

VIRGINIA BEACH

COMMUNITY FOR A LIFETIME



**City of Virginia Beach
Adopted Resource Management Plan
Fiscal Year 2011-12**

Executive Summary

ACKNOWLEDGMENTS

The Department of Management Services thanks the many individuals and departments who assisted in preparing this document. Particular thanks go to: the Joint City/Schools Print Shop staff for their assistance with document production; the Management Leadership Team and City Council for their important contributions to priority setting; City Department Directors; participating appointed and elected officials; the Media and Communications Group who assisted with budget communication; and Craig McClure, City Photographer, and Benny Bennetch, Joint City/Schools Print Shop, who assisted with the design of the document cover. Their efforts were greatly appreciated. Special thanks go to my staff for their willingness to work through the changes, issues and problems creatively, with cheerfulness and unsurpassed competence.

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Sincerely,



Catheryn R. Whitesell, Director
Department of Management Services



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OVERVIEW

The Resource Management Plan is comprised of three volumes: the Executive Summary, Operating Budget and Capital Improvement Program. These volumes are interrelated and help to support and define each other. The three volumes are considered and adopted by the City Council together as an integrated whole.

Executive Summary

This volume provides a comprehensive overview of the policies, both service and fiscal, which guide the development and implementation of the annual operating budget, the capital budget and the five planning years of the capital improvement program. It includes a forecast of expenses, resources and trends, as well as brief highlights of the new or expanded programs or projects. This document is designed to provide the reader with a quick and comprehensive understanding of the financing strategies of the government.

Operating Budget

Operating Budget – this volume provides detailed information on the City’s anticipated spending needs for the upcoming fiscal year, beginning July 1st through June 30th. It provides detailed discussions of revenues and expenses. The Operating Budget document is organized into sections based on the seven business areas of the government. Departments are assigned to each of the business areas.

Capital Improvement Program (CIP)

Capital Improvement Program (CIP) – this volume is comprised of the annual Capital Budget (year one of the six year plan) and five planning years (years two through six). The CIP is organized into sections based on the seven business areas of the government. The functional sections of Roadways, Buildings, Coastal, Economic and Tourism, Schools, Parks and Recreation, Water Utilities, Sewer Utilities, Storm Water Utilities and Communications and Information Technology are assigned to their appropriate business area. Within each functional area, each project page includes a brief description of the project, a financing plan, and a locational map.

The reader should be aware that the Executive Summary provides a good description of how resources are used by the government and the policies which guide that use, but for a complete understanding of the detailed spending plans, one needs to reference all three documents. The complete Resource Management Plan is available in the City’s libraries, at City Hall, and on the Internet. To see the Resource Management Plan on the internet, go to www.vbgov.com.



Virginia Beach City Council



Virginia Beach Vision: 2024

At the 2011 annual workshop session, City Council reaffirmed this vision for Virginia Beach.



VIRGINIA BEACH

is the leading City in Virginia



VIRGINIA BEACH

is a community with Diverse, Distinctive Neighborhoods, a Diverse Local Economy, with Diverse Living Choices and an Effective Transportation System.



VIRGINIA BEACH

has a beautiful Natural Setting and Resources, a First Class Resort, and a Vibrant Town Center.



OUR PEOPLE ENJOY

Great Schools and Places to Have Fun.



“Community for a Lifetime”



City Organization and Information

The City of Virginia Beach adopted its first Charter on February 28, 1962; it was ratified by the State Legislature to be effective on January 1, 1963, thereby incorporating the City. In its Charter, the City established a Council/Manager form of government, in which an elected City Council establishes policy and the resulting programs are carried out by an appointed City Manager.

Key Statistics	
Total Square Miles of Land	248.3
Total Square Miles of Water	58.5
Population Estimate (FY 2011-12)	439,308
Number of Registered Voters (January 2009)	288,924
Number of Homes/Residences	171,855

City Council Members:

Mayor William D. Sessoms, Jr.

Louis R. Jones, Vice-Mayor, District 4 – Bayside

Glenn R. Davis, District 3 – Rose Hall

Bill R. DeSteph, At – Large

Harry E. Diezel, District 2 – Kempsville

Robert Dyer, District 1 – Centerville

Barbara M. Henley, District 7 – Princess Anne

Rita Sweet Bellitto, At – Large

John E. Uhrin, District 6 – Beach

Rosemary Wilson, At – Large

James L. Wood, District 5 – Lynnhaven

City Council Appointees:

City Manager – James K. Spore

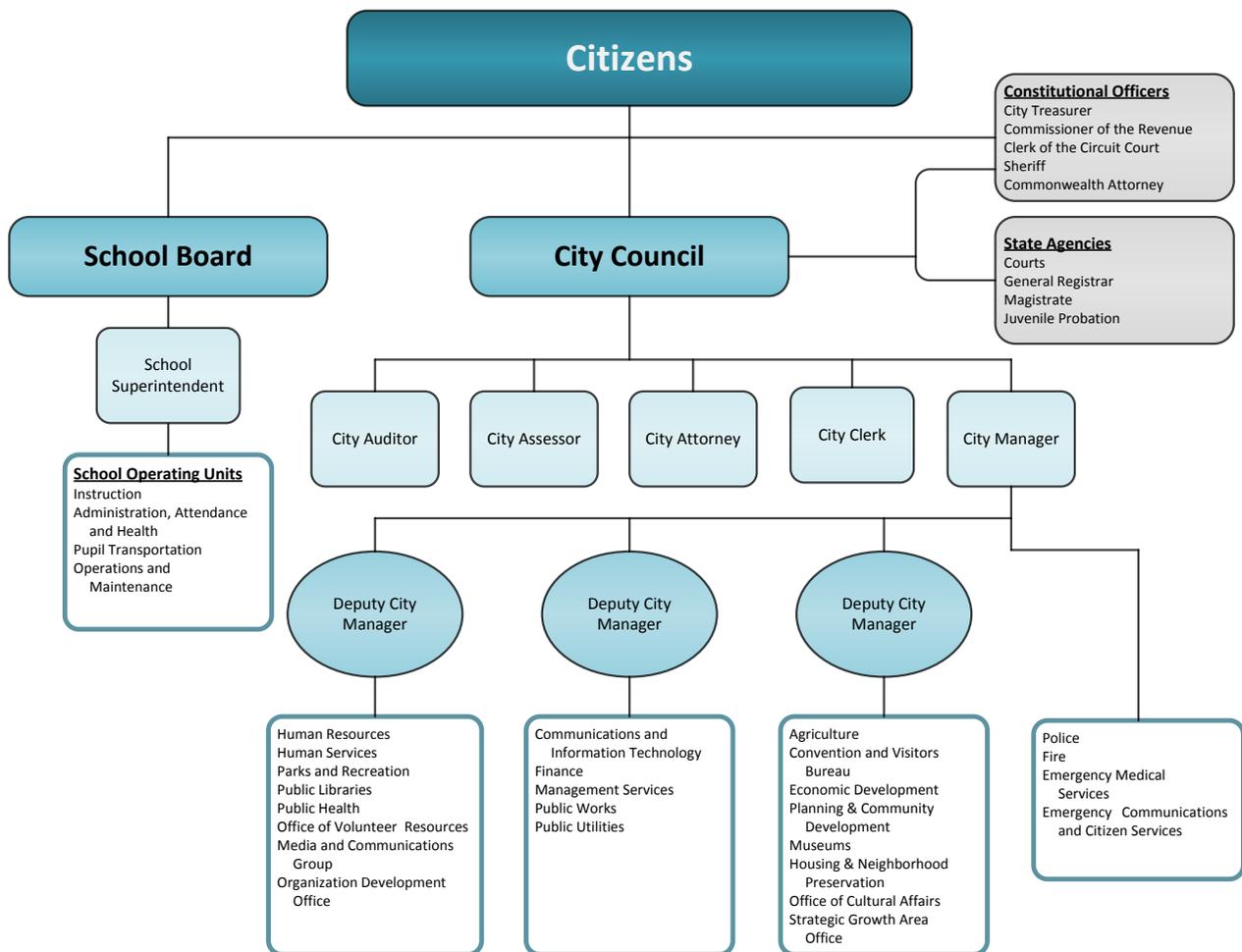
City Attorney – Mark Stiles

City Auditor – Lyndon Remias

City Clerk – Ruth Hodges Fraser

City Real Estate Assessor – Jerald Banagan

Operating Structure





City of Virginia Beach

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June 10, 2011

The Honorable William D. Sessoms, Jr., Mayor
 Members of City Council

Subject: Adopted FY 2011-12 Resource Management Plan Amendments

Dear Mayor and Council Members:

The Proposed FY 2011-12 Operating Budget and Capital Improvement Plan were presented to City Council on March 29, 2011. From discussions that occurred during five City Council workshops, two public hearings, and a Budget Open House, the Budget and Capital Improvement Program (CIP) have been **modified to address community concerns and issues**. The plan you adopted on May 10, 2011, includes \$1,742,646,267 for the FY 2011-12 Operating Budget and \$302,165,900 for the FY 2011-12 Capital Budget.

Major revenue related changes to the proposed budget submitted to you on March 29th includes **reducing the proposed real estate tax by two cents** to the current rate of 89 cents and **reducing the proposed personal property tax by 20 cents** to the current rate of \$3.70. City Council offset these revenue reductions by using available City and School fund balances. Even with these changes in revenue, City Council fully funded the School Board's submitted budget.

City Council also **addressed employee compensation** by increasing the proposed general pay increase to City employees from 1.5% to 2.5%. The proposed increase will be offset by reducing most of the funding set aside in the market salary reserve. Funding totaling \$800,000 still remains in the salary reserve. Coupled with the \$1 million added by City Council, **\$1.8 million will be available to address 552 positions that are significantly below the market**.

The following table details all adjustments to the Proposed Operating Budget adopted by City Council.

Changes to Appropriations	
Lower Reserve for Contingences (to offset wedding permit fee decrease)	\$ (4,500)
Additional funding for market salary (in addition to the \$800,000)	1,000,000
Funding for 2.5% increase for Sheriff's employees	500,000
Restoring three positions in the Commissioner of Revenue	195,597
Restore three positions and the Oceanfront Treasurer's Branch Office	173,914
Human Services – community employment slots	25,000
Therapeutic mental health substance abuse program	121,596
Schools - Restore adjustment for BPOL & Machinery and Tools	1,889,267
Total	\$ 3,900,874

Changes to Revenue	
Eliminate two cents of the proposed Real Estate Tax increase	\$ (9,900,000)
Eliminate 20 cents of the proposed Personal Property Tax increase	(5,209,440)
Restore \$1.5 million of the initial revenue lost by eliminating BPOL on new businesses for the first two years (related to implementation changes)	1,500,000
Increase miscellaneous revenues due to improving trends	390,011
Increase revenue in the Sheriff's Fund for Federal prisoners	500,000
Increase fund balance in the Sheriff's Fund	121,596
Increase Personal Property Tax due to improving trend	2,000,000
Reduce Wedding Permit fee from \$500 to \$200	(4,500)
Increase use of School Risk Management Fund Balance	5,500,000
Increase use of School Technology Fund Balance	3,793,767
Increase use of General Fund – Fund Balance	5,209,440
Total	\$ 3,900,874

With these adjustments, the City Manager's Proposed Operating Budget of \$1,738,745,393 increased by \$3,900,874 for an adopted total of \$1,742,646,267.

City Council adopted several changes to the proposed six-year Capital Improvement Program. To reflect the final budget associated with the Governor's Transportation Plan, Elbow Road Extended – Phase II, Indian River Road – Phase VII, and Laskin Roads Phases I and II are no longer fully funded in the six year Capital Improvement Program (three positions related to this program are also eliminated). The Oceana and Interfacility Acquisition Project includes the reinstatement of the State's \$7.5 million commitment to this program. The Blackwater Fire Station now includes construction funds in FY 2013-14. The School Board's requested Capital Improvement Program is fully funded. The following table details all changes to the Proposed Capital Improvement Program adopted by City Council.

	Capital Budget	FY 2012-13 to FY 2016-17
Additions		
School Board Requested Adjustments to Proposed CIP		
1.001 Renovation and Replacements - Energy Management	\$ (450,000)	\$ (1,075,000)
1.035 John B. Dey Elementary School	-	19,516,241
1.056 Princess Anne Middle School	-	4,858,759
1.103 Renovations and Replacements - HVAC	(1,200,000)	(1,650,000)
1.109 Energy Performance Contracts	2,500,000	5,000,000
1.233 Old Donation Center/Kemps Landing Magnet School	6,650,000	3,850,000
Total School CIP	\$ 7,500,000	\$ 30,500,000
Changes to Governor's Transportation Plan		
2.156 Laskin Road - Phase I	-	\$ (804,993)
2.165 Laskin Road - Phase II	\$ (4,890,885)	(16,979,959)
2.167 Lynnhaven Parkway - Phase XII	-	(5,439,253)
2.158 Holland Road - Phase VI	-	(2,363,851)
2.152 Elbow Road Extended - Phase II	(13,813,473)	(1,997,164)
2.256 Indian River Road - Phase VII	(19,625,627)	(51,540,973)
2.025 Witchduck Road - Phase II	14,687,629	(13,627,579)
2.168 Lesner Bridge Replacement	625,000	4,173,806
Total Road CIP	\$ (23,017,356)	\$ (88,579,966)
Other Changes to the CIP		
9.060 Oceana & Interfacility Traffic Area - Restore State BRAC Funding	\$ 7,500,000	\$ 37,500,000
3.248 Blackwater Fire and Rescue Station - Fund Construction	-	2,439,409
Total Other Changes to the CIP	\$ 7,500,000	\$ 39,939,409
Total Changes to the CIP	\$ (8,017,356)	\$ (18,140,557)

Offsetting Amounts		
Increase State revenue for BRAC Program	\$ 7,500,000	\$ 37,500,000
Decrease Risk Management Fund Balance for Old Donation/Kemps Landing Magnet School	(5,500,000)	-
Increase Debt for School Projects (per School Board)	13,000,000	23,350,000
Increase Pay-go for School Projects (per School Board)	-	7,150,000
Increase Debt for City Projects	-	2,439,409
Reduced State Revenue for Governor's Transportation Plan	(23,017,356)	(88,579,966)
Total Revenue for CIP	\$ (8,017,356)	\$ (18,140,557)

With these adjustments, the City Manager's Proposed Capital Budget of \$310,183,256 decreased by \$8,017,356 for an adopted total of \$302,165,900.

We will also address issues City Council raised in their reconciliation of the Proposed Budget, including **providing the staff support for a review of the City/School Revenue Sharing Formula** and ensuring that the newly adopted **waste management fee will be solely used for waste management operations**.

The last three budget cycles have been incredibly difficult due to declining revenues. Still, we believe the approved Operating Budget and CIP will not only address the community needs over the next fiscal year but will lay the groundwork to address important infrastructure needs for our City in the future. With this Resource Management Plan serving as part of the foundation, we remain steadfast in our goal of making Virginia Beach a **"Community for a Lifetime"** for our citizens.

With Pride in Our City,



James K. Spore
City Manager



City of Virginia Beach

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March 29, 2011

The Honorable William D. Sessoms, Jr., Mayor
Members of City Council

Subject: Proposed FY 2011-12 Resource Management Plan

Dear Mayor and Council Members:

Virginia Beach has reached a crossroads.

In both FY 2009-10 and FY 2010-11, we had to deal with shrinking budgets. It wasn't easy. We cut hundreds of jobs, and we used reserves. We avoided layoffs and deep service cuts. In short, we avoided having to make the really difficult decisions, hoping the economy would improve and make our choices easier.

That didn't happen.

This year, we finally must choose: Do we cut programs significantly or do we raise revenues to maintain Virginia Beach's high quality of life? Do we take the short-term view? Do we tap reserves again and kick the can down the road one more year, hoping the problem gets better? Or do we acknowledge that we cannot sustain our government forever by one-time measures?

My preference, and I believe yours as well, is clear. I prefer a **responsible** budget that balances revenues and expenses without deep cuts. I propose we do this by **modestly** raising some tax rates and fees. This will allow us to begin to catch up on our infrastructure backlog while continuing to provide the services that Virginia Beach residents deserve.

I do not favor large-scale cuts. I do not favor closing libraries, fire stations or recreation centers. I do not favor eliminating police jobs or after-school programs. I do not endorse a plan that puts off paving roads, cleaning ditches and strengthening our waterways. That would only drive citizens and businesses from Virginia Beach. I favor raising revenues **now** to avoid worse deficits and more difficult and more costly choices in the future.

First, let's review current events and a little history.

As I write this letter, budget battles are making headlines across the country, particularly in Wisconsin, where daily employee and citizen protests are making national news. What's going on in Wisconsin has become the norm nationwide. Budget battles now seem to be yearly events for citizens, bloggers, and news people at the local, state, and national levels. Governments are under increased scrutiny as elected officials address the increasing demand for services with limited funding, which makes attempts at reaching consensus on budget priorities a challenge.

We know that budgets not only address the year ahead, but also many years beyond, as governments address infrastructure needs, social and educational issues, and economic vitality for future generations. Looking back at Virginia Beach's budget history may help guide our decision making as we approach the budget year ahead. What were the issues that affected Virginia Beach over a generation ago? How did the community and City Council address these needs? The famous Supreme Court Justice Oliver Wendell Holmes once said, "A page of history is worth a volume of logic." City Council's decisions today will help **create** and **sustain** the Virginia Beach of the next generation. So, let's look back at the issues that affected Virginia Beach decades ago and review how strategic, long-term issues were addressed.

In the 1980s, Virginia Beach found itself growing at a pace that led the nation. Yet, at the same time Virginia Beach was growing, infrastructure needs were lagging. Roads were congested, schools were overcrowded, recreational opportunities were limited. Most concerning of all, Virginia Beach didn't have a long-term water source. For many years, citizens were prohibited from washing their cars or watering their lawns unless they used water buckets.

Eventually, we determined that the Lake Gaston project was the best solution. The City Council increased water rates and citizens voted to pay for debt associated with the project. Over the next 15 years, the project was mired in litigation and water rates were the highest in the region. At the same time, voters approved increased real estate taxes to address the increasing infrastructure backlog. This included School construction and modernization, recreational centers, and multiple roadways. Over 10 years, the real estate tax rate was increased 42 cents. Hotel and restaurant taxes increased with the tourism industry's support to address needs at the oceanfront, including burying power lines and renovating and upgrading the boardwalk. It's interesting to note that it took a generation for the boardwalk to be named one of the top 10 public spaces in America.



What was the result of all these investments? Today, our residents and tourists enjoy a high quality of life. We are a thriving coastal community, thanks to the citizens and City Councils of a generation ago. Even with the strategic investments in our schools, roads, municipal buildings, infrastructure and the increased tax rates to pay for them, **Virginia Beach has the lowest tax rates and among the lowest water rates in the region** and arguably the most amenities of any city in Hampton Roads.

I bring up our City history to make an important point. The impact of declining revenues is taking its toll on City services. Employees haven't received raises in two years, yet they still work hard to address the needs of our community. Infrastructure and maintenance needs have been deferred, and waiting lists for City services are growing longer. I believe together we have been fiscally prudent during the recession as we have attempted to maintain critical services while decreasing the tax burden on our residents. Most economists agree the recession has ended, but growth will be limited as we move forward. With the economy slowly improving, we are submitting a budget to you today that not only sets a funding plan for the next year, but also lays a foundation for the next generation as we invest in our City's infrastructure, employees, students, and residents.

OPERATING BUDGET

Just as we predicted last year, balancing the FY 2011-12 Budget is tough even though our deficit is smaller (\$23.9 million versus \$41 million). Revenue continues to decline, along with State and Federal support for specific programs. Though the good news is the State budget did restore more than \$7 million to the School system and nearly \$800,000 in law enforcement funding, those gains are wiped out by the State's elimination of its support to maintain Naval Air Station Oceana.

