA	International City Manager's Association	The professional and educational organization for chief appointed managers, administrators, and assistants in cities, towns, counties, and regional entities throughout the world. ICMA's mission is to create excellence in local government by developing and fostering professional local government management worldwide.
IRP	Investigative Review Panel	A Council mandated panel appointed by the City Manager that reviews citizen complaints against city employees.
JLARC	Joint Legislative Audit and Review Commission	JLARC provides the General Assembly with reliable and valid information for use in legislative decision-making; monitors and reports whether State agencies and programs are in compliance with legislative intent concerning appropriations and objectives; and determines whether State agencies and programs meet criteria of economy, efficiency, and effectiveness.
JLUS	Joint Land Use Study	A cooperative land use planning effort between a military installation and the surrounding communities. It promotes compatible community growth that will support military training and operational missions.
LAN	Local Area Network	A technological term for a specific type of computer network connectivity configuration.
LVR	Local Vehicle Registration	A local vehicle registration fee that is collected with the state registration fee by the Department of Motor Vehicles.
MAC	Member Advisory Committee	A group consisting of representatives from all City departments which was formed to provide input on issues and concerns that affect City members.
MGD	Million Gallons per Day	A public utilities term used to measure daily capacity at the water distribution plant and sewage treatment plants.
MLT	Management Leadership Team	See glossary.
NPDES	National Pollutant Discharge Elimination System	A federal law eliminating pollutants in storm water run off.
NVRA	National Voter Registration Act	A federal law mandating that the Department of Motor Vehicles, health, mental health, social services, and other state agencies be integrated with the voter registration system.
OSHA	Occupational Safety & Health Administration	A federal agency that regulates work related safety issues.
PAL	Police Athletics League	A Police Department program designed to promote a positive relationship between police and youth, and to channel those youth into organized and pre-existing programs. The program serves "at-risk" neighborhoods and is comprised of both teen and pre-teen members.

Acronym	Title	Description
PIO	Public Information Office	A City division responsible for providing the public information about services and programs and other information.
PLAY	Promotion Leisure Activities for Youth	This team's purpose is to develop, promote, implement, and evaluate programs for youth and families at risk. In addition, the team is establishing a collaborative network with Social Services, Community Services Board, Health Department, Public Schools, and Police Department to offer seminars, counseling, training, and educational sessions in substance abuse, teen pregnancy, disease prevention, job training, self-esteem, and career development.
RACS	Revenue Assessment and Collection System	An integrated tax revenue recordation software system designed to improve customer service and efficiency between departments.
RFP	Request for Proposal	An official document sent to vendors with specifications of goods and services to be purchased by the City.
RMP	Resource Management Plan	Document that outlines the expenditure, personnel and revenues needed for financing the annual operations, services, programs and construction projects of the City government. It is comprised of the Executive Summary, Annual Operating Budget, and the Capital Improvement Program.
RPPP	Residential Parking Permit Program	This program is used in the resort area as a tool to manage the demand for residential parking and the control of unreasonable noise during the nighttime hours in resort neighborhoods by restricting parking on residential streets to permit parking between 8:00 p.m. and 6:00 a.m.
SACWIS	State Automated Child Welfare Information System	A state funded program designed to provide every child welfare worker with a computer and the enhancements to better serve and protect vulnerable children.
SCG	Strategy Coordinating Group	A group of employees pulled together by the City Manager to develop a comprehensive City Strategy based on the City Council destination points and the work of the Strategy Issue Team.
SCHIP	State Children's Health Insurance Program	State program offered thru the department of Social Services to provide health coverage to at-risk children.
SEC	Securities and Exchange Commission	The primary mission of the U.S. Securities and Exchange Commission is to protect investors and maintain the integrity of the securities markets.
SEVAMP	Southeastern Virginia Area Model Program	A program that provides in-home health care, health promotion, and health education for seniors.