During the last four budgets, City and Schools have drawn down reserve funds, eliminated more than 730 positions, cut programs, increased efficiencies and relied on one-time cash infusions to make the budget work. We also added projects and services that are extremely important to citizens, like the Animal Care and Adoption Center, replacement of Kellam High School, and the Williams Farm Recreation Center. We didn't raise real estate or car taxes to do this. To paraphrase the Vice Mayor, everybody got a little of what they thought was important.

Overall the Proposed FY 2011-12 Operating Budget is increasing by 2.05% with the City's share increasing by 1.4% and the Schools' share increasing by 2.8%. This increase is below the current inflation rate of 2.1% (February, 2011). We have placed particular emphasis on City Council's focus areas of public safety and human services.

This City's portion of the budget eliminates almost 78 positions, while adding about 103 positions for a net increase of approximately 25 positions. The Schools portion of the budget eliminates over 129.5 positions, of which 48 are teaching positions. While there are some new positions to address City Council's priorities like the new Animal Care and Adoption Center, almost all of the new positions are supported by revenue sources or capital project funding, particularly in the area of Parks and Recreation, Human Services, Public Works, and Communications and Information Technology. Still, we cannot fund all of the existing programs in place. For example, we are reducing three positions in the Treasurer's Office and closing the Treasurer's satellite office at the oceanfront. Also, due to State funding decreases, 11 positions are eliminated in the Sheriff's Department. Many departments are losing positions and a summary of the positions that are proposed for elimination can be found on page 58 of this document, or explained in more detail in each department's write-up.

As a reality check, staff and City Council have spent the last two and a half months reviewing the state of key components of our common public investments. Areas analyzed included technology, vehicles, buildings, the condition of our storm water system, beaches and coastal areas. The comparative position of our compensation system was examined as well as the condition of our Risk Management Fund. It became abundantly clear that more needs to be done to assure the sustainability of the public's previous investments as we look to the future. This budget proposes a central concept of establishing multiyear efforts to responsibly address the trends and backlogs identified and discussed in your various work sessions. Addressing the concerns identified will show our commitment to the stewardship of public resources and reduce costs over time by utilizing planned, timely expenditures now to avoid more costly fixes in the future.

This budget will begin to address some of the long-term financial and infrastructure needs of our community, including:

- Fund the City's **Risk Management** liability up to 75% of its actuarial estimate within five years. This budget recommends a transfer of \$3.6 million in General Fund fund balance and \$1.5 million of available funding from the Federal Emergency Management Agency (FEMA) fund balance to the City's Risk Management Fund. At your direction, staff will also initiate an evaluation of combining the City and School risk management programs.
- Fully fund the City's annual \$5 million **vehicle replacement** program over the next three years. To address the recession, we had cut this program by nearly \$2 million to only \$3.1 million. Like Schools, we have extended the replacement cycle for critical vehicles. For example, we now replace police cars at 120,000 miles rather than 100,000 miles and garbage trucks are kept on the road for ten years rather than seven years. As a first step to addressing these issues, we have allocated an additional \$1 million in FY 2011-12 from the Agricultural Reserve Program (ARP) fund balance. It is important to get back to the \$5 million funding level to minimize the annual maintenance costs per vehicle.
- Provide adequate funding to meet the organization's **information technology** needs over the next five years. As a first step, we have allocated a significant portion of the \$14.5 million funding from Schools to meet critical system replacement needs. As the mayor has indicated on numerous occasions, we do not want to hurt our quality School system, so it is only after assurances from the School Board that we accept the School Board's original offer to use \$14.5 million from the Schools' Risk Management Fund. ***School Board Chairman Dan Edwards assures us that this will have no effect on classroom instruction or the day-to-day operations of the Schools.*** Even with this infusion of funds, we have only maintained, but not improved, the replacement schedule for desktop computer systems which is currently over five years



old. We have converted some contractual services associated with technology projects to full-time staff to achieve increased capacity within the same level of funding.

- **Building maintenance** requirements have also been underfunded in recent years as a result of the recession, resulting in a backlog of maintenance projects totaling \$29 million. To begin restoring this funding to its required level, this budget recommends funding for high-traffic buildings such as the Aquarium and older recreation centers. It also restores some funding for general building maintenance at fire stations and various City facilities. The Proposed Capital Improvement Program also funds five projects through construction and four through design on the City Council list of 13 most critical building modernizations.



- **Storm Water** funding from the General Fund was reduced during this recession so the money could be used to maintain other critical City services. This budget recommends three consecutive yearly increases of the storm water fee to address the significant backlog in neighborhood infrastructure revitalization and lake/pond maintenance over the next several years. It also includes 14 additional positions to fund two crews: one crew for pipe cave in repair, one crew for ditch maintenance and two engineers to improve project management. Not covered in this program is the significant unfunded Federal mandate to clean up the Chesapeake Bay and other bodies of water.
- Virginia Beach has miles of shoreline, much of which is bordered by residential and commercial development. In 2002, the Federal government, in partnership with the City, participated in a beach and **shoreline replenishment project** at the resort area as an integral part of the Hurricane Protection Project. The intent was to maintain the beach by providing replenishment projects every three years funded 35% by the City and 65% by the Federal government. As with the Sandbridge replenishment effort, the Federal government has never fully met their commitment level. With the current Federal deficit, we have been notified that there is no funding for these type of projects. The City's commitment to the Sandbridge neighborhood has been to maintain funding for one nourishment project and one emergency project through the special services district taxes and tax increment financing, so there is sufficient local funding to meet this obligation. At the resort area (defined as 1st Street through 89th Street), Chesapeake Bay and Croatan beaches, we have no such funding mechanisms. In the case of the resort area and the Chesapeake Bay beaches, there are situations where sand is being lost placing private property at risk. One proven strategy to fund these types of projects is to use the successful Sandbridge model and the model proposed for the various neighborhood dredging projects. Under these models, property owners who directly benefit from the beach would be placed under a Special Services District (SSD) to fund all or part of the costs. To address this need, we have included a draft policy (on page 95) for City Council and the community's consideration. We are not recommending adoption of this policy with this budget, rather that we take the next twelve months to discuss this and other options with interested parties with a goal of developing a long-term strategy for funding these projects with no Federal participation. We would then propose bringing those options back to City Council for adoption with the FY 2012-13 Operating Budget and Capital Improvement Program.



Sand replenishment, storm water, building maintenance, information technology and equipment replacement are all areas that have developed backlogs that we could not address because of the recession and declining support

from Federal and State partners. But, we have also been unable to recognize the hard work and commitment of our employees.



Neither the City nor Schools has provided a pay increase to employees since July 2008. Our employees have met increased demand for services, while their workloads increased due to the elimination of positions. And, while not near historic levels, the cost of living has increased. As a first step in what both I and the Superintendent hope will be a long-term strategy, the City budget includes **pay raises** for our employees. The Schools proposed a combination of one-half percent increase in base pay and a 2.5 percent bonus. For City employees, we are proposing a 1.5 percent pay increase. This will apply to all full-time and part-time

employees. In addition, I propose \$4.5 million be used to address the degradation of our competitive salary position within Hampton Roads to ensure that we continue to attract and retain qualified employees. At your briefing on Feb. 15th, we noted that our competitive salary position continues to fall behind the region in key positions like firefighters, police, and engineers. Our City has not adjusted salaries to reflect market salary conditions since FY 2004-05, and I believe it is imperative that we address this issue now if we are to avoid a degradation in the quality of our largest asset, our dedicated workforce.

We are recommending certain **tax rates and fees** to increase, but we are also recommending some decreases in tax rates as well based on current City Council direction. To encourage job development, we are eliminating the tax on machinery and tools and the business license tax (BPOL) on all new companies for the first two years of operation. While this reduces revenue to the City and School system (\$3.7 million total), the intent is to expand the job market for our citizens who may be unemployed and for our graduating students. To remain a vibrant community with a focus on future generations, we need our children and grandchildren to be able to find jobs in our community.

We are recommending an increase to several tax rates and the establishment of a new fee to maintain critical services, reduce the backlog of critical infrastructure maintenance needs, and address employee compensation:

- the real estate tax rate by 2 cents to 91 cents
- the personal property (car) tax rate by 20 cents to \$3.90
- a new solid waste fee of \$10 per month effective on January 1, 2012
- the storm water fee by 7.5 cents to 31.6 cents in FY 2011-12, with an additional 5 cents in FY 2012-13 and another 5 cents in FY 2013-14
- a previously approved sewer rate increase that will raise a typical residential customer's bill by \$2.58 per month.

Even with these tax and fee increases, a typical family of four still would pay \$194 less in City taxes and fees than they would to live in the next lowest city, Suffolk, and they still would pay \$50 less in taxes than they did in FY 2008-09 (see p18 of this document for additional information related to tax impact).

To further address the recommendations of the Blue Ribbon Committee on Taxes, Fees and Spending from several years ago, several fees will be increased to offset the costs of related programs.

CAPITAL IMPROVEMENT PROGRAM

Mainly as a response to the recession, \$12 million of annual General Fund pay-as-you-go financing (\$20.4 million to \$8.4 million) has been redirected to preserve City services and another \$17.6 million was similarly redirected by Schools. Some projects were delayed or eliminated and, in others, fund balance and additional debt were used to maintain construction schedules. Assuming that the economy continues to recover, beginning in FY 2013-14 and in future years, the City is planning to provide additional pay-as-you-go financing to the Capital Improvement Program (CIP).



The proposed CIP program will begin to address some of the infrastructure backlog. We propose increasing the **debt per capita** from \$2,400 to \$2,800. This will allow several important projects to be addressed, including renovation of the Bow Creek and Kempsville recreation centers, Virginia Aquarium rehabilitation, Judicial Center water intrusion abatement, Burton Station strategic growth area road improvements, police special operations/forensics/evidence building, as well as several public safety projects related to technology.

We will use \$14.5 million from School's Risk Management Fund to help offset the City's growing **backlog of maintenance and modernization needs**. In addition, Schools plan to use \$5.5 million to address its own capital program. This one-time source of funding, in addition to raising the debt per capita, will significantly advance the City's backlog of capital needs.

The City Council has received several briefings on **neighborhood dredging projects**. A reserve will be created to provide for the City costs of channel dredging and the upfront costs associated with neighborhood dredging. Special Service Districts (SSD) will be created for each participating neighborhood to ensure that each pays for its cost of three dredging projects that will take place over 16 years and will return to the City the upfront costs. Included in the budget for adoption is a proposed policy to help guide staff in this effort.



One of the positive outcomes of the State budget process is the commitment to **transportation**. Virginia Beach will receive \$362 million in transportation funds, which will allow the City to address critical transportation projects like the replacement of Lesner Bridge and increasing the capacity of Laskin Road and Holland Road.

Another area that the proposed CIP emphasizes is the backlog of **storm water projects**. As discussed above, the storm water rate is proposed to increase by 7.5 cents in FY 2011-12, 5 cents in FY 2012-13, and an additional 5 cents in FY 2013-14. The storm water fee will help address critical storm water projects and improve ditch and pipe cave in maintenance throughout the City. This funding will allow the restoration of the North Lake Holly, South Lake Holley, and Cape Henry Beach drainage projects that were eliminated last year. It will also establish the necessary funding to further a viable neighborhood infrastructure revitalization program. We want to keep water in our beautiful rivers, lakes and tributaries and out of people's homes.

The last point to be made about the Capital Improvement Program is the changes made by the School Board on March 15th and how it affects their CIP and our use of the \$14.5 million. The School Board's decision to withdraw their offer to return the excess funding in the School's Risk Management Fund to the City and instead use it to advance the funding for the gifted and talented program building, Old Donation Center/Kemps Landing Magnet School. This decision basically unfunded four School modernization projects:

- John B. Dey Elementary School which had been scheduled to complete construction in 2017 is now moved to only begin design by that date.

- Thoroughgood Elementary School had been scheduled to complete construction by 2019 and now is completely unfunded within the CIP.
- Princess Anne Middle School had been scheduled to complete construction by 2018 and will now only begin design by that date.
- Princess Anne High School had been programmed to complete construction by 2020, but now is completely unfunded by the School Board's action.

The majority of the funding (\$52.6 million) that had been allocated to these four projects has been swept by the Board into the Old Donation/Kemps Landing Magnet School project along with the full \$20 million from the School's Risk Management Fund. As a part of this strategy, the Board also eliminated projections of State construction funds, lottery funds, and all pay-go to their CIP which had been recommended by School staff, thereby reducing available funding in the last three years of the CIP by \$26 million.

As had been noted earlier in this letter, we had reallocated \$14.5 million of excess funds in the School's Risk Management Fund to critical backlog concerns in the City's CIP. **We are continuing with the strategy of using the excess \$14.5 million for City needs based on the School's earlier assurances.** This leaves \$48.9 million still available to fund what now appears to be the Schools highest priority after Kellam High School, the gifted program building. The remaining \$14.5 million needed to construct the Old Donation Center/Kemps Landing Magnet School could be made up from further use by the School Board of School fund balances, without delaying this project.

The School Board, at its March 15th meeting, eliminated lottery, State construction and pay-go funding. The school modernization policy adopted by City Council in February 1999, requires the annual allocation of at least \$1 million in pay-go financing. We have been supportive of not meeting this requirement during the recession as both we, and the School Board, have pulled pay-go funding back into our respective Operating Budgets to preserve services. But this is not a long term strategy. Therefore, we are recommending that \$1 million of Formula revenues be allocated to the Schools CIP each year beginning in FY 2013-14. We are also going to begin to phase-in the restoration of City pay-go funding that year. The final adjustment made to the Schools CIP is the elimination of the use of debt for performance contracts. City Council authorized a one-time use of \$10 million of performance contract debt (\$5 million each to the City and School system). This one-time debt was exempt from the Debt per Capita indicator adopted by City Council since revenues generated from the energy contract cover debt repayment. Expansion of this type of debt is not recommended due to its higher costs.

CONCLUSION

This budget addresses many of the policy agenda items raised at the City Council workshop in January, including addressing the governor's transportation plan, addressing salaries and the market survey, neighborhood storm water infrastructure revitalization, dredging for storm water, beach replenishment and, most importantly, providing **a sustainable, responsible budget.**

A responsible budget:

- looks to the long-term, not just the coming year
- finds funding that can be sustained over many years, not just one-time fixes
- preserves the delivery of services to meet taxpayer expectations
- equitably distributes the burden of funding governmental services
- aligns fees with services provided
- addresses adequacy of services, sustainment of infrastructure and equipment, and investment in economic growth



We have reached the limit of adjustments the City can take to balance the budget without eroding vital citizen services. We must maintain and invest in critical infrastructure needs like schools, storm water infrastructure, roadways, municipal buildings, dredging and beach replenishment. Vehicles must be replaced in a timely manner. Buildings must be maintained and renovated. Programs for families, youth and vulnerable citizens must continue. We have to keep moving with projects that will help our economy grow. We cannot abandon the infrastructure, programs, and services the taxpayers have funded through the years.

We are presenting a budget to you that is responsible and can help carry forward City Council's vision for our children and grandchildren. In order to responsibly address identified needs, we will be required, and in some cases to spend, more money so the budget will be higher. It is important to take corrective actions now.

This budget tries to balance all of those factors. Does it raise taxes and fees? Yes, but [the tax burden on a family of four would still be the lowest in the region and less than it was three years ago](#). Most of our taxes and fees would still be the lowest in Hampton Roads. This would maintain Virginia Beach's coveted AAA rating – the only City in Hampton Roads to enjoy the highest possible rating from all three major agencies.

Two public hearings are scheduled for City Council to gather public input. We are also providing an opportunity for citizens to meet and ask questions of each of our directors this year in an Open House format on April 6th. In addition, several workshops have been scheduled for City Council to discuss the Proposed Resource Management Plan in more detail. The schedule of the public hearings, workshops, and open house follow this letter.

We believe the Proposed Resource Management Plan lays a responsible foundation for our City to that [Community for a Lifetime](#) we all desire. We are available to answer any questions that you may have.

With Pride in Our City,



James K. Spore
City Manager

Proposed

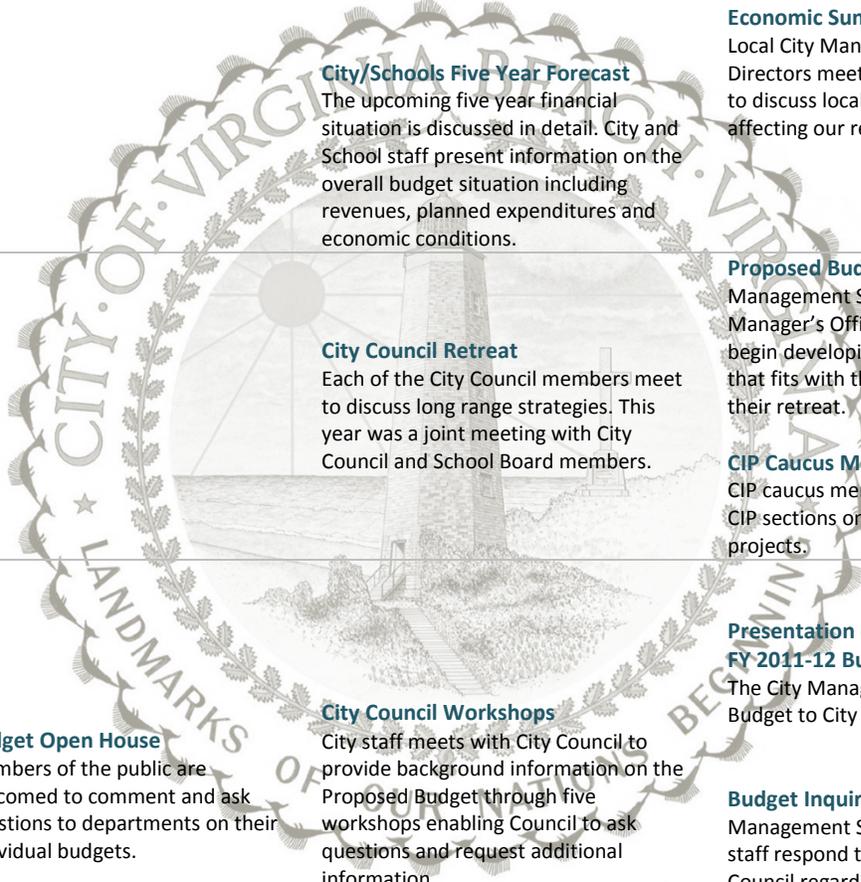
Schedule of Workshops and Public Hearings

Date/Time	Event	Location
Tuesday, March 29 th @ 6:00 PM	Presentation of the Proposed FY 2011-12 Operating Budget and Capital Improvement Program	City Council Chambers
Tuesday, April 5 th @ 1:30 PM	Council Workshop: <ul style="list-style-type: none"> • Revenue Review • Quality Education and Lifelong Learning • Constitutional Officers • Economic Vitality 	Council Conference Room
Wednesday, April 6 th @ 6:30 PM	Budget Open House <ul style="list-style-type: none"> • Public is Welcome to Come and Ask Questions to Departments regarding their budgets 	Virginia Beach Convention Center
Tuesday, April 12 th @ 1:30 PM	Council Workshop: <ul style="list-style-type: none"> • Safe Community • Quality Physical Environment • Cultural and Recreational Opportunities 	Council Conference Room
Tuesday, April 19 th @ 3:30 PM	Council Workshop: <ul style="list-style-type: none"> • Family and Youth Opportunities • Capital Improvement Program • Compensation 	Council Conference Room
Thursday, April 21 st @ 6:00 PM	Public Hearing	Green Run High School
Tuesday, April 26 th @ 1:30 PM Public Hearing 6:00 PM	Council Workshop: <ul style="list-style-type: none"> • Quality Organization Public Hearing	Council Conference Room City Council Chambers
Tuesday, May 3 rd @ 3:00 PM	Reconciliation Workshop	Council Conference Room
Tuesday, May 10 th @ 6:00 PM	Public Hearing Adoption of the FY 2011-12 Operating Budget and Capital Improvement Program	City Council Chambers City Council Chambers

Understanding the Budget Process

FY 2011-12

Month	Residents	Mayor & City Council	City Administration
JULY			Strategy Summit Staff from departments collaborated through work teams in each of the seven City business areas to identify steps necessary to implement the City's Strategic Plan.
AUGUST		Financial Sustainability Workshop Joint City Council and School Board members collaborated to discuss financial sustainability.	
SEPTEMBER			Leadership Budget Meetings Management leadership budget planning meetings begin.
OCTOBER			Economic Summit Local City Managers and Budget Directors meet with regional Economists to discuss local and national situations affecting our region's economy.
NOVEMBER		City/Schools Five Year Forecast The upcoming five year financial situation is discussed in detail. City and School staff present information on the overall budget situation including revenues, planned expenditures and economic conditions.	
DECEMBER		City Council Retreat Each of the City Council members meet to discuss long range strategies. This year was a joint meeting with City Council and School Board members.	Proposed Budget Development Management Services works the City Manager's Office and departments to begin developing the Proposed Budget that fits with the City Council goals set in their retreat.
JANUARY			CIP Caucus Meeting CIP caucus members meet to hear from CIP sections on current and proposed projects.
FEBRUARY			Presentation of the Proposed FY 2011-12 Budget The City Manager presents the Proposed Budget to City Council.
MARCH	Budget Open House Members of the public are welcomed to comment and ask questions to departments on their individual budgets.	City Council Workshops City staff meets with City Council to provide background information on the Proposed Budget through five workshops enabling Council to ask questions and request additional information.	Budget Inquiries Management Services and other City staff respond to inquiries from City Council regarding the Proposed FY 2011-12 Budget.
APRIL	Budget Public Hearings Members of the public are welcomed to comment on the Proposed Budget and offer suggestions to City Council for the Approved Budget.		
MAY		Final Budget Adoption City Council makes final decisions and adopts the official City of Virginia Beach FY 2011-12 Budget.	Approved Budget Management Services produces the Approved FY 2011-12 Budget and begins to develop budget guidelines for the next fiscal year.
JUNE			



OPERATING BUDGET



OPERATING BUDGET

The recent economic downturn has had lasting impacts on the City’s revenues and its demand for services. Virginia Beach is not unique. Local government budgets have become the funder of last resort, the last link on the fiscal food chain, as the Federal and State governments have addressed funding dilemmas by passing them on to localities. Cities across the nation are dealing with declining tax collections, the need to maintain services, increases in unfunded mandates and shifting costs from State and Federal programs, all while being mindful of the tax burden on the citizenry. In Virginia Beach alone, State aid to localities has been cut by \$9.6 million over the last four years and aide to law enforcement (599 funds) has been reduced an additional \$2.1 million over the same period. State support for education has decreased by \$60.9 million over the last four years. While Federal stimulus funding helped maintain some City road projects and various School programs, these funds were never intended to be provided long-term. Both the City and School systems are now faced with either replacing this loss of funding or cutting services to the residents.

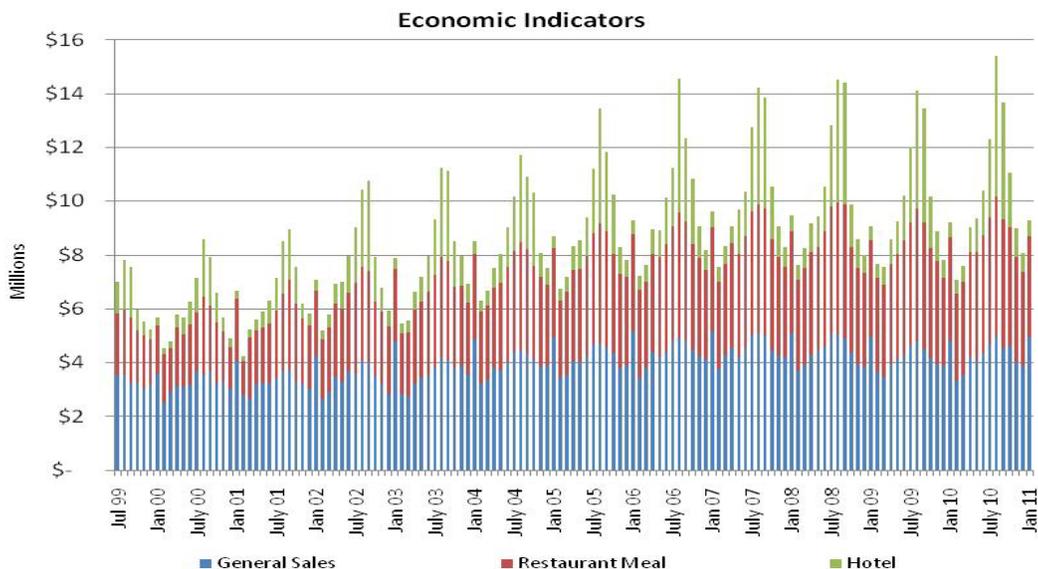
In addition to the loss of financial support, both the City and School systems are also dealing with unfunded mandates.

- Eliminating the State funding for indigent burial, leaving the City responsible for 100% of the costs
- Shifting 100% of costs for liability insurance for Constitutional Officers
- Shifting 100% of the cost for the State’s Line of Duty program
- Increasing local government match rates for Comprehensive Services Act mandates
- Eliminating support for the Clerk of the Circuit Court’s technology program
- Downsizing the State-run Southeastern Training Facility, and transitioning residents to community-based care to be provided by localities

These trends are not new and they will continue for the foreseeable future. This Operating Budget recognizes these trends and the impact of having underfunded basic maintenance and services through the recession. It provides for a **sustainable, responsible budget**, to manage the day-to-day operational needs of both the City and School system and to look long-term at investments needed to maintain the quality of services this community has come to expect.

Revenues

Though the economic recovery has been slower than previous recessions, there are promising signs at both the national and local level. The City tracks three particular revenues, general sales, restaurant tax and hotel tax, as “economic indicators” of the relative health of the Virginia Beach economy. The graph shows the historical trends in these three revenues from July 1999 (FY 1999-00) through January 2011. As the graph shows, the combined indicators reached a new peak in August 2010. These revenues have continued to track positively throughout FY 2010-11 and all three are anticipated to exceed initial revenue estimates. These trends are a good sign that the local economy is improving; however, there are sectors, such as housing and unemployment, which continue to lag.



Overall, revenues for the upcoming fiscal year are projected to increase 2.28% compared to the Adjusted FY 2010-11 Operating Budget. This increase is driven by several factors: restoration of the Composite Index hold-harmless by the General Assembly; the increased use of fund balance for textbook replacement and in lieu of raising real estate and personal property taxes; and the need to maintain municipal services by increasing fees.

City and Schools Revenue Summary

	FY 2010-11 Adjusted Budget	FY 2011-12			% Change
		City Adopted Budget	Schools Adopted Budget	Total City & Schools Adopted Budget	
Real Estate	\$ 473,644,801	\$ 232,769,528	\$ 227,490,472	\$ 460,260,000	-2.83%
Personal Property (1)	118,574,744	60,236,698	63,452,620	123,689,318	4.31%
General Sales	50,596,245	25,790,712	27,167,628	52,958,340	4.67%
Utility Tax	25,235,300	12,425,761	13,089,150	25,514,911	1.11%
VA Telecommunications	22,017,919	12,863,250	7,283,146	20,146,396	-8.50%
Business License (2)	40,771,644	20,133,818	21,208,724	41,342,542	1.40%
Cable Franchise	6,538,943	3,415,021	3,597,342	7,012,363	7.24%
Restaurant Tax	48,188,033	51,752,268	-	51,752,268	7.40%
Amusement Tax	5,700,550	5,339,451	-	5,339,451	-6.33%
Hotel Room Tax	22,659,486	25,145,197	-	25,145,197	10.97%
Cigarette Tax	12,721,345	11,778,927	-	11,778,927	-7.41%
Fund Balance	51,107,990	20,537,880	31,024,673	51,562,553	0.89%
Utility Fees (4)	120,448,622	132,916,114	-	132,916,114	10.35%
Other Revenue	138,120,674	101,875,043	25,970,185	127,845,228	-7.44%
Waste Collection Fee (5)	-	7,000,000	-	7,000,000	0.00%
State Revenue	439,041,045	110,465,778	324,824,905	435,290,683	-0.85%
Federal Revenue	128,470,021	45,900,223	107,991,753	153,891,976	19.79%
Prior Year Local Public Funds	-	-	9,200,000	9,200,000	n/a
Current Year Revenue	-	9,200,000	(9,200,000)	-	n/a
Total	\$ 1,703,837,362	\$ 889,545,669	\$ 853,100,598	\$ 1,742,646,267	2.28%

(1) Includes elimination of machinery & tool category, split between City and Schools. (2) Includes two-year BPOL exemption for new business split according to the City-School formula. (3) School Risk Management and Technology fund balances were used to balance adopted budget. (4) Includes increases in sewer and storm water rates. (5) A \$10 per month waste collection fee was adopted and is effective January 1, 2012.

With City Council direction, the Budget eliminates the personal property tax on machinery and tools and provides new businesses a two year exemption on the business license tax. It is hoped that these tax reductions will spur job development and growth in the City helping both people looking for re-employment and graduating high school students. In total, these changes reduced current revenues in FY 2011-12 by \$2.18 million, which was split between City and School programs according to the revenue sharing formula.

The City's portion of the Adopted Operating Budget revenues is increasing 1.6%, which is actually less than the current inflation rate of 3.2%. This increase in revenues is required to maintain core services like Police, Fire, Human Services and Libraries. The Adopted Budget includes a \$10 per month waste collection fee to be effective January 1, 2012. Charges for sewer and storm water services are increasing to address critical infrastructure needs and regulatory requirements. Adjustments have been made to other fees to keep pace with the costs of providing the services, in line with the recommendations of the Blue Ribbon Committee. In total, the City's portion of revenues now represents \$889.5 million, or 51%, of the total \$1.74 billion budget.

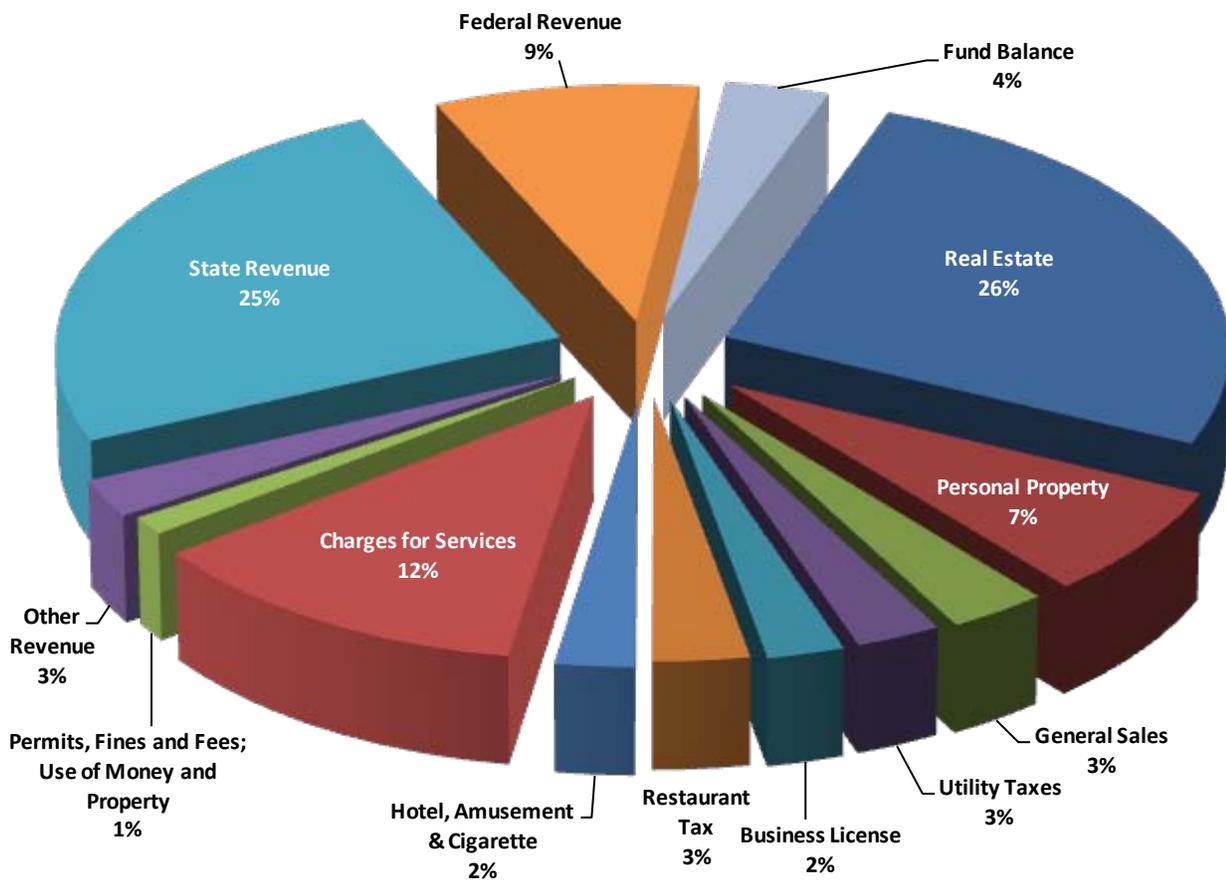
School funding comprises 49% of the total Operating Budget and is funded from three basic sources: local funding which comes from the City/School Revenue Sharing Formula (the Formula); State funding; and Federal funding. In the FY 2011-12 Operating Budget local funding exceeds the minimum required by the State Standards of Quality (SOQ) by \$206.3 million. There has been a lot of discussion between City Council and School Board members on the status of the Formula. This budget maintains the School's portion of the Formula at its current 51.3% of the seven major revenue streams (real estate;

personal property; general sales; utility taxes; business license; cable franchise; and the Virginia Telecommunication tax). Prior year local public funds were used to balance the budget in lieu of raising real estate or personal property tax rates.

The City provides nearly \$363.3 million in local funding, 42.6% of the \$853 million FY 2011-12 School system budget, through the revenue sharing formula. The School system receives almost \$325 million in State revenue and \$108 million in Federal revenue. Other major sources of revenue for Schools are charges for services, primarily for school lunches, and use of fund balance. The City Council used \$40.2 million in local public fund balance in the School's approved budget and \$14.5 million in Federal Education Jobs funding in addition to receiving an additional \$7 million in funding from the State's adopted budget. Even accounting for the reductions in machinery and tools and BPOL revenues within the Formula, the School system budget is increasing almost 3% in FY 2011-12 compared to the Adjusted FY 2010-11 Operating Budget.

As the graph indicates, real estate taxes and State revenues are the largest funding sources in the Operating Budget, followed by charges for services, Federal revenue and personal property taxes. These five revenues make up almost 80% of the total annual funding in the Operating Budget.

**FY 2011-12 Adopted Operating Budget
Total Estimated Revenues**



Real estate taxes decline an additional 2.8% in FY 2011-12. Personal property taxes appear to be rebounding and are anticipated to grow about 4.3%, even with the elimination of the machinery and tools tax; the growth rate would be 5.7% with machinery and tools in place. Business license revenues are also anticipated to improve with the continued economic recovery. Revenue is increasing even with an anticipated \$0.5 million revenue loss in FY 2011-12 from the implementation of the two-year exemption for new businesses. The full annualized fiscal impact is anticipated to be approximately \$1 million.

Impacts on Taxpayers

The table below cites major tax rates and fees imposed on residents and visitors, and shows that Virginia Beach rates are generally equal to or are the lowest imposed among the major cities in Hampton Roads. Virginia Beach compares favorably to its neighboring cities in terms of the quantity and quality of its services and programs, while maintaining low taxes in the Hampton Roads region.

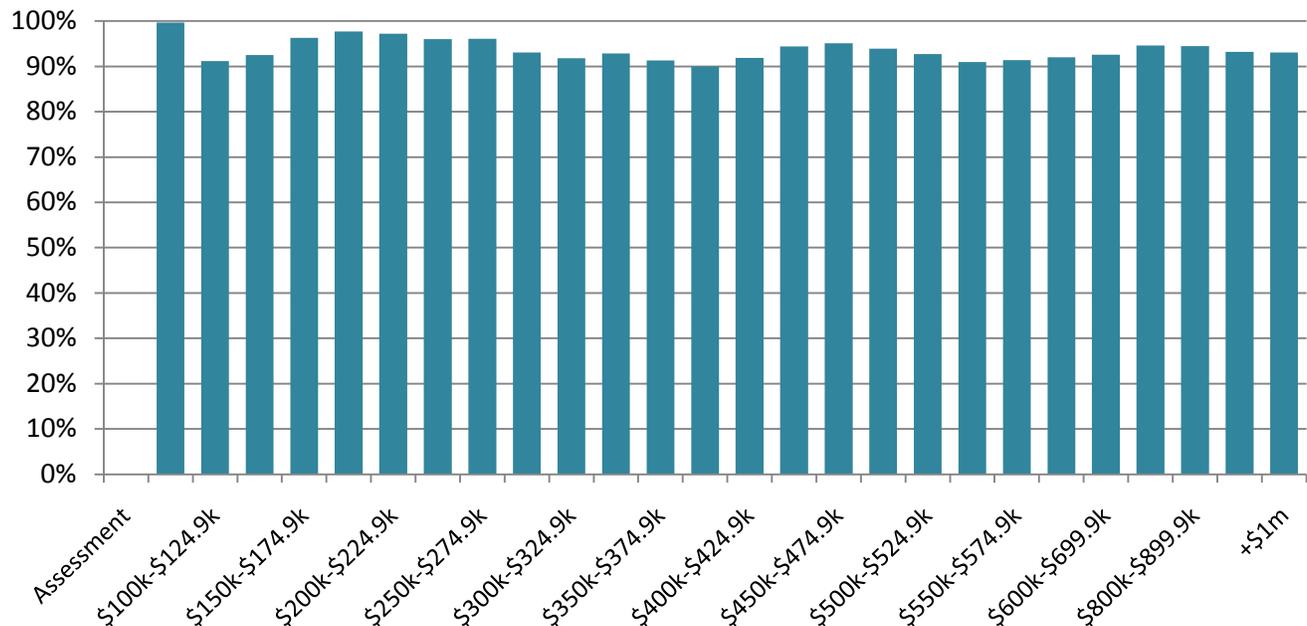
Adopted FY 2011-12 Selected Taxes/Fees for Virginia Beach and Other Localities

City	Real Estate (per \$100 / A.V.)	Personal Property (Vehicles & Business)	Personal Property (Machinery and Tools)	Automobile License	Meal	Admissions	Cigarette (per pack)	Hotel
Virginia Beach	0.89	3.70	0.00*	25.00	5.5%	10.0%	0.65	8.0%
Chesapeake	1.05	4.08	0.64	23.00	5.5%	10.0%	0.50	8.0%
Norfolk	1.11	4.33	1.70	26.00	6.5%	10.0%	0.75	8.0%
Portsmouth	1.27	5.00	1.50	25.00	6.5%	10.0%	0.60	8.0%
Suffolk	0.97	4.25	0.63	20.00	6.5%	10.0%	0.50	8.0%
Hampton	1.04	4.25	1.23	30.00	6.5%	10.0%	0.75	8.0%
Newport News	1.10	4.25	1.25	26.00	6.5%	7.5%	0.75	7.5%

*Rate is one millionth of one cent, essentially zero. The Code of Virginia requires that all classifications of personal property be assessed and levied. City Council directed staff to eliminate this tax, and by imposing a rate of one millionth of one cent, the City Treasurer will not issue a nuisance bill.