Acronym	Title	Description
SID	Special Investigative Division	A division of the Police Department whose purpose is to provide investigations of narcotics, vice, street gangs, diversion of prescription drugs, and organized criminal activity in the community; to collect, maintain, use and disseminate street gang and criminal intelligence data to other units within the Police Department and to local, state, and federal law enforcement agencies; and to serve as a liaison to other law enforcement agencies in the coordination of Task Force and multi-jurisdictional investigations.
SIT	Strategic Issue Team	A Strategic Issue Team is one of seven teams formed to manage major City issues as identified by previous Mission Teams and by the City Council's goals. These teams include: Economic Vitality (EVSIT), Safe Community (SCSIT), Quality Physical Environment (QPE), Cultural and Recreational Opportunities (CRO), Quality Education and Lifelong Learning (QELL), Family & Youth Opportunities (FYO) and Quality Organization (QOSIT).
SOL	Standards of Learning	The State of Virginia measures against which students' achievement in school will be measured at different points in their education.
SOQ	Standards of Quality	A term describing the minimum limits the state prescribes for funding reimbursements of school personnel including teachers, principals, and other non-instructional staff.
SPSA	Southeastern Public Service Authority	A private agency responsible for regional waste disposal.
SSI	Supplemental Security Income	Federal aid given to the retired, disabled, and their dependents.
SSSD	Sandbridge Special Service Tax District	A program for beach restoration.
SWMF	Storm Water Management Facilities	Retention ponds that are a part of the storm water management system.
SWU	Storm Water Utility	Name of a fund that performs storm water maintenance activities.
TANF	Temporary Assistance to Needy Families	Federal assistance, which replaces the AFDC and requires all participants to find work after receiving assistance for 24 months and must participate in community services within two months.
TAP	Tourism Advertising Program	See glossary.
TCC	Tidewater Community College	A local community college.
TDD	Telecommunication Devices for the Deaf	See glossary.
TDH	Tidewater Detention Home	A secure detention home for juveniles operated by the City of Chesapeake.

Acronym	Title	Description
TGIF	Tourism Growth Investment Fund	See Fund Description.
TIF	Tax Increment Financing	See glossary.
TIP	Technology Improvement Plan	This is a plan designed to keep computers and other technology used by the City up to date.
TTDC	Tidewater Transportation District Commission	An agency responsible for regional transportation planning.
UCR	Uniform Crime Report	The standard for crime reporting to the FBI for about 60 years. It included the reporting of homicide, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and arson, which are called Part I Crimes.
ULF	Ultra-Low Flush	These are toilets that use minimal water per flush and are a part of the Water Conservation Program.
UST	Underground Storage Tank	See glossary.
VBCDC	Virginia Beach Community Development Corporation	A non-profit group dedicated to preserving the City's housing stock.
VBCRC	Virginia Beach Community Recreation Center	Virginia Beach Community Recreation Centers that offer a variety of recreation, education and fitness opportunities to people of all ages. These are the six Recreation Centers: Kempsville, Bow Creek, Seatack, Great Neck, Bayside, and Princess Anne.
VBCSU	Virginia Beach Court Service Unit	An agency of the State Department of Juvenile Justice that provides comprehensive probation, parole, and intake services to the Virginia Beach Juvenile and Domestic Relations Court, the Virginia Beach Police, and the public.
VBDA	Virginia Beach Development Authority	Composed of eleven members appointed by City Council to work in cooperation with the City's Department of Economic Development as delineated in Chapter 643, Acts of The General Assembly, as Amended.
VBHI	Virginia Beach Home, Inc.	An agency that acquires and rehabilitates low-income housing to provide affordable housing for those needing low to moderately priced housing.
VBOP	Virginia Beach Outdoors Plan	A plan to develop the North/South and East/West greenways and scenic waterway systems.
VBQSS	Virginia Beach Quality Service System	See glossary.
VBTV	Virginia Beach Television	A local cable access channel that broadcasts City meetings, seminars, presentations, employment information, and other City business.
VDOT	Virginia Department of Transportation	State agency that maintains state roads and interstate.

Acronym	Title	Description
VIEW	Virginia Initiative for Employment not Welfare	A state welfare reform program that places work requirements and time restrictions on receiving welfare aid.
VJCCCA	Virginia Juvenile Community Crime Control Act	A Virginia block grant that provides funding for non-secure and outreach detention, group home services, and services provided by the Pendleton Child Service Center.
VOIP	Voice-Over Internet Protocol	Protocol optimized for the transmission of voice through the internet or other packet-switched networks.
VOSH	Virginia Occupational Safety and Health Program	A program under the auspices of the Virginia Department of Labor and Industry which sets standards to "...adequately assure...that no employee will suffer material impairment of health or functional capacity."
VRS	Virginia Retirement System	A state retirement system for public employees that provides its members with benefits at retirement, or upon disability or death.