The following graph illustrates the distribution of real estate changes to the median homeowner by home value. As the graph indicates, the majority of homeowners in most value categories will pay less. Overall, 94.8% of the homeowners will pay less in real estate taxes than they did in FY 2010-11.

Percent of Homeowners Who Will Pay Less with the Adopted Real Estate Tax Rate



When all of the tax and fee increases are combined, the annual tax burden on a family of four will increase by \$7 per month or \$88 per year. This is still \$106 less than the family paid in FY 2008-09. Taking into account both the changes in assessments and the reductions in the real estate rate provided by City Council over the last eight fiscal years, the average effective appreciation was only 2.85% annually.

**Comparison of Annual Tax Impact for Virginia Beach
From FY 2008-09 to FY 2011-12**

	FY 08/09	FY 09/10	FY 10/11	FY 11/12
Real Estate Tax	\$2,308.66	\$2,201.86	\$2,110.19	\$2,054.12
Personal Property Tax	210.90	155.76	157.75	183.86
Electricity Utility Tax	36.00	36.00	36.00	36.00
Gas Utility Tax	36.00	36.00	36.00	36.00
VA Telecommunications Tax	70.68	70.68	70.68	70.68
Water Utility Tax	36.00	36.00	36.00	36.00
Restaurant Tax	251.48	251.48	251.48	251.48
Admissions Tax	25.69	25.69	25.69	25.69
Vehicle License Decal	50.00	50.00	50.00	50.00
Storm Water Utility Fee	73.37	80.67	87.97	115.34
Residential Refuse Fee	None	None	None	60.00
Water & Sewer	509.52	529.69	552.00	582.96
Total Tax Impact	\$3,608.30	\$3,473.83	\$3,413.76	\$3,502.13
Annual Change	\$0.00	(\$134.48)	(\$60.07)	\$88.37
Cumulative Change in Total Tax Impact		(\$134.48)	(\$194.55)	(\$106.18)

While a family of four will pay \$7 per month more in total taxes and fees, they still pay less to live in Virginia Beach than they would in any other Hampton Roads city. The table below compares the cost, including the proposed tax increase, to live in Virginia Beach against the current year’s cost to live in the other cities. Chesapeake has the next lowest tax burden, but is still \$376 higher.

Despite the improving economy and the proposed rate increases, there are reductions in current services. Some are for efficiencies, some for declines in utilization, and some simply because there still were insufficient revenues to cover every program the City and School system provided. A complete list of reductions is included in the Items Requested But Not Funded section on page 70. In some instances there are new programs or expansion of current services where outside funds were available to cover the cost or where a particular need was identified to address service deficiencies.

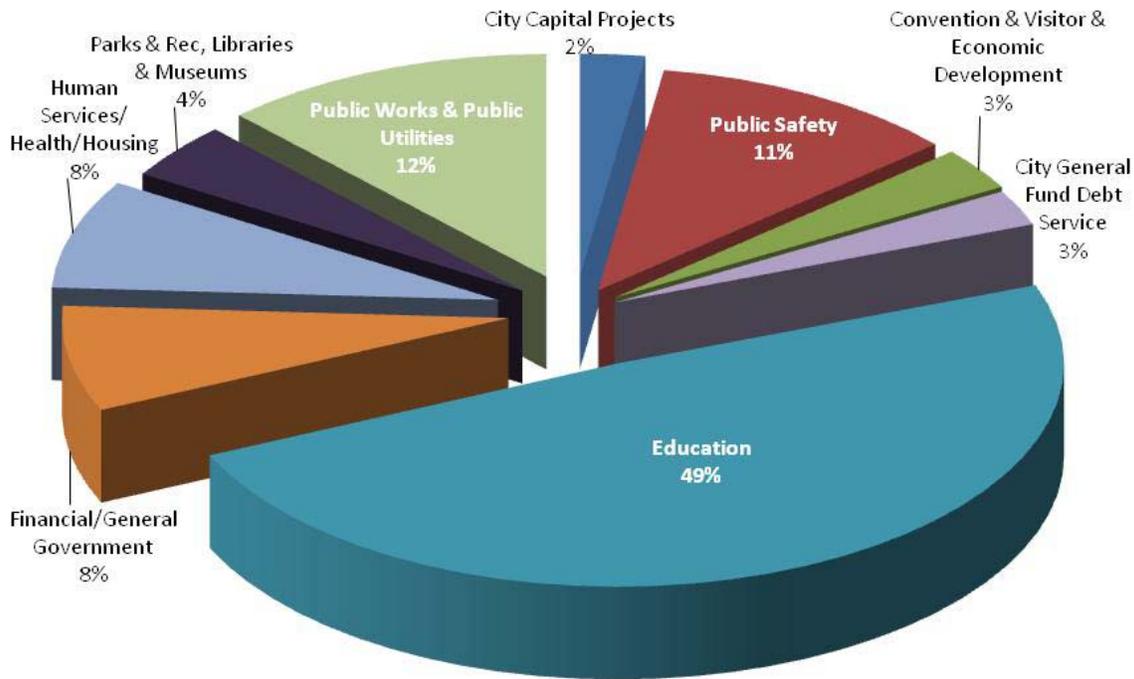
Comparison of Annual Tax Impact for FY 2011-12 for Cities in Hampton Roads

	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Real Estate Tax	\$2,054.12	\$2,423.40	\$2,561.88	\$ 2,931.16	\$2,238.76	\$2,400.32	\$2,538.80
Personal Property Tax	183.86	213.09	284.31	335.76	247.34	253.68	212.46
Electricity Utility Tax	36.00	45.00	45.00	40.80	36.00	36.00	36.96
Gas Utility Tax	36.00	22.56	18.00	36.00	36.00	28.80	18.12
Va Telecommunications Tax	70.68	70.68	70.68	70.68	70.68	70.68	70.68
Water Utility Tax	36.00	None	67.50	84.00	None	None	None
Restaurant Tax	251.48	251.48	275.43	275.43	275.43	275.43	275.43
Admissions Tax	25.69	25.69	25.69	25.69	25.69	25.69	19.27
Vehicle License Decal	50.00	46.00	52.00	50.00	40.00	60.00	52.00
Stormwater Utility Fee	115.34	91.20	104.40	99.00	62.88	55.20	65.40
Residential Refuse Fee	60.00	None	324.12	424.32	222.00	221.00	293.76
Water & Sewer	582.96	689.28	595.08	540.00	938.40	582.96	499.44
Total Tax Impact	\$3,502.13	\$3,878.38	\$4,424.09	\$4,912.84	\$4,193.18	\$4,009.76	\$4,082.32

Expenditures

Expenditures in the Operating Budget can be categorized in many ways: by department, by service areas, by major purpose. The graph below illustrates the breakdown of the \$1.74 billion budget by major service areas. As can be seen, 49% goes to education and the next largest amount goes to public works and utilities and public safety respectively.

FY 2011-12 Adopted Operating Budget Total Expenditures



Expenditures can also be grouped by personnel expenses (salaries and fringe benefits), operating and capital (equipment) accounts, debt service and reserve accounts (future capital construction and contingencies). Pay-as-you-go is funding transferred from the Operating Budget to the Capital Budget to support construction projects and reduce the use of debt. The table below illustrates the budgeted amounts for these categories for both City and School programs.

City and School Expenditures by Expenditure Account

	FY 2010-11 Adjusted Budget	City Adopted Budget	FY 2011-12 Schools Adopted Budget	Total City & Schools Adopted Budget	% Change
Personnel	\$ 783,287,584	\$ 310,911,314	\$ 493,255,024	\$ 804,166,338	2.67%
Fringe Benefits	\$ 243,751,332	\$ 110,184,237	\$ 148,405,518	\$ 258,589,755	6.09%
Operating Expenses	\$ 452,451,048	\$ 281,775,659	\$ 164,362,912	\$ 446,138,571	-1.40%
Capital Outlay	\$ 14,283,659	\$ 11,530,329	\$ 2,265,061	\$ 13,795,390	-3.42%
Debt Service	\$ 147,277,622	\$ 103,802,413	\$ 44,812,083	\$ 148,614,496	0.91%
Pay-As-You-Go*	\$ 34,346,430	\$ 40,959,979	\$ -	\$ 40,959,979	19.26%
Reserves**	\$ 28,439,687	\$ 30,381,738	\$ -	\$ 30,381,738	6.83%
	\$ 1,703,837,362	\$ 889,545,669	\$ 853,100,598	\$ 1,742,646,267	2.28%

* This reflects the amount of annual cash funding appropriated to the CIP

** Includes funding for compensation increases

As can be seen by the table, several of the major expenditure categories are increasing (see pages 60 and 61 for a list of expenditure and position summaries). It should be noted that to comply with GASB 54 requirements, debt service is shown

in each department's budget; in previous years this was displayed as one total (to view a complete discussion of debt service, please see the debt service tab in the Operating Budget). This increase will address City Council's priorities, maintain existing services, and address known critical backlogs in financial and infrastructure services that are included in the Adopted FY 2011-12 Budget. As noted in the revenue discussion above, the FY 2011-12 Operating Budget is increasing overall by 2.28%, of which, 3.0% is attributable to Schools and 1.6% is due to City programs. It should be noted that the overall increase for the City and Schools remains below the current inflation rate of 3.2%.

Since the economic downturn, City and School employees have not received a pay raise. The employees of both organizations have looked beyond their own financial sacrifices and have risen to address the increasing demand for services from the public who were also struggling with the recession. Workloads in many areas have increased as families turned to City and School services for support. The FY 2011-12 Adopted Budget provides a pay raise for both City and School employees. The Schools are providing a combination of a 0.5% increase in base pay and a 2.5% bonus. The City is providing a 2.5% pay increase for all full-time and part-time employees; including the Sheriff's Department. In addition, \$1.8 million is provided for the City Manager to address the recruitment and retention competitiveness of City employees in comparison with other localities in Hampton Roads. This will help address pay disparities in positions that are crucial, such as attorneys, inspectors, real estate appraisers, and system analysts. The last adjustment for market salary competitiveness was in FY 2003-04.

The Operating Budget maintains City and School's financial contribution to employee health care at a time when many employers are cutting back on their contributions. The Adopted Budget also maintains the City's contribution to employee retirement costs; however, in the FY 2010-11 Adopted Budget, new City employees were required to begin paying 5% toward their retirement benefit costs. The amounts for Virginia Retirement Service (VRS) for the City remain at 17.58% in FY 2011-12, while the Schools rate decreased from 15.49% to 11.33%.

Since 2009, the City and Schools combined have eliminated 833 positions. For FY 2011-12, the School system currently shows a net decrease of 129.5 FTEs, a result of eliminating 172.6 positions and adding 43.1 positions. For the City, the net increase of 27.9 FTEs is a combination of eliminating 71.88 existing FTEs and adding 99.78 new City FTEs in critical service areas to address City Council's priorities such as the new Animal Care and Adoption Center (10 FTEs), Governor's Transportation Plan (4 FTE's), Joint Use Library (3 FTEs), Human Services facilities (31.5 FTEs), storm water ditch and pipe cave-in maintenance (14 FTE's), and the Williams Farm Recreation Center (5 FTEs). It is important to note that additional staffing will ultimately be needed for Williams Farm Recreation Center and the Joint Use Library when they open in 2013. Almost all of the new positions in the Adopted Operating Budget are supported by revenue sources or capital project funding, particularly in the areas of Parks and Recreation, Human Services, Public Works, and Communication and Information Technology. A complete list of added and deleted City and School positions begins on page 62.

While the Budget adds new positions for City Council priorities, efficiencies were implemented, where possible, to make the most of existing City resources. In FY 2011-12, privatizing golf courses eliminated 30.8 FTEs, converting part-time positions at the Virginia Aquarium was cost neutral and eliminated 6.43 FTEs, declining utilization in the Print Shop eliminated 6 positions and 5.78 FTEs in Human Services programs (infant program, supportive living and the juvenile detention center) were eliminated without impacting services. The combined efforts of departments and teams resulted in nearly 200 quality and productivity initiatives being completed as reported in [the 2010 Striving for Excellence report](#). Two examples of these initiatives to increase cost savings implemented include replacing lighting at the 25th street parking lot with LED bulbs and completing the Virginia Beach Field House through a public-private partnership that also serves as a category II hurricane shelter.

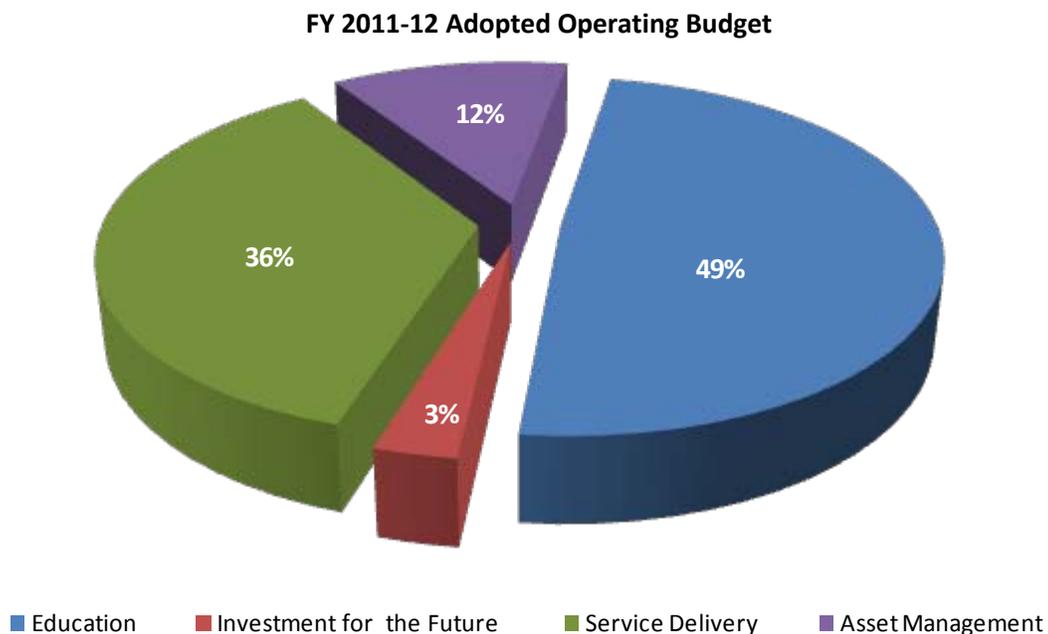
Even as positions were added to address critical City Council priorities, the State continues to underfund their commitments. In FY 2011-12, eleven positions are eliminated in the Sheriff's Department. In order to grant citizens access to the land records system, the Clerk of Circuit Court required additional funding for FY 2011-12 to cover a maintenance contract that was previously funded by the State. Additionally, in the State's biennial budget, the General Assembly eliminated funding for a State program providing line-of-duty payments for public safety employees and their families. For FY 2010-11, the General Assembly instructed the Virginia Retirement System (VRS) to pay the cost and in FY 2011-12, localities are to assume the cost of the program. The City's estimated cost for this State initiative in FY 2011-12 is \$800,000.

As most communities have done during the recession, the City reduced funding to core maintenance programs in order to maintain services to citizens. The City did not get behind in a single year, nor will it fully address the backlogs in a single

budget. The FY 2011-12 Operating Budget begins to address critical long-term backlogs in City infrastructure, maintenance and financial requirements, with a plan over several years to:

- Fund the City’s Risk Management sufficient to cover 70-100% of its actuarial estimate within five years with a goal of 75%. For FY 2011-12, a transfer of \$3.6 million in General Fund – fund balance and \$1.5 million of available reimbursement funding from the Federal Emergency Management Agency (FEMA) to the City’s Risk Management Fund.
- Restore full funding for the City’s vehicle replacement program within the next three years. To address the recession, this program was reduced by nearly \$2 million to \$3.1 million. Like Schools, the City had to extend the replacement cycle for critical vehicles. For example, police cars are now replaced at 120,000 miles rather than 100,000 miles and garbage trucks are kept on the road for ten years rather than the recommended seven years. As a first step to addressing this issue, an additional \$1 million is allocated in FY 2011-12 from the Agricultural Reserve Program (ARP) fund balance. It is important to get back to the \$5 million funding level to minimize the annual maintenance costs per vehicle.
- Provide adequate funding to meet the organization’s information technology needs. As a first step, a significant portion of \$14.5 million funding from Schools is allocated to the Capital Improvement Program to meet replacement needs of critical systems. Additionally, 7.0 FTEs were added to the Department of Communication and Information Technology to address these information technology initiatives with two of them converted from contractual services within the CIP, saving money and retaining critical systems knowledge.
- Mainly, as a response to the recession, \$12 million of annual General Fund pay-as-you-go financing (\$20.4 million to \$8.4 million) has been redirected to preserve City services and another \$17.6 million was similarly redirected by Schools. Some projects were delayed or eliminated and, in others, fund balance and additional debt were used to maintain construction schedules. Assuming that the economy continues to recover, beginning in FY 2013-14 and in future years, the City is planning to provide additional pay-as-you-go financing to the Capital Improvement Program.

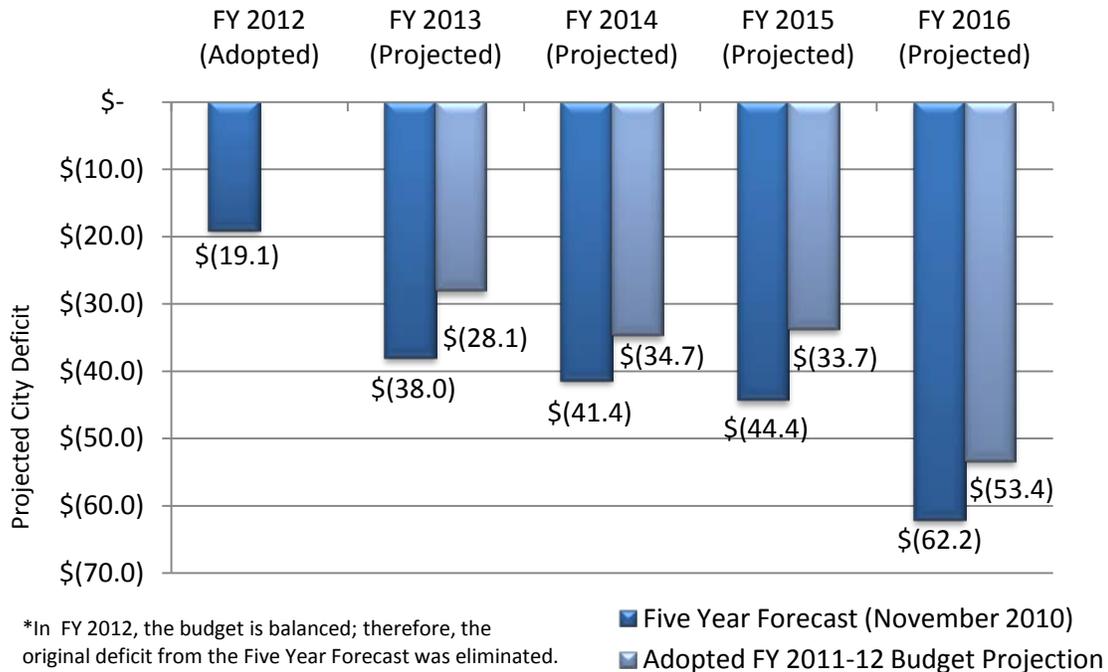
As the graph shows, the Adopted Operating Budget focuses primarily on maintaining service delivery programs and the City’s commitment to education. This is illustrated by the percentage of funding allocated to the various programmatic areas for the Operating Budget. Education represents 49%, while service delivery represents 36%. The remaining 15% is distributed between investing for the future and asset management. With the severe backlog that exists due to the financial realities of the past three years, this division of resources is critical to maintain the City’s long-term sustainability and more importantly, the quality of life which residents have come to expect.



Update of the Five Year Forecast

On November 16, 2010, the annual Five Year Financial Forecast for FY 2011-12 through FY 2015-16 was presented to both the City Council and the School Board. At that time, a \$19 million deficit was projected for the City for FY 2011-12. Over the intervening months, the City's deficit grew to \$23.9 million. The Adopted Budget closes the budget shortfall through a combination of reducing services, increasing fees, use of fund balances and implementing efficiencies where possible while still addressing City backlogs in certain service delivery areas and providing a compensation package to employees. Decisions made to balance the Adopted Budget will improve the out year deficits by an average of \$9 million for FY 2012-13 through FY 2015-16. Key to this improvement is instituting the adopted waste collection fee, which begins in January 1, 2012. The total revenue projected from this new fee is \$14 million on an annual basis.

Update of the City's Five Year Forecast



Even though there has been an improvement in the projection of the City's deficit, the City faces several threats to this forecast.

- The need to address the unknown impact of storm water Chesapeake Bay TMDL (total maximum daily load) regulations. This impact is estimated in the hundreds of millions over the next 15 years.
- The staff needed to open new facilities, such as the Williams Farm Recreation Center. While this will be addressed in FY 2012-13 by transferring staff from the Bow Creek Recreation Center while that facility is modernized, the additional staffing for Williams Farm will be needed in FY 2013-14. Other new facilities requiring staffing over this forecast period include Town Center (Thaila) Fire and Rescue Station and the Joint Use Library.
- The ultimate resolution of the Federal Health Care laws. Like Schools, the City assumed a 7% increase in costs in 2014 due to this legislation. As the Federal government struggles with its deficit situation, and as Congress revisits this over the next several years, City costs could change. In addition, medical inflation is currently running at 10% for the City. If this continues, there will be pressure to address rising premiums and costs.

- Continued decline in State and Federal support. Currently 34% of this Operating Budget relies on Federal and State revenues to cover expenses. Decisions made by these higher levels of government will be critical to the City's long term financial position.

In November 2010, the School's Five Year Forecast was balanced in FY 2011-12 due to their adoption of a Biennial Budget. Beginning in FY 2012-13, Schools projected a deficit of \$14.2 million, a deficit of \$9.9 million in FY 2013-14 and a surplus in the remaining two years. At the time of the forecast, the School's assumed deficits in both of these years based on a variety of unknown decisions that had yet to be made by the General Assembly. One driver of these deficits was the School's estimation that the VRS retirement rate would increase by 10% in the second and third years of the forecast period. This increase was to make up for the artificial reduction in VRS rates by the General Assembly in FY 2009-10. Another large driver of this deficit was the assumed reduction of State funding.

The General Assembly did not increase the VRS retirement rate the entire 10% estimated, nor was State funding reduced to the level once anticipated. The General Assembly has granted the Schools a second year of "hold-harmless funding." This funding is a phased approach to reductions that result from adjustments being made to the State Composite Index, which ultimately determines funding awarded to local schools based on the localities ability to pay. Although the decisions made by the General Assembly partially reduce the amount of the School's Five Year Forecast deficits, other large drivers such as health care increases of 7%, have yet to be resolved for either the City or School system.

CAPITAL IMPROVEMENT PROGRAM



CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) identifies the funding needed for construction of City facilities, modernization of Schools, acquisition of major pieces of equipment and computer systems, construction of roadways, infrastructure maintenance and economic development projects. This program covers the years from FY 2011-12 through FY 2016-17, although only the first year of the Capital Budget is actually appropriated. The remaining years are for planning purposes.

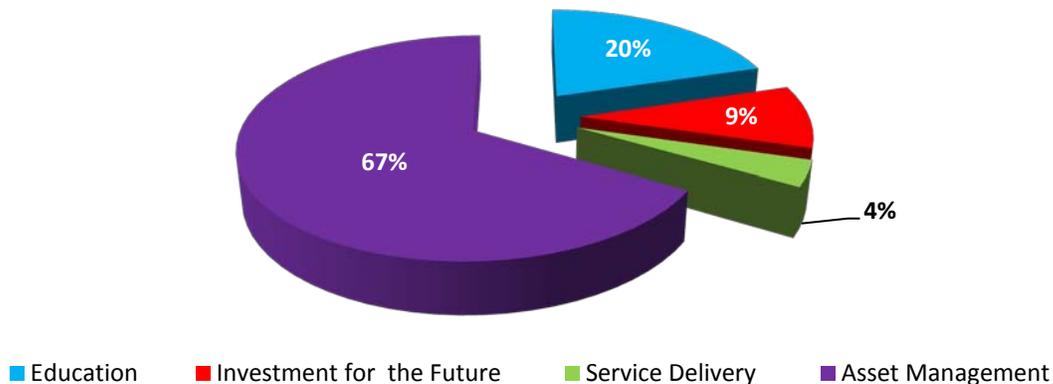
With the recent recession, the City, like many communities and private businesses across the country, has curtailed routine maintenance on basic infrastructure requirements such as building maintenance and technology replacements. Over the last three years the City has slowed funding for replacement of fire trucks, delayed replacement of critical systems such as alarm systems, E-9-1-1 databases, and our citizen alert (reverse 9-1-1) system, as well as reduced funding for basic building and road maintenance requirements.



These delays were not instituted because this infrastructure was lasting longer or did not need to be upgraded, but it was done in an effort to keep costs to our citizens down during a period when personal finances were being adversely impacted by the effects of the recession just as the City's were. While this was not a sustainable strategy long-term, a quicker economic recovery would have allowed the City to fund these projects using typical funding strategies. Unfortunately, the economy, especially the housing market, continues to be a slow recovery.

Due to these facts, the City has come to a crossroads. Just like any other business, the City must continuously reinvest in our product in order to simply maintain our quality of life. Do we wait until the economy improves before initiating the projects needed to maintain the quality of life that many years of public investment have created? This path would have lower short term costs, but the long term costs could retard future growth. Equipment and systems that could simply be upgraded or repaired will instead be obsolete and have to be completely replaced. If we begin to tackle some of these projects now, while construction bids and interest rates are low, there will certainly be costs, but the long term implications will be more manageable.

Total CIP Project Costs



As this graph shows, the CIP focuses primarily on managing and maintaining existing City assets and infrastructure. This is illustrated by the percentage of funding allocated to the various programmatic areas for the total CIP. The asset management category represents 67% of the total funding. The remaining 33% of capital project funding is spread among education, service delivery, and investment for the future. With the severe backlog that exists due to the financial realities of the past three years, this division of resources is necessary to maintain our infrastructure, and more importantly our City's quality of life which our residents have come to expect.



So how will these projects be funded with the economy only slowly turning the corner? This year, the Operating Budget includes an increase in the current debt per capita limit from \$2,400 to \$2,800. Of the four debt indicators established by City Council: 1) debt service for general government debt will not exceed 10% of the general government budget; 2) general government net debt per capita will not exceed \$2,400; 3) general government net debt per capita will not exceed 6.5% of per capita income; and 4) general government net debt will not exceed 3.5% of assessed value, debt per capita is the most restrictive. Increasing the City's debt per capita indicator to \$2,800 will expand the City's capacity to address some of the City's current backlog and provide additional capacity for future projects **without negatively impacting the City's position in the bond markets**. This decision was made after careful consideration and thorough research. Based on a survey of other AAA bond rated cities similar to Virginia Beach in population, and consultation with the City's bond counsel, the increase in the City's debt per capita will not jeopardize its AAA bond rating.

The most significant increase in the Capital Budget is funding from the State and Federal government. Most of this funding will come from the State and be utilized to fund transportation projects included in the Governor's Transportation Plan. While the proposed State budget did not originally include \$7.5 million of funding to lower density in and around the Naval Air Station Oceana and the Interfacility Traffic Area, the City's efforts with State legislators and military personnel resulted in the reinstatement of funding in the final State budget. Regarding funding for Schools, however, the State did not restore State lottery proceeds and School construction funding.

After several years of decline, the amount of pay-as-you-go financing included in the Capital Budget increases when compared to the previous year. In addition, the Capital Budget increases pay-as-you-go financing in year two through six of the plan to begin to reestablish this funding stream long-term for City and School projects. The Operating Budget includes an increase in the Storm Water Equivalent Residential Unit (ERU) fee by 7.5 cents for FY 2011-12, 5 cents in FY 2012-13, and 5 cents in FY 2013-14. This will provide funding to begin to address the significant backlogs in the areas of flood control and water quality over the next several years. For FY 2011-12, the increase will provide \$8.2 million toward the \$76 million flood control backlog, an initial \$310,000 toward the \$8 million water quality backlog, and approximately \$12.7 million toward the \$154 million backlog of maintenance projects. Schools have not included any pay-as-you-go funding for their construction program for the third consecutive year.

The Operating Budget also includes the second year of a phased increase in sewer rates to support capital improvement components related to compliance with the Federal Consent Order. The sewer rate increase would support a \$15 million annual capital improvement program.



The following table provides a snapshot of revenue sources for the adopted CIP over the six year period:

Sources of Funding				
Type of Financing	Total Resources	Appropriations to Date*	Capital Budget Year 1 FY 2011-12	Remaining Years of the Capital Program Years 2 through 6
Pay-As-You-Go	\$ 640,611,382	\$ 305,958,624	\$ 40,959,979	\$ 293,692,779
General Fund Undesignated Fund Balance	152,029,550	93,165,794	23,863,756	35,000,000
Other Fund Balance/Retained Earnings	154,613,806	121,258,956	8,194,850	25,160,000
State and Federal Funds	409,580,591	236,783,241	77,719,151	95,078,199
Bonds and Lease Purchases	1,037,857,557	436,886,151	146,317,690	454,653,716
Other Sources	45,861,042	38,289,530	5,110,474	2,461,038
Total Financing – All Sources	\$ 2,440,553,928	\$ 1,232,342,296	\$ 302,165,900	\$ 906,045,732

Note: * Appropriations to date reflect allocations from previous years, much of which may have already been spent.

In addition to the projects funded in the FY 2011-12 Capital Budget, the CIP includes a draft policy for sand replenishment on public beaches in Virginia Beach. The most pressing need is for replenishment at the City’s oceanfront. Federal funding has not been appropriated over the past six years and \$6.8 million was provided May 2011 on a one-time basis in order to address this potential loss of funding, staff will spend the next year gathering public input and studying the feasibility of varying ways to partner with property owners in an effort to protect private property and public infrastructure that is now at risk. These options could include a Special Service District (SSD) or other tax or fee adjustments.

During the next fiscal year, the City will spend over \$302 million on its capital construction and maintenance needs, with \$108 million for transportation projects. This is an increase of \$63 million over the Capital Budget adopted for FY 2010-11 and a majority of this funding is from the Governor’s Transportation Plan recently adopted by the State. Other areas receiving a significant increase in funding include buildings, utilities, and communications and information technology.

Capital Budget			
	Approved FY 2010-11	Adopted FY 2011-12	Difference
Schools	\$ 35,016,800	\$ 43,049,951	\$ 8,033,151
Roadways	45,101,377	108,129,875	63,028,498
Buildings	23,585,748	28,690,932	5,105,184
Parks and Recreation	33,581,916	11,989,681	(21,592,235)
Utilities	33,626,574	67,136,635	33,510,061
Coastal	6,355,842	6,962,687	606,845
Economic and Tourism Development	20,048,556	24,770,989	4,722,433
Communications and Information Technology	4,339,224	11,435,150	7,095,926
Total Capital Improvement Program	\$ 201,656,037	\$ 302,165,900	\$ 100,509,863

The School’s Capital Budget has increased by \$8 million from the FY 2010-11 Adopted Capital Budget. Due to School Board action on March 15th, several projects that were previously programmed in the six-year plan will be delayed until FY 2017-18 and not included in the six-year plan. These projects are for the replacement of Princess Anne High School and Thoroughgood Elementary School. Additionally, the modernization of John B. Dey Elementary School was delayed by one year and will not be completed until FY 2017-18. The CIP that was adopted for FY 2010-11 included a significant portion of the funding for the replacement of Princess Anne Middle School. With the adoption of this year’s CIP, most of the funding for that project is now delayed well beyond the six-year plan. The School Board moved funding from these projects to the construction of the Consolidated Old Donation Center/Kemps Landing Magnet School to advance this project making it the second priority for funding behind the replacement of Kellam High School. The design work for Kellam High School has been completed and site work has started. The current Kellam High School was constructed in 1962 and construction on this project is currently underway. The total budgeted cost for this project is \$102 million. The School is scheduled to open in April of 2014.

After several years of funding reductions at the State level, the roadways CIP will get a big boost this year from the recently adopted Governor’s Transportation Plan. While the initial funding of \$362 million under the Plan has been reduced to about \$250.4 million, funding is still provided for the following projects:

- Lesner Bridge Replacement
- Lynnhaven Parkway Phase XI (VDOT)
- Witchduck Road Phase II
- Holland Road Phase VI (VDOT)



In the Buildings section, the City continues its focus on the “Top 13” facility replacement priority list. In the FY 2011-12 CIP, the Animal Care and Adoption Center and K-9 Unit, the Fire/Large Vehicle Repair Shop and Police Special Operations/Evidence Storage/Forensics Complex at Leroy Drive, Town Center (Thalia) Fire Station, Chesapeake Beach Fire and Rescue Station, and the Blackwater Fire and Rescue Station are funded through construction. Additionally, the Parks and Recreation City-wide Programs Office, the Parks and Recreation Landscape Services/Parks Construction Facilities, and the Police Fourth Precinct are funded through design. Each of these facilities was identified as a priority for renovation or replacement based on the condition, maintenance history, age, and inability to meet mission requirements.

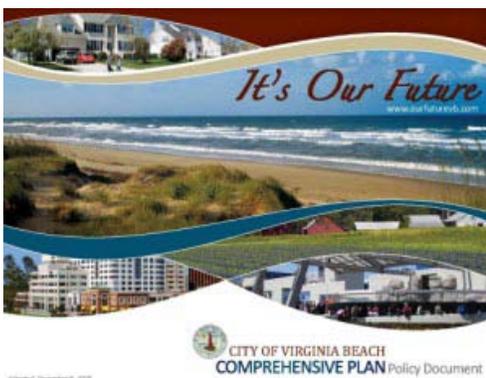
The Parks and Recreation section includes continued funding for the new Williams Farm Recreation Center. The recreation center, which is scheduled to be completed in December 2012, will use staffing from the Bow Creek Recreation Center while it undergoes modernization (discussed below) delaying the need for new staffing.

Building maintenance projects have also been underfunded in recent years as a result of the recession, resulting in a backlog of maintenance projects totaling \$29 million. To begin restoring this funding to its required level, the CIP recommends funding for high-traffic buildings and restores some funding for general building maintenance at various City facilities. Some of the notable maintenance projects are for the modernization of Bow Creek and Kempsville recreation centers, which were constructed in 1960 and 1977 respectively. With the modernizations of these centers, less funding will be required to maintain these aging facilities.

The Capital Budget for the utility projects in the CIP, which includes the City’s water, sewer, and storm water utilities, increases \$33.5 million over the adopted budget for FY 2010-11. This increase in funding is to address the significant backlog of storm water projects and the Consent Order issued by the Federal Environmental Protection Agency and the State’s Department of Environmental Quality related to sanitary sewer overflows. Some of the major projects included in this area of the CIP are for the restoration of funding for flood control in the North Lake Holly, South Lake Holly, and Cape Henry Beach neighborhoods. Each of these neighborhoods has suffered from inadequate drainage which has caused flooding from storm water impacting public and private property, infrastructure, and water quality. The CIP also includes funding to improve the current 950 year maintenance cycle for the dredging of ponds and canals as well as establishing a 100 year neighborhood storm water infrastructure revitalization program.



City Council adopted a policy that outlines the purpose of a new neighborhood dredging program and how that program will be financed. A reserve of \$800,000 is included to provide for City dredging of main channels and for any upfront costs, and an engineer position has been added to manage the program. To ensure that each neighborhood pays for its cost of dredging over 16 years and to reimburse the City for the upfront costs, Special Service Districts (SSD’s) will be created for each neighborhood requesting that dredging be performed.



The Economic and Tourism Development section is highlighted by three Strategic Growth Area (SGA) projects, totaling \$62.5 million over the six year plan. These projects were created as a means to implement the goals and vision set forth in the Comprehensive Plan and City Council’s Vision. These SGAs have been identified to: a) provide opportunities for continued physical and economic growth; b) help prevent urban sprawl; c) protect established residential neighborhoods and rural areas from incompatible development due to growth pressures; d) maximize infrastructure efficiency; and e) create unique and exciting urban destinations. This section also includes three projects for maintenance of the Virginia Beach Amphitheater, the oceanfront garages, and the Town Center garages and plaza.

The Communications and Information Technology section of the Capital Budget is \$7.1 million more than the budget adopted for FY 2010-11. This significant increase is due to starting to address the backlog of technology projects that have been delayed over the past several years due to financial constraints. Many of the projects are to upgrade existing systems that will allow departments to continue to fulfill their mission without major increases in personnel or a significant degradation of service. In Emergency Communications and Citizen Services, the City will begin the two year process of replacing the existing Automatic Location Identification (ALI) database and the City’s VB Alert system. Both of these systems are out of date and not compatible with emerging technologies. Failure to replace the ALI Database could make the E-9-1-1 call center operating system obsolete within three years. In the Police Department, there are two technology projects supporting the operations of the department by provision of centralized systems for: storing and management of electronic evidentiary files and public safety records management including mobile and electronic summons capabilities.



Summary of Project Estimates

Project Type	Estimated Total Cost	Appropriations to Date	Capital Budget Year 1 FY 2011-12	Remaining Years of the Capital Program Years 2 through 6
Schools	\$ 494,624,035	\$ 254,119,084	\$ 43,049,951	\$ 197,455,000
Roadways	633,560,264	392,643,061	108,129,875	132,787,328
Buildings	138,309,534	77,157,608	28,690,932	32,460,994
Parks and Recreation	123,491,762	31,435,344	11,989,681	80,066,737
Utilities	554,819,384	203,732,849	67,136,635	283,949,900
Coastal	142,460,371	106,217,597	6,962,687	29,280,087
Economic and Tourism Development	284,501,933	143,122,516	24,770,989	116,608,428
Communications and Information Technology	68,786,645	23,914,237	11,435,150	33,437,258
Total Capital Improvement Program	\$ 2,440,553,928	\$ 1,232,342,296	\$ 302,165,900	\$ 906,045,732



Conceptual Site Plan for Kellam High School



Laskin Gateway/Beach Centre

MEASURING RESULTS



Measuring Results

Evaluating the performance of any organization has intuitive appeal, and performance measurement has long been a staple of the public and private sectors. There are many ways to measure or evaluate the performance of a local government, and Virginia Beach has been proactive and thorough in its efforts to measure and monitor the performance of our government since 1972.



The City uses three types of measures in order to track the City's performance. **Community indicators**, the broadest type, are measures that assess the overall condition of the City. These measures are influenced by not only the City of Virginia Beach, but also the State and Federal government, non-profit organizations and private service providers. Community indicators can, and often do, impact organizational and performance measures. **Organizational measures** are used to assess performance at the organizational level. These measures are used to gauge the overall "health" of the municipal government. **Departmental performance measures** provide detail about the delivery of a specific City program or service.

For comparative purposes, the City tracks each of the three types of performance data annually. The data is used to monitor and evaluate the progress of the community, the organization, and each program and service as conditions change. Due to the broad scope of community indicators, they can reflect trends and issues beyond the influence or control of a local government. In these cases, the indicators convey educational information about the quality of life and trends in our City. The City also uses each of the three types of measures to compare service levels and costs with other communities when comparable data are available. Monitoring performance data is also crucial in determining progress in achieving the goals set by City Council. The City Council's goals are to:

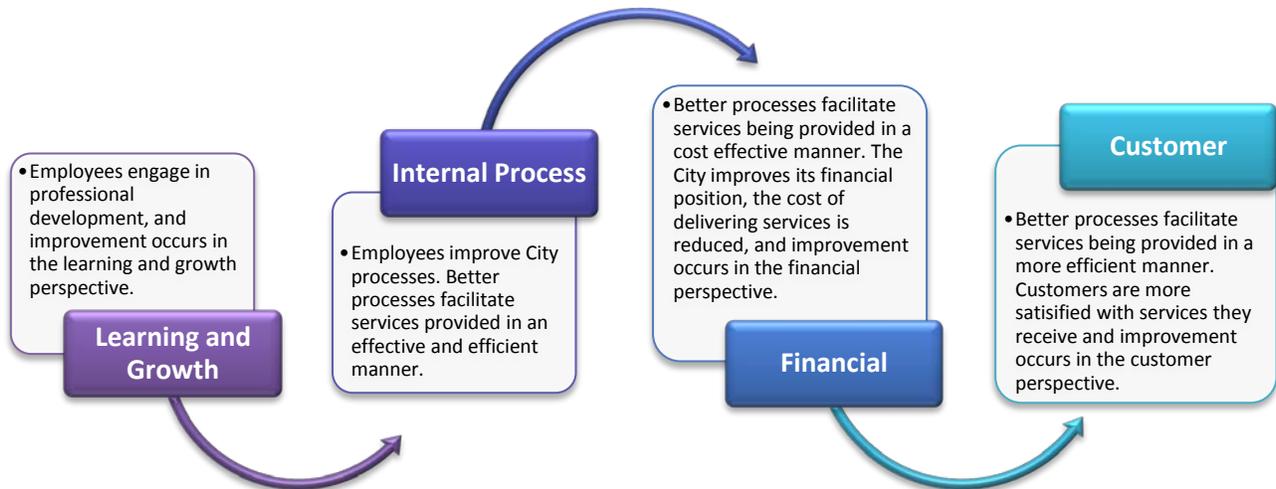


City programs are grouped into common “business areas” which relate to one or more of these goals. For example, the departments supporting economic vitality work to “grow the economy”, while the departments supporting quality physical environment work to “improve transportation systems” and other programs. These business areas are designed to foster a closer working relationship within the City organization, while focusing efforts on attainment of the City Council’s goals.

Beginning with the FY 2010-11 Budget, with the implementation of the City’s new budgeting software (GovMax), the City of Virginia Beach also began using the balanced scorecard for reporting departmental performance measures. The biggest change has been the classification of each measure into one of four perspectives. These perspectives are the customer perspective, the financial perspective, the internal process perspective and the learning and growth perspective.

- The **customer perspective** includes objectives related to serving the City’s residents. These objectives answer the question, is the City meeting the needs of residents and visitors.
- **Financial perspective** objectives are related to “managing City resources”. These objectives measure the City’s ability to efficiently meet the resident’s needs. These objectives will help departments and the City to answer the question, is the City delivering cost effective services.
- **Internal process** objectives are related to improving City processes. The City ensures processes are performed in the most effective manner. These objectives will answer the question, can the City improve on the delivery of a service or program by changing the way in which it is delivered.
- The **learning and growth perspective** contains objectives related to City employee learning and development. The City’s ability to improve and exceed citizen requirements is directly related to the continued professional development and growth of City staff. These objectives answer the question, is City staff receiving training and continuing education enabling them to remain an industry leader in providing the highest level of service at the best cost possible.

There is a logical, step-by-step connection between these perspectives as the diagram below illustrates. Improving performance in the objectives found in the learning and growth perspective enables the organization to improve its internal process perspective objectives. Better processes facilitate services provided in an effective and efficient manner. Customers become more satisfied with the service and its cost, and improvement occurs in the financial and customer perspectives.



Although these perspectives are interrelated, not every department will have objectives in each perspective, because departments have varied functions and missions. For each business area, community indicators, a comparison of selected community indicators and key departmental performance measures related to the business area are provided.

Please note that with the new census figures that were recently released for each City, performance data from previous years may have changed. The Department of Management Services updates all of the indicators that we track in which population is part of the equation, and many reporting agencies will also update their figures to include the most up to date population figures.

Economic Vitality

This business area is supported by the departments of Convention and Visitor Bureau, Economic Development, Agriculture, Housing and Neighborhood Preservation, and the Strategic Growth Area Office.

Community Indicators

As anticipated, several of the Economic Vitality indicators have regressed over the past year due to the national recession and the contraction of our regional economy. The most significant of these is the 9.8% decrease in median household income from 2008 to 2009. The unemployment rate continued to rise in 2010, but is still well below the State and national average. The unemployment rate has begun to improve with the strengthening of the economy. In January 2010, the rate was 6.8%, and in January of 2011, the rate was 6.4%. It is expected that incomes will also begin to recover as well. Even the typically reliable tourism industry experienced slight declines in repeat tourism and direct tax revenue generated. Despite declining from 2008 to 2009, military employment has remained strong which has helped the City to weather the downturn in the national economy.

	2004	2005	2006	2007	2008	2009	2010
Income of People Moving into Virginia Beach as a Percentage of the Income of People Moving Out	91.6%	92.0%	94.1%	96.2%	92.9%	Data NA	Data NA
Change in Assessed Value of Residential Real Estate ¹	7.2%	11.5%	21.7%	22.2%	20.7%	2.3%	-4.0%
Change in Assessed Value of Commercial/Industrial Real Estate	3.7%	9.9%	11.6%	9.8%	11.0%	6.1%	5.2%
Median Household Income	\$55,781	\$58,545	\$61,333	\$61,462	\$65,776	\$59,298	Data NA
Per Capita Income	\$37,156	\$39,333	\$42,281	\$44,430	\$45,846	\$44,999	Data NA
Unemployment Rate	3.4%	3.3%	2.9%	2.7%	3.7%	6.1%	6.4%
Percent of the Labor Force in the Armed Forces	7.0%	8.4%	8.9%	7.3%	9.1%	7.3%	Data NA
Economic Impact of Agriculture (in millions)	\$67.6	\$88.1	\$87.7	\$102.7	\$139.1	\$119.1	\$122.2
Tourists Who are Repeat Visitors	77.6%	75.3%	80.9%	79.3%	78.7%	77.0%	75.2%
Commercial Real Estate as a Percent of Total Assessments	17.0%	16.8%	15.6%	14.3%	13.0%	13.7%	15.0%
Direct Tax Revenue Generated from Tourism (in millions)	\$67.2	\$70.5	\$73.2	\$78.4	\$78.4	\$77.9	Data NA

¹This data does not show the assessment decline experienced in 2011 which was 5% and 2012 is an additional 3%

Community Indicator Comparison

The City's unemployment rate remains the lowest in Hampton Roads. While per capita income declined from 2008 to 2009, it remained the highest in Hampton Roads. After having the second highest rate of residents employed in the military in 2008, Virginia Beach dropped one spot to third in Hampton Roads in 2009.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Unemployment Rate	CY 2010	6.4%	6.9%	9.2%	9.1%	7.7%	8.4%	7.8%
Per Capita Income	CY 2009	\$44,999	\$39,966	\$36,838	\$33,637	\$36,494	\$36,252	\$31,120
Labor Force in the Armed Forces	CY 2009	7.3%	4.7%	8.9%	3.3%	3.6%	5.5%	8.0%

Key Business Area Performance Measures

	Actual			Estimated	
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Existing Target Industries Expanded	37	54	34	38	38
New Target Industries Located	29	24	30	40	40
Number of Acres in the ARP	7,410	7,919	8,092	8,803	9,103
Graffiti Cases	161	214	120	150	120
Households Served by Section 8 Program	1,950	2,025	1,981	1,915	1,988
Visitor Spending (in millions of dollars)	\$873	\$864	\$841	\$865	\$870

Family and Youth Opportunities

The departments of Human Services and Health support this business area.

Community Indicators

While most of these indicators have remained fairly consistent over the past year, there were several bright spots in the Family and Youth Opportunities business area. The rate of teenage (15 to 17 years of age) pregnancy declined 13.5% while the percentage of low birth weight babies declined a more modest 1.1%. The infant mortality rate for the City also fell to its lowest level in the past six years at 5.5 per 1,000 births.

The most significant increase in the past year occurred in the utilization of the Supplemental Nutrition Assistance Program (SNAP) by residents, which grew 33.8% in one year. Also increasing, were the percentage of the elderly population living in poverty, the percentage of students receiving free or reduced lunch, and the percentage of renters spending greater than 35% of their household income on housing costs. The continuation of the slow economic emergence has placed extra service demands on the City's Health and Human Services departments.

	2004	2005	2006	2007	2008	2009	2010
Teen Pregnancy Rate	25.2	21.7	22.0	21.2	24.4	21.1	Data NA
Low Birth Weight Babies as a Percent of Total Births	8.7%	8.4%	8.4%	8.5%	8.0%	6.9%	Data NA
Residents Receiving Supplemental Nutrition Assistance Program (SNAP) Benefits	14,851	16,574	16,757	16,363	17,350	20,289	27,156
Percent of Individuals Living in Poverty	7.7%	7.4%	7.2%	6.4%	6.5%	6.4%	Data NA
Percent of Children Living in Poverty	10.8%	11.7%	10.0%	10.0%	9.5%	9.6%	Data NA
Percent of the Elderly Living in Poverty	7.1%	6.7%	2.6%	5.4%	4.4%	4.9%	Data NA
Cases of Child Abuse per 1,000 Children (By Fiscal Year)	9.7	Data NA	8.5	5.9	4.5	5.0	Data NA
Infant Mortality Rate	7.8	7.8	10.4	7.4	5.8	5.5	Data NA
Students Receiving Free or Reduced Lunch	31.3%	29.0%	26.4%	30.8%	27.2%	29.1%	31.1%
Renters Whose Housing Expenses Exceed 30% of Household Income	43.9%	47.0%	47.8%	47.8%	48.3%	49.5%	Data NA

Community Indicator Comparison

In 2009, the City of Virginia Beach had the lowest infant mortality rate, percentage of low birth weight babies as a percentage of total births, and teen pregnancy rate. Virginia Beach also had the second lowest percentage of individuals living in poverty in Hampton Roads.

	Year	Virginia Beach	Chesa-Peake	Norfolk	Ports-mouth	Suffolk	Hampton	Newport News
Teen Pregnancy Rate	CY 2009	21.1	22.4	54.0	56.7	25.9	37.2	33.5
Low Birth Weight Babies as a Percent of Total Births	CY 2009	6.9%	9.3%	11.2%	11.9%	11.7%	10.5%	10.0%
Infant Mortality Rate	CY 2009	5.5	5.7	12.0	9.9	6.0	7.7	9.4
Percent of Individuals Living in Poverty	CY 2009	6.4%	6.1%	16.5%	15.8%	13.8%	14.5%	13.1%

Key Business Area Performance Measures

	Actual			Estimated	
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Average Temporary Assistance to Needy Families (TANF) Cases per Month	1,065	1,096	1,240	1,260	1,285
Child Protective Services Complaints Investigated	2,591	2,459	2,429	2,430	2,435
Foster Care Costs Avoided	\$393,708	\$166,056	\$161,172	\$170,940	\$175,824
Children Receiving Immunizations	4,990	4,235	8,368	6,000	6,000
Cost per Contact with Senior Services Patients	\$11	\$10	\$12	\$12	\$12
Cost per Restaurant Inspection	\$5	\$5	\$5	\$5	\$5

Quality Physical Environment

The departments of Planning and Community Development, Public Works, and Public Utilities support this business area.

Community Indicators

The percentage of the City's residential waste stream recycled remained at 17.0% for the third straight year. The percentage of the City's street system meeting the minimum physical condition rating rose for the second year in a row after declining for three consecutive years. The percentage of roads in the two lowest grades for transportation efficiency also improved after remaining flat for the past two fiscal years. The City's residents also saw their commute times increase slightly and fewer residents used public transportation as compared to 2008.

	2004	2005	2006	2007	2008	2009	2010
Open Space Acreage Per 1,000 Population	13.52	13.73	14.14	15.54	14.95	15.86	16.12
Percent of Residential Waste Stream Recycled ²	31.0%	31.0%	32.0%	33.0%	17.0%	17.0%	17.0%
Percent of Street System Meeting Minimum Physical Condition Rating	Data NA	Data NA	79.0%	74.0%	73.0%	74.5%	76.0%
Percent of Roads in the Two Lowest Grades for Transportation Efficiency	Data NA	Data NA	18.0%	18.2%	18.8%	18.8%	18.4%
Citizen Satisfaction with the City's Appearance	Data NA ¹	91.4%	Data NA ¹	95.6%	Data NA ¹	94.0%	Data NA ¹
Citizen Satisfaction with the Flow of Traffic in Virginia Beach	Data NA ¹	32.8%	Data NA ¹	36.0%	Data NA ¹	39.6%	Data NA ¹
Average Commute Time (in minutes)	22.4	22.9	22.2	23.0	22.5	22.9	Data NA
Commute to Work Using Public Transportation	0.8%	0.5%	0.9%	0.7%	1.4%	0.5%	Data NA

¹ Based on responses to Citizen Survey, survey conducted biennially

² Decrease beginning in 2008 is due to the closure of the mulching facility

Community Indicator Comparison

After having the third shortest commute time in Hampton Roads in 2008, residents of Virginia Beach had the third longest commute time to work in 2009, ahead of only Chesapeake and Suffolk. In 2009, Virginia Beach had the second lowest percentage of residents using public transportation to commute.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Average Commute Time (in minutes)	CY 2009	22.9	23.6	21.4	21.1	27.5	21.6	20.7
Commute to Work Using Public Transportation	CY 2009	0.5%	0.7%	3.2%	2.3%	0.0%	2.5%	2.9%

Key Business Area Performance Measures

	Actual			Estimated	
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Waste Collections Made to Residential Customers (in millions)	6.4	6.5	6.5	6.5	6.5
Roadway Resurfacing Cycle (in years)	23.0	28.0	19.0	18.0	17.0
Water Quality Samples Taken	2,750	2,555	2,441	2,500	2,500
Linear Feet of Sanitary Sewer Inspected via Closed Circuit TV	150,000	172,570	111,983	185,000	185,000
Sanitary Sewer Main Cleaned (in millions of feet)	0.9	1.1	1.2	1.3	1.3
Water Main Breaks per 1,000 Miles	138	158	116	133	133
Sanitary Sewer Overflows Reported Per 100 Miles of Main	2.0	2.5	2.3	2.0	1.8
Water Meters Replaced	5,765	6848			
Building Permits Issued	30,119	28,442	28,680	28,680	30,517
Zoning Inspections Performed	33,312	35,446	40,513	40,308	40,308

Cultural and Recreational Opportunities

The departments of Museums, Parks and Recreation, and the Cultural Affairs Office support this business area.

Community Indicators

After declining or remaining flat from 2004 to 2008, the percent of the City's population with a City recreation facility membership grew for the second year in a row. The City also continues to add to its inventory of multi-use trails, and the City was able to add significant mileage of roadways with on road bikeways in 2010.

	2004	2005	2006	2007	2008	2009	2010
Percent of Population with City Recreation Facility Membership	11.4%	9.9%	9.9%	9.7%	9.5%	9.7%	10.9%
Residents Receiving Access at a Reduced Cost to City Recreational Programs and Facilities	***	452	560	512	606	573	706
Miles of City Multi-Use Trails	52.84	53.44	57.44	60.44	61.14	61.84	73.74
City Roadway Miles with On Road Bikeways	9.65	9.65	9.65	9.65	9.65	9.65	21.99

Community Indicator Comparison

Due to insufficient comparable data, there is no Community Indicator Comparison for Cultural and Recreation Opportunities.

Key Business Area Performance Measures

	Actual			Estimated	
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
IMAX Theater Attendance	144,774	149,744	130,371	150,000	150,000
Visitors to the Aquarium	577,356	598,119	635,212	650,000	725,000
Event Days at the Sandler Center	128	204	404	404	404
Average Mowing Frequency for Divided Highways	17.0	18.0	18.0	23.0	20.5
Citizen Satisfaction with Parks	92.8%	93.2%	93.2%	92.5%	93.5%
Park Visits (in thousands)	2,961	2,631	2,448	2,460	2,472
Citizen Satisfaction with Recreation Centers, Classes, and Programs	94.0%	95.2%	95.2%	95.2%	95.4%
Recreation Center Memberships	41,328	42,559	47,539	44,727	47,410

Quality Education and Lifelong Learning

This business area is supported by the Schools and Library Department.

Community Indicators

With education continuing to be a top priority of the City, the graduation rate improved for the fourth straight year in 2010. The percentage of adults with graduate degrees fell for the second straight year, but the percentage of residents with an undergraduate degree actually rebounded slightly after a decline in 2008. The City has also seen six straight years of decline in the percentage of children entering kindergarten lacking basic reading skills.

	2004	2005	2006	2007	2008	2009	2010
High School Graduation Rate	68.9%	71.7%	70.0%	72.1%	74.3%	76.7%	78.6%
Residents Over the Age of 25 Who Have a Graduate or Professional Degree	11.6%	10.0%	11.0%	11.0%	10.6%	10.0%	Data NA
Residents Over the Age of 25 Who Have an Undergraduate Degree	33.5%	31.0%	31.0%	32.4%	30.9%	31.1%	Data NA
Percentage of Public Schools that are Fully Accredited	84.6%	100.0%	100.0%	100.0%	100.0%	98.2%	100.0%
Kindergarten Children Needing Reading Remediation	19.8%	18.6%	13.8%	13.0%	12.0%	11.0%	10.0%
Dropout Rate - Grades 7 through 12	1.56%	1.29%	1.22%	1.20%	1.15%	1.32%	Data NA

Community Indicator Comparison

Virginia Beach had the second highest graduation rate for the 2010 school year and the second lowest dropout rate in Hampton Roads for the 2009 school year. For 2009, the City also maintained its rank from 2008 with the highest percentage of adults over 25 with an undergraduate college degree. The City also had the second highest percentage of residents with a graduate or professional degree for the second year in a row.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
High School Graduation Rate	SY 2010	78.6%	80.4%	52.7%	56.3%	68.0%	71.2%	70.5%
Dropout Rate - Grades 7 through 12	SY 2009	1.32%	1.27%	4.18%	5.08%	3.71%	3.08%	3.41%
Residents Over the Age of 25 Who Have a Graduate or Professional Degree	CY 2009	10.0%	10.5%	9.8%	5.6%	8.0%	9.8%	7.3%
Residents Over the Age of 25 Who Have an Undergraduate Degree	CY 2009	31.1%	28.2%	23.3%	16.9%	25.5%	21.0%	23.1%

Key Business Area Performance Measures

	Actual			Estimated	
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Library Program Attendance	85,841	86,288	112,073	86,031	91,262
Library Materials Circulated (in thousands)	3,237	3,344	3,523	3,936	4,174
Turnover Rate of Library Material	3.5	3.7	3.4	4.4	4.6
Library Virtual Visitation (in thousands)	1,173	1,321	1,453	1,596	1,677
Student Enrollment	70,682	69,688	69,499	69,365	69,738
Students Enrolled in Gifted Programs	12.1%	12.3%	12.2%	Data NA	Data NA
Number of High School Industry Certifications	4,081	4,133	4,164	Data NA	Data NA

Safe Community

This business area includes Police, Fire, Emergency Medical Services, Courts and Court Support, Emergency Communications and Citizen Services, the Commonwealth's Attorney's Office, and Sheriff and Corrections.

Community Indicators

Virginia Beach continues to be the safest City of its size in the country. The violent crime rate declined for the fourth straight year and the property crime rate also fell in 2010 after a slight increase from 2008 to 2009. The number of juvenile arrests has also declined for the fourth straight year in 2010.

There is no new data this year for the perception of safety, as 2010 was an off year for the two surveys that collect that data.

	2004	2005	2006	2007	2008	2009	2010
5th Graders Perception of Safety in Public Schools	82.2%	81.8%	83.2%	92.8%	93.5%	94.2%	Data NA ¹
8th Graders Perception of Safety in Public Schools	52.6%	52.8%	50.8%	67.1%	68.7%	66.0%	Data NA ¹
12th Graders Perception of Safety in Public Schools	66.0%	65.8%	68.9%	87.4%	82.1%	82.2%	Data NA ¹
Violent Crime Rate	2.4	2.6	2.9	2.5	2.4	2.1	1.9
Property Crime Rate	31.8	30.9	30.0	30.3	29.4	30.7	30.3
Residents Who Believe Their Neighborhood is Safe	Data NA ¹	94.8%	Data NA ¹	92.8%	Data NA ¹	93.6%	Data NA ²
Number of Structural Fires	473	415	455	470	471	486	463
Number of Juvenile Arrests	4,114	3,974	4,558	4,393	4,191	3,205	2,812

¹ The Virginia Beach City Public Schools has begun conducting this survey biennially and the survey was not conducted during the 2010 school year. Prior to 2006-07, students in grades 4, 7, and 11 rated their level of agreement on a five-point scale to the item "I feel safe and secure at School." The percentages reported in the table reflect the percentage of students Agreeing or Strongly Agreeing to the item. Beginning in 2006-07, students in grades 5, 8, and 12 rated their level of agreement on a four-point scale to the item, "This School provides a safe and orderly place for students to learn." The percentages reported in the table reflect the percentage of students Agreeing or Strongly Agreeing.

² Based on responses to Citizen Survey conducted biennially.

Community Indicator Comparison

For 2010, Virginia Beach had the second lowest property crime rate and the lowest overall crime rate and violent crime rate in Hampton Roads for the second year in a row. The City had the fifth highest percentage of juvenile arrests when compared to all arrests. In spite of the fact that the percentage of juvenile arrests declined in Virginia Beach in 2010, the City's position relative to the other Hampton Roads cities is up compared to 2008 and 2009.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Violent Crime Rate	CY 2010	1.9	4.0	6.0	6.4	4.4	2.9	5.3
Property Crime Rate	CY 2010	30.9	35.4	54.2	58.2	25.4	38.6	37.0
Juvenile Arrests as a Percentage of Total Arrests	CY 2010	10.7%	3.7%	17.1%	7.2%	4.0%	15.2%	10.2%

Key Business Area Performance Measures

	Actual			Estimated	
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Arson Cases Cleared	20.0%	24.0%	19.0%	20.0%	20.0%
Conviction Rate for Domestic Violence	75.0%	78.0%	78.0%	75.0%	75.0%
Conviction Rate for Violent Felonies	90.0%	96.0%	94.0%	94.0%	94.0%
Bail Hearings Conducted	43,913	42,955	39,368	42,517	42,517
911 Calls Received	231,276	232,599	233,762	234,961	237,824
Priority 1 EMS Calls Processed in Under 2 Minutes	84.2%	85.2%	86.0%	81.0%	81.0%
Time that 9 Ambulances are Continuously Staffed	81.0%	86.0%	85.0%	100%	100%
Clearance Rate - Violent Crime	57.8%	59.7%	62.2%	59.0%	59.0%
Average Police Response Time to Emergency Calls (in minutes)	6.3	6.6	6.7	6.7	6.8

Quality Organization

The Quality Organization business area is supported by the Municipal Council, City Clerk, City Manager, City Attorney, Finance, Human Resources, City Treasurer (elected official), Commissioner of the Revenue (elected official), City Real Estate Assessor, General Registrar, Management Services, Communications and Information Technology and the Office of the City Auditor.

Community Indicators

Average real estate taxes in Virginia Beach as a percentage of median household income grew half a percent from 2008 to 2009 due to the recession's impact on median household income that occurred in 2009. The value of volunteer services grew for the second consecutive year.

	2004	2005	2006	2007	2008	2009	2010
Average Real Estate Taxes as a Percentage of Median Household Income	3.0%	3.4%	2.7%	3.3%	3.4%	3.9%	Data NA
Percent of Citizens Who are Satisfied with City Services	Data NA ¹	92.6%	Data NA ¹	93.4%	Data NA ¹	91.4%	Data NA ¹
Value of Volunteer Service (in millions)	\$16.3	\$16.4	\$14.1	\$14.5	\$13.2	\$18.6	\$19.0
Voter Turnout Rate	70.0%	37.7%	47.3%	17.1%	70.2%	36.0%	42.0%

¹ Based on responses to Citizen Survey conducted biannually

Community Indicator Comparison

Virginia Beach had the second highest (tied with Suffolk) voter turnout for the November 2010 elections. Portsmouth had the highest turnout rate, while Newport News had the lowest.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Voter Turnout Rate	Nov. 2010	42.0%	40.8%	19.8%	44.4%	42.0%	21.0%	17.9%

Key Business Area Performance Measures

	Actual			Estimated	
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
In-House Attorney Cost per Hour	\$99	\$102	\$94	\$94	\$94
Hours of Direct Audit Services Provided	6,957	7,000	7,326	7,100	7,100
Value of Volunteer Service (in millions)	\$13.2	\$18.6	\$19.0	\$19.0	\$19.0
Yield on City Investments	4.5%	2.0%	0.6%	0.6%	1.0%
Business Licenses Assessed	32,164	31,795	30,771	30,000	31,000
Voter Registration Adds or Changes Made	25,444	26,852	27,000	27,000	27,000
Qualified Applicants Recruited and Hired within 60 Days	70.0%	65.0%	64.0%	64.0%	64.0%
Variation Between Revenue Estimates and Actual	0.8%	0.8%	0.8%	0.8%	0.8%

Organizational Indicators

In addition to community indicators, which track the progress of the overall community, and departmental performance measures, which track the performance of a particular program or service, organizational indicators track the performance of the City government. These indicators cover areas like financial management, the City's workforce, and sustainability. These indicators are not specific to one particular program or service but indicate the level of performance organization wide.

Organizational Indicators

Financially, the City continued to perform well in spite of the sluggish national and regional economy that has persisted over the past several years. In FY 2009-10, the City's expenditures per capita decreased 2.3%.

Even in these financially turbulent times, the City has improved its strong bond rating through prudent financial management. The City bond ratings from Moody's and Fitch were upgraded to each agencies highest rating. Virginia Beach also maintained its "AAA" rating from Standard and Poor's and is one of only 169 municipalities nationwide (as of November 2010) to receive their highest bond rating. After declining in FY 2009-10, the general fund balance as a percentage of City revenue increased in FY 2010-11, which exceeds the City Council's policy requiring a minimum of 8.0%. Although total capital spending was reduced again in FY 2010-11, the City also reduced its cash commitment to the capital improvement program. Some of the funding that had typically been directed toward capital projects was instead used for operating expenditures. While net debt per capita declined from FY 2008-09 to FY 2009-10, it is anticipated that this indicator may increase over the next few years.

The City has also seen positive results among its workforce. The turnover rate dropped in 2010 after remaining flat for two years and the percentage of employees retained after two years increased to 90%. Due to attrition, the City saw a decrease of three years in the average tenure of City employees. This may have also been a factor in the \$769 decline in the average salary for municipal employees over the past year. In FY 2010-11, the City's workforce per 1,000 residents fell to 15.5, a drop from FY 2009-10.

Worker's compensation claims increased slightly for the first time since FY 2006-07, but the number of workdays lost per claim declined. The City has also experienced its third straight year of decline in the number of liability claims per 1,000 residents in FY 2009-10.

	2004	2005	2006	2007	2008	2009	2010	2011
Expenditures Per Capita	\$2,479	\$2,584	\$2,721	\$3,022	\$3,151	\$3,190	\$3,116	Data NA
Net Debt Per Capita	\$1,814	\$1,749	\$1,952	\$2,229	\$2,281	\$2,265	\$2,244	\$2,275
Net Debt Per Capita as a Percentage of Per Capita Income	4.9%	4.9%	5.2%	5.7%	5.7%	5.4%	5.1%	5.0%
Per Capita Expenditures as a Percent of Per Capita Income	6.7%	6.6%	6.4%	6.8%	7.0%	Data NA	Data NA	Data NA
Bond Rating - Standard and Poor's	AA+	AA+	AA+	AAA	AAA	AAA	AAA	AAA
Bond Rating - Fitch	AA+	AA+	AA+	AA+	AA+	AA+	AAA	AAA
Bond Rating - Moody's	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	AAA	AAA
Fund Balance as a Percent of Revenue	8.5%	8.9%	11.2%	12.9%	10.1%	11.2%	8.9%	10.5%
Percentage of Capital Programs Funded by Cash	52.7%	52.9%	53.3%	55.5%	59.6%	62.1%	61.2%	56.6%
Employee Turnover Rate (Excluding Retirements and Deaths) ¹	3.89%	4.78%	4.25%	4.02%	4.54%	4.54%	4.24%	Data NA
Work Days Lost per Worker's Compensation Claim	2.3	3.7	1.6	1.5	1.7	1.9	1.8	Data NA
Workers Compensation Claims per 1,000 FTE's	180.95	127.05	202.43	205.10	173.17	165.98	170.31	Data NA
Liability Claims per 1,000 Population Served	2.26	1.67	1.43	1.53	1.33	0.97	0.95	Data NA
Vacancy Rate ¹	Data NA	4.0%	4.0%	Data NA				
Employees Retained after 2 Years ¹	Data NA	87.0%	90.0%	Data NA				
Average Salary (excluding benefits) ¹	Data NA	\$48,079	\$47,310	Data NA				
Average Tenure of City Employees (in years) ¹	Data NA	14.0	11.0	Data NA				
FTE's per 1,000 Population Served	17.6	15.1	15.7	15.9	16.1	16.0	15.9	15.5
Citizen Satisfaction with the Courtesy of City Employees (survey done every two years)	Data NA	91.2%	Data NA	94.2%	Data NA	90.4%	Data NA	Data NA

¹This data is for the calendar year and not the fiscal year.

Organizational Indicator Comparison

Organizational indicators also allow the City to compare its performance with the other cities in Hampton Roads.

In FY 2009-10, Virginia Beach had the lowest expenditures per capita in Hampton Roads for the tenth straight year. Virginia Beach has the second lowest net debt per capita, but the lowest net debt per capita as a percentage of per capita income when looking at the most recent data available for these two indicators. The City also has the highest bond rating and the highest proportion of its capital improvements program funded by cash. Of the three most populous cities in the area (Virginia Beach, Norfolk, and Chesapeake), Virginia Beach had the highest general fund balance as a percentage of the following fiscal year’s revenue. While reducing its workforce in FY 2009-10, Virginia Beach remained in the middle in terms of full-time equivalent (FTE) employees per 1,000 residents compared to the other cities in Hampton Roads.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Expenditures Per Capita	FY 2010	\$3,115.64	\$3,265.62	\$3,524.35	\$3,764.58	\$3,455.32	\$3,603.80	\$3,585.71
Per Capita Expenditures as a % of Per Capita Income	FY 2008	7.0%	8.6%	10.3%	10.7%	8.9%	9.5%	11.6%
Debt Per Capita	FY 2010	\$2,235	\$2,070	\$3,562	\$3,392	\$2,956	\$2,283	\$3,033
Debt Per Capita as a Percentage of Per Capita Income	FY 2008	5.0%	Data NA	9.6%	9.9%	8.3%	8.5%	9.9%
Bond Rating - Standard and Poor's	FY 2011	AAA	AA+	AA	AA-	AA	AA+	Aa
Bond Rating - Fitch	FY 2011	AAA	AAA	AA+	AA-	Aa3	AA	Data NA
Bond Rating - Moody's	FY 2011	AAA	Aa1	Aa2	A1	AA-	Aa2	Aa2
Fund Balance as a % of Revenue	FY 2011	10.5%	8.5%	5.3%	20.8%	25.9%	13.7%	10.2%
Percentage of Capital Program Funded by Cash	FY 2011	56.6%	38.4%	3.3%	22.7%	17.2%	45.0%	29.6%
FTE's per 1,000 Population Served	FY 2010	15.9	14.4	16.6	23.2	14.6	13.5	19.1

APPENDICES



APPENDICES

Financial Strategy

Virginia Beach has a strong financial system. This system is based on sound strategies that guide financial activities of the government. These strategies provide guidance in both good economic times and bad. They are forward looking with the intent to sustain the community and the organization into the future. They are as follows:

Internal Processes

- Internal financial controls including use of City provided equipment will be reviewed annually to ensure adequacy with accepted accounting procedures.
- Financial records and statements will be transparent and open to the public for review via posting to the City's internet.
- Purchases and contracts will be made on a competitive basis to insure best prices while maintaining quality and diversity.
- The City will use an accrual basis for accounting for revenues and expenditures. This accounting will be annually reviewed by an independent outside auditor as required by State law.

Budgetary Practices

- Provide for sufficient funding to provide emergency funding if needed; assure the City's bond holders that funding is available to make bond payments; and to address unforeseen needs. To accomplish this, the City maintains:
 - A general fund balance of between 8 and 12% of the following year's revenues, and
 - An annual reserve (Reserve for Contingencies) backed by current revenues not to exceed one-half of one percent of the total general fund.
- Provide services desired by the community and authorized by City Council at the minimum funding level necessary to accomplish the program's goals.
 - As a way to meet this requirement, full-time permanent positions must be authorized by the City Council. The City Manager may establish part-time or temporary positions to meet specific requirements.
 - Transfers or increases of appropriations over \$100,000 require City Council authorization.
- Employees of the City and School system will receive adequate compensation to commensurate with their expected duties and comparable job titles.
 - Health care will be provided with an employer contribution determined by the City Council and School Board. Employees will pay the difference between that contribution and the premium amount.
 - Employees are required to participate in the Virginia Retirement System and the City and School system provides funding according to State law.
 - Positions may be added or deleted based on service requirements or budgetary constraints, but the City and School system will work with employees to transition to remaining jobs.
- Balance the Operating Budget on current revenues only using previous year's balances for one-time purchases either in the Operating Budget or in the Capital Improvement Program.
- City Council dedicated revenues will be reviewed annually as a part of the Operating Budget process and adjustments will be recommended maintaining that revenues are in line with long-term program goals. Various revenues were increased by City Council to meet specific goals and are each separately monitored by staff:
 - **City/School Revenue Sharing Formula** - was established to ensure adequate funding to the Virginia Beach Public School System. This formula will be reviewed by the Revenue Sharing Formula committee appointed by City Council at least every other year or as needed by the economy and funding concerns.

- **Agriculture Reserve Program** (ARP) acquires development rights to agricultural lands to preserve agricultural lands within the City.
 - **Recreation Center Dedication** was approved by City Council to construct, maintain, operate and pay the debt service on voter approved recreation centers.
 - **Tourism and Growth Investment Fund** (TGIF) was established to develop and maintain the resort area of the City by leveraging taxes primarily on visitors to the City. This program includes dedicated revenues for oceanfront entertainment events. **Major Projects** was established to provide funding for the construction and debt costs surrounding the Convention Center, the Sandler Center for the Performing Arts and a parking lot expansion for the Aquarium. For FY 2011-12, these funds have been combined to form the **Tourism Investment Program** (TIP).
 - **Outdoor Initiative** provides funding for development and maintenance of outdoor opportunities.
 - **Tourism and Advertising Program** (TAP) provides funding for national and statewide advertising programs. This program is overseen by a Council appointed committee.
 - **Economic Development Investment Program** (EDIP) provides funding to encourage business expansion and location.
- Leverage private dollars with local resources to encourage development and job creation that meets the City's long term goal of fiscal sustainability for the community.
 - Where possible, redirect new revenues generated by the project to meet public infrastructure demands of the project (Tax Increment Financing or Special Service Districts).
 - Use funding set up in the Economic Development Incentive Program to incentivize expansion of existing businesses or to attract new businesses to encourage job growth in the community.
 - Ensure that Federal and State funding is provided according to the funding program's requirements.
 - Reductions in State or Federal funding to a specific program will not automatically be replaced with City funding and therefore may necessitate a decrease in services (City Council's Non-Supplanting Policy).
 - Where possible, programs should rely primarily on user fees and annually review those fees to insure program costs are recouped.
 - Tax and fee levels will be recommended to sustain critical services to the community while being conscious of the impact on the taxpayers.
 - Diversity of revenue sources will be maintained to the extent allowed under the Dillon Rule to ensure economic stability of City services.
 - Equity among differing taxpayer classes (commercial, homeowner, industrial and non-homeowners) shall be maintained to the extent possible under the law.

Capital Improvement Program Practices

- Capital requirements will be linked to the adopted Comprehensive Plan and identified over a six year period to allow adequate financial planning.
- Infrastructure maintenance is a critical service provided to the community and therefore will be a primary focus of the City's Operating Budget and Capital Improvement Program.
 - Existing resources will go first to the maintenance of existing infrastructure.
 - New projects will require new revenues to support construction, operations and long-term maintenance needs.
- Fund capital projects first using a pay-as-you-go strategy (current local, State or Federal revenues and available City fund balances) and only then look to debt financing strategies.

Projection of General Fund Balance

The City's fund balance projection for FY 2010-11 indicates that the City will have approximately 11.44% of Undesignated Fund Balance as compared to FY 2011-12 revenues. The City's policy is 8 to 12% of next year's revenue.

Beginning Fund Balance at July 1, 2010 (CAFR)		\$ 178,979,659
Add: Revenues		
FY 2010-11 General Fund Revenues-Revised Estimate	\$ 977,208,462	
School Risk Management Fund	14,500,000	
Surplus from Sandbridge TIF	8,000,000	999,708,462
Total Fund Balance and Revenues		\$ 1,178,688,121
Less: Anticipated FY 2010-11 Expenditures:		
Operating Expenditures	\$ 502,751,278	
School Operations *	324,991,160	
Other Transfers	187,729,186	1,015,471,624
Total Projected Fund Balance at June 30, 2011		\$ 163,216,497
Less: Anticipated Uses of Fund Balance:		
Loans, Advances, and Prepaids	\$ 8,982,834	
Encumbrances	7,906,269	
General Fund Use for Future Programs	6,800,000	
School's Share of Funding Formula Revenues	1,723,462	
General Fund Operations	5,209,440	
FY 2011-12 Capital Budget	23,863,756	54,485,761
Total Estimated Undesignated Fund Balance at June 30, 2011		\$ 108,730,736

Calculation of Undesignated General Fund Balance Reserve

Projected FY 2011-12 General Fund Revenues**		\$ 950,410,258
Undesignated Fund Balance as a percentage of FY 2011-12 Revenues		11.44%

Note:

* Reflects full transfer amount but some reversion for Schools is anticipated and included in this number

** Excludes the use of specific fund reserves

Changes in Undesignated Fund Balances

	General	Special Revenues	Schools	Enterprise and Utilities	Capital Project	Total All Funds
Estimated Undesignated Fund Balances at June 30, 2011	108,730,736	33,834,907	70,328,800	113,931,775	-	326,826,218
Add: Estimated Reserved Fund Balances at June 30, 2011	54,485,761	33,100,037	25,169,680	-	-	112,755,478
Total Estimated Fund Balances at June 30, 2011	<u>163,216,497</u>	<u>66,934,944</u>	<u>95,498,480</u>	<u>113,931,775</u>	-	<u>439,581,696</u>
Add: Estimated FY 2011-12 Revenues	950,410,258	167,991,473	835,469,692	120,028,168	40,959,979	2,114,859,570
Less: Estimated FY 2011-12 Expenditures and Interfund Transfers	<u>956,646,997</u>	<u>181,832,505</u>	<u>870,194,365</u>	<u>128,890,111</u>	<u>40,959,979</u>	<u>2,178,523,957</u>
Total Fund Balances at June 30, 2012	<u>156,979,758</u>	<u>53,093,912</u>	<u>60,773,807</u>	<u>105,069,832</u>	-	<u>375,917,309</u>
Less: Estimated Reserved Fund Balances at June 30, 2012	<u>54,485,761</u>	<u>35,980,930</u>	<u>4,561,497</u>	-	-	<u>95,028,188</u>
Total Estimated Undesignated Fund Balances at June 30, 2012	<u>102,493,997</u>	<u>17,112,982</u>	<u>56,212,310</u>	<u>105,069,832</u>	-	<u>280,889,121</u>
Change in Undesignated Fund Balances	<u>(6,236,739)</u>	<u>(16,721,925)</u>	<u>(14,116,490)</u>	<u>(8,861,943)</u>	-	<u>(45,937,097)</u>

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 amounts shown do not include Internal Service Funds.

(3) The "Total All Funds" includes interfund transfers and excludes the use of fund balances in estimated revenues, and Future CIP Commitments in estimated expenditures.

(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.

Summary of Purpose and Fund Balance Policy For Funds in the Operating Budget

All fund balances must be appropriated by City Council prior to expenditure.

Fund Title	Purpose	Fund Balance Policy
General Fund	This fund accounts for all of the City's financial resources, except those required to be accounted for in another fund. Fund balances can be used to address unanticipated expenditures and emergencies.	To maintain an undesignated fund balance of 8% to 12% of the following year's projected revenues, with City Council's goal at 10%. This level equates to approximately one month of operating expenses.
Law Library Fund	This fund accounts for the revenues raised through \$4 per civil court case and expenditures of providing legal information and research.	Fund balance should be sufficient to cover emergency and unanticipated conditions.
DEA Seized Property Special Revenue Fund	This fund accounts for the City's share of Federal revenues derived from any Federal agency where money or assets are seized. If other State or local agencies are involved, those entities also get a portion of the funds, along with the Commonwealth's Attorney if they are involved in the case. All State seizures are divided with the Commonwealth's Attorney receiving 25% and the Police Department receiving 75%. All real estate seized is split 50%/50% between the Commonwealth's Attorney and the Police Department.	The fund balance remains in the fund until a determination is made on how to use it to combat crime. Use of funds must be in compliance with Federal and State regulations.
Federal Section Eight Program	This fund accounts for funds received from the Federal Department of Housing and Urban Development to provide rental assistance to low and moderate income families. A separate fund is required by the Federal government.	The use of fund balance is for rental assistance.
Sheriff's Department Special Revenue Fund	This fund accounts for the cost of the care and custody of persons placed in the Virginia Beach Correctional Center by the courts and for the operation of the Sheriff's Department, as established by City Council.	The fund balance serves as a means of financing one-time expenses and addresses unanticipated shortfalls in State funding.
Inmate Services Fund	This fund accounts for the money generated by inmate telephone use and inmate per diem.	The fund balance is to be used for inmate projects and services.
Parks and Recreation Special Revenue Fund	This fund accounts for revenues raised through Parks and Recreation programs and for the general fund support of these programs including the dedication of a portion of the real estate taxes to support and maintain the City's recreation centers.	The fund balance serves as a means of financing one-time expenses.

Fund Title	Purpose	Fund Balance Policy
Tourism Growth Investment Fund	<p>This fund accounts for revenues streams to fund tourism related capital projects and expenditures for oceanfront programs and events, maintenance, operating costs, and debt service of tourism-related projects, as established by City Council. In FY 2011-12 the Tourism Growth Investment Fund and the Major Projects funds were combined into the Tourism Investment Program Fund to streamline accounting processes and meet the obligations of both programs long-term.</p>	<p>The level of fund balance is based on long-term projections of revenues and expenditures, which do not grow in a linear manner, to debt service on the projects approved by City Council.</p>
Sandbridge Special Service District Fund	<p>This fund accounts for the revenues raised by the additional real estate tax (6 cents), hotel tax, and other Sandbridge related revenue. These revenues are transferred to the CIP account associated with beach and shoreline restoration and maintenance within the Sandbridge district, as established by City Council and as agreed to by the residents.</p>	<p>The level of fund balance in both the Sandbridge SSD and the Sandbridge TIF, along with the balance in the Sandbridge capital project is to provide sufficient funding for one sand replenishment and one emergency replenishment in the Sandbridge area.</p>
Agriculture Reserve Program Special Revenue Fund	<p>This fund accounts for revenue and expenses to promote and encourage the preservation of farmland in the rural southern portion of the City, in which agricultural use is predominant. This is a voluntary purchase of development rights rather than regulatory, as established by City Council.</p>	<p>Along with long-term revenue projections, the level of fund balance should be sufficient to pay for future interest costs of U.S. Treasury Securities (strips) and the maturing interest on each agreement.</p>
Tourism Advertising Program Special Revenue Fund	<p>This fund accounts for revenues and expenses related to tourism advertising. Revenue is generated by a charge per hotel room night and a portion of the meal tax as established by City Council. There is a City Council appointed committee that oversees the use of these funds.</p>	<p>The intent of this fund is to use revenues for advertising and operation of the Visitor Information Center. A minimal fund balance is maintained and is reappropriated to meet the objectives of the fund, including maintenance and repair of the Visitor Information Center. The amount of fund balance dedicated to maintenance and repair of the Visitor Information Center is based on accumulated interest earnings in the fund.</p>
Proffer Impact Special Revenue Fund	<p>Accounts for funds received from developers, who donate funds to be used for neighborhood infrastructure development per the City's Conditional Zoning Ordinance. By agreement between the developer and the City, these funds may be only applied to the uses specified in the agreement, and are appropriated to the Capital Improvement Program budget.</p>	<p>The revenues remain in this fund and are used for the construction of neighborhood capital projects per the proffer agreement.</p>

Fund Title	Purpose	Fund Balance Policy
Lynnhaven Mall Tax Increment Financing Special Revenue Fund	This fund accounts for incremental real estate tax revenues as well as provides transportation and parking improvements in the Lynnhaven Mall shopping district as specified in the agreement between the developer and the City.	Any residual fund balance ultimately serves to retire the financial commitment earlier than specified.
Sandbridge Tax Increment Financing Special Revenue Fund	This fund accounts for the incremental growth in real estate tax revenues within the district. These incremental revenues are generated by assessment growth beyond the base year. These funds are used to support beach and shoreline restoration in the Sandbridge district as established by City Council.	The level of fund balance in both the Sandbridge SSD and the Sandbridge TIF, along with the balance in the Sandbridge capital project is to be sufficient to provide funding for one sand replenishment and one emergency replenishment in the Sandbridge area.
Public Investment Protection Strategy Special Revenue Fund	This fund accounts for the sale and purchase of strategically located property. This fund will be eliminated in FY 2011-12.	The level of fund balance is minimal to be used as needed.
Central Business District South Tax Increment Financing Special Revenue Fund	This fund accounts for incremental growth in real estate tax revenues and debt service on funding of public parking and other public improvements in this business district.	The level of fund balance is maintained to meet planned construction and debt service costs for improvements in this district approved by City Council.
Marine Science Center Special Revenue Fund	This fund accounts for the operations of the museum. This fund will be eliminated in FY 2011-12.	The level of fund balance is minimal.
Open Space Special Revenue Fund	This fund accounts for the acquisition and preservation of land in the City of Virginia Beach.	The level of fund balance is based on long-term projections of revenues and expenditures to fund open space acquisition as planned in the "Virginia Beach Outdoors Plan."
Major Projects Special Revenue Fund	This fund provides funding through dedicated revenues for construction of the new Convention Center, the Sandler Center for the Performing Arts, and a parking lot for the Virginia Aquarium and Marine Science Center. This fund is being consolidated with the Tourism Growth Investment Fund in the FY 2011-12 Operating Budget into the Tourism Investment Program Fund.	The level of fund balance is based on long-term projections of revenues and expenditures to meet debt service requirements.
Town Center Special Service District Special Revenue Fund	This fund was established to provide for the maintenance of public parking facilities and other public infrastructure in conjunction with realizing a long-term City Council goal of developing a town center which is supported by revenues from an additional real estate tax rate (45 cents) applied to each property owner in the district.	The level of fund balance is maintained to fund unanticipated needs for the operation and capital maintenance of the parking garage and other public infrastructure within the boundaries of this district.

Fund Title	Purpose	Fund Balance Policy
Golf Course Special Revenue Fund	This fund provides for the operations and maintenance of the municipal golf courses. It is supported by the green fees, cart rentals, and concessions at the golf courses. This fund will be eliminated in FY 2011-12.	The level of fund balance is maintained to fund unanticipated needs for the operation and maintenance of the municipal golf courses in accordance with individual grant terms.
Transition Area Special Revenue Fund	This fund retains a portion of real estate taxes generated from homes built in the transition area to be used as a source of financing for future infrastructure needs in that area.	The level of fund balance is minimal at this time but is to be used for public infrastructure in the transition area to support development.
Grants Consolidated Special Revenue Fund	This fund accounts for certain Commonwealth of Virginia and Federal grants (with matching local funds, if required).	The fund balance amount is a result of grant funds, which are dedicated for specific uses.
Housing and Neighborhood Preservation Special Revenue Fund	This fund accounts for the combined activities of the Federal Community Development Block Grant (CDBG), Federal Housing Assistance Grant, and community development loan and programs.	The level of fund balance is maintained to support the administration of both capital improvement projects in specified neighborhoods and various other housing programs.
Law Enforcement Block Grant Special Revenue Fund	This fund accounts for Federal grants used for reducing crime and improving public safety.	This level of fund balance is minimal.
Emergency FEMA Special Revenue Fund	This fund accounts for receipts from the Federal Emergency Management Agency (FEMA), and for the cost of providing urban search and rescue services in support of disaster declarations as well as reimbursements to the City for the cost of local disasters.	The level of fund balance is subject to final audit by the Inspector General and must be available to reimburse FEMA for non-approved reimbursements. After final audit, any remaining balance can be used for other purposes.
Wetlands Board Mitigation Special Revenue Fund	This fund accounts for fines assessed for the destruction of wetlands. These may then be appropriated for the purchase of land and re-creation of wetlands.	The level of fund balance remains for the restoration then re-creation of wetlands as opportunities arise.
Water and Sewer Enterprise Fund	This fund accounts for all revenues and expenditures related to the construction and operation of fixed assets and infrastructure within the City's water and sewer enterprise fund.	The level of fund balance for this fund will retain working capital equal to 80-100% of one year's operating expenses, and debt service coverage of its water and sewer revenue bonds at not less than 1.5 times, and on a combined basis (i.e., total debt), including water and sewer general obligation bonds, at no less than 1.2 times.
Parking Enterprise Fund	This fund accounts for revenues and expenditures related to the operation and maintenance of the oceanfront parking system, including funding for the Resort Management Office.	The fund balance policy is to maintain a fund balance equal to 10% of revenues in order to address maintenance issues that may arise.

Fund Title	Purpose	Fund Balance Policy
Storm Water Enterprise Fund	This fund accounts for revenues and expenditures related to operations and infrastructure improvements to the storm water utility system. Revenues are generated from a separate storm water fee paid by the property owners.	The level of fund balance is maintained at three to six months of one year's operating expenditures. The Master Bond Resolution requires debt service coverage of 115% of the sum of the maximum annual debt service and the maximum annual prior parity bond debt service for storm water related bonds.
General Debt Fund	This fund accounts for the financial resources for, and the payment of, general long-term debt principal, interest, and related costs. (This fund is eliminated in FY 2011-12 with related debt costs distributed by purpose to the various funds.)	The fund balance in this fund is designated for future debt service payments.
School Reserve Special Revenue Fund	This City fund accounts for funds held at the request of the School Board and agreed to by City Council to better position the School system to respond to unexpected fiscal events.	The fund balance is limited to 2% of the previous year's School Operating Budget. Use of the funds requires approval by two-thirds of the School Board and appropriation by City Council.
School Technology Category Special Revenue Fund	This fund accounts for a portion of the School funding formula to finance the instructional technology initiative established by the State to assist in the integration of technology into the K-12 curriculum as required by the Virginia Standards of Learning.	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.
School Equipment Replacement Special Revenue Fund	This fund accounts for the financing (e.g., local government) and acquisition of, various replacement equipment for the School system.	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.
School Instructional Technology Fund	This fund was established by the City Council with the adoption of the FY 1999-00 Resource Management Plan to hold funds provided by the City outside of the Revenue Sharing Policy for School technology. In FY 2001-02 the City ceased to provide these funds; rather, Schools were allowed to earn interest on non-capital project related fund balances.	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.
School Vending Operations Fund	This fund accounts for the receipts (long-term exclusive contract with a vending company) relating to the bottled drinks vending operations of the School division and expenditures (including School-level allocations).	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.

Fund Title	Purpose	Fund Balance Policy
School Communication Tower Technology Fund	This fund accounts for the rent receipts (long-term contracts with telecommunication companies) relating to the communication towers constructed on School Board property and technology related expenditures.	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.
School Cafeteria Fund	This fund accounts for the revenues (e.g., Commonwealth of Virginia, Federal government and student fees) and expenditures associated with the food services operations of the School division.	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.
School Operating Fund	This is the general operating fund of the School Board which is used to account for all of the financial resources, except those required to be accounted for in another fund.	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.
School Grants Fund	This fund accounts for certain private, Commonwealth of Virginia, and Federal grants (with matching local funds, if required).	The fund balance amount is a result of grant funds, which are dedicated for specific uses. Grants within this fund remain active until the completion of the grant and do not require appropriation unless transferred for another purpose with the permission of the granting agency and approved by the School Board.
School Textbook Fund	This fund accounts for the financing and acquisition of textbooks and related materials used in the School division.	The fund balance will be used for the aforementioned fund purpose as approved by the School Board and appropriated by City Council. All local public funds, remaining at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be reappropriated by City Council for any purpose including School needs as requested by the School Board.
School Athletic Special Revenue Fund	This fund accounts for revenues (e.g., general public and student gate receipts) and expenditures associated with the middle and high school athletic program.	All remaining local public funds, at the end of the fiscal year, will revert to the City's General Fund as required by State law and may be appropriated by City Council for any purpose including School needs as requested by the School Board.
School Risk Management Fund	This fund provides for the insurance and administration need of the School Board.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero.

Fund Title	Purpose	Fund Balance Policy
City/School Health Insurance Internal Service Fund	This fund provides for health insurance and the administration thereof for the School Board and City employees and for the annual GASB 45 payment. Revenue to this fund includes the employee premium and the employer contribution from both the City and School system.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero. A balance may also accumulate for future health care needs.
Joint City/School Print Shop Internal Service Fund	This fund accounts for the financing of printing and copying needs of City departments. Revenues are received by charging departments and the Schools for print services.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero. A balance may also accumulate for planned future needs.
City Garage Internal Service Fund	This fund accounts for all revenues and expenditures related to vehicle repairs, parts, fuel and related services to City departments. Departmental charges are the source of revenues for this fund.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero. A balance may also accumulate for planned future improvements.
City Risk Management Internal Service Fund	This fund provides a means of accounting for the City's self-insurance program, claims handling, and risk identification. Cost of this coverage is charged to various City agencies based on experience.	A fund balance (i.e. net assets) level is maintained with a goal of funding 75% of the fund's actuarial estimate.
Information Technology Internal Service Fund	This fund is no longer used.	No fund balance exists.
School Site Landscaping Internal Service Fund	This fund is operated by the Parks and Recreation Department to provide landscaping services for the various School sites.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero. A balance may also accumulate for planned future improvements.
Telecommunications Internal Service Fund	This fund accounts for the operation and maintenance of the City's telephone system. Costs are allocated to other City departments and agencies on a cost reimbursement basis.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero. A balance may also accumulate for planned future improvements.
Subscriptions Internal Service Fund	This fund accounts for the collection and support of specific service agreements between customer departments and Communications and Information Technology. These specific agreements relate to specialized applications, services, and/or hardware associated with the customer department, not enterprise needs.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero. A balance may also accumulate for planned future improvements.

City and School Fund Balance ⁽¹⁾

Fund Title	Reserved or Designated(2)	Undesignated	Total	Use(3)	Use in FY 2012	Remaining Undesignated
Governmental Funds						
002 General Fund(4)	\$ 25,412,565	\$ 137,803,932	\$ 163,216,497	U/D	\$ (30,100,495)	\$ 108,730,736
130 Law Library	8,513	289,457	297,970		-	289,457
142 DEA Seized Property	297,226	1,629,183	1,926,409	U	(1,141,898)	487,285
147 Federal Section Eight Program	2,138,351	951,151	3,089,502		-	951,151
149 Sheriff's Department	3,600,379	1,353,235	4,953,614	U	(730,016)	623,219
150 Inmate Services	263,600	826,890	1,090,490	U	(382,093)	444,797
151 Parks and Recreation	169,654	6,975,394	7,145,048	U	(655,999)	6,319,395
152 Tourism Growth Investment Fund	9,376	258,466	267,842		-	258,466
157 Sandbridge Special Service District	3,133,996	-	3,133,996	D	(1,934,567)	-
161 Agriculture Reserve Program	4,000,000	9,153,009	13,153,009	U	(1,595,132)	7,557,877
163 Tourism Advertising Program	48,632	229,189	277,821		-	229,189
164 Proffer Impact	-	207,601	207,601		-	207,601
165 Lynnhaven Mall TIF	1,129,278	-	1,129,278	D	(292,291)	-
166 Sandbridge Tax Increment Financing	8,946,474	-	8,946,474	D	(787,316)	-
168 Public Investment Protection Strategy	-	72,321	72,321	U	(72,321)	-
169 Central Business District South TIF	1,855,164	-	1,855,164	D	(325,658)	-
187 Marine Science Center	-	2,321	2,321		-	2,321
172 Open Space	1,421,032	2,335,884	3,756,916	U	(1,087,857)	1,248,027
173 Major Projects	3,845,417	7,580,893	11,426,310	U	(3,129,087)	4,451,806
174 Town Center Special Tax District	1,016,469	-	1,016,469	D	(206,797)	-
175 Golf Course	-	127,645	127,645		-	127,645
176 Transitional Area	-	9,465	9,465		-	9,465
183 Grants Consolidated	1,895,681	-	1,895,681		-	-
184 Housing and Neighborhood Preservation	5,748,317	-	5,748,317		-	-
188 Law Enforcement Block Grant	-	-	-		-	-
189 Emergency FEMA	-	1,702,561	1,702,561	U	(1,500,000)	202,561
189 Wetlands Mitigation	-	130,242	130,242		-	130,242
Total Governmental Funds	\$ 64,940,124	\$ 171,638,839	\$ 236,578,963		\$ (43,941,527)	\$ 132,271,240
Enterprise Funds						
241 Water and Sewer (Restricted)	\$ -	\$ 101,119,679	\$ 101,119,679	U	\$ (8,361,943)	\$ 92,757,736
253 Parking	-	1,788,967	1,788,967	U	(500,000)	1,288,967
255 Storm Water (Restricted)	-	14,100,129	14,100,129		-	14,100,129
Total Enterprise Funds	\$ -	\$ 117,008,775	\$ 117,008,775		\$ (8,861,943)	\$ 108,146,832
General Debt Fund						
302 General Debt	\$ 17,251,355	\$ -	\$ 17,251,355	D	\$ (647,466)	\$ -
Total General Debt Fund	\$ 17,251,355	\$ -	\$ 17,251,355		\$ (647,466)	\$ -
School Funds						
098 School Reserve(2)	\$ 13,000,000	\$ 13,391,021	\$ 26,391,021	U	\$ (13,300,000)	\$ 91,021
106 School Technology Category Special Revenue	8,070,106	-	8,070,106		-	-
107 School Equipment Replacement	1,937,613	18,646	1,956,259		-	18,646
108 School Instructional Technology(5)	5,237,957	9,193,308	14,431,265	U	(6,709,714)	2,483,594
109 School Vending Operations	394,725	137,011	531,736	U	(137,011)	-
112 School Communication Tower Technology	300,000	1,747,320	2,047,320	U	(300,000)	1,447,320
114 School Cafeteria	945,334	1,709,888	2,655,222	U	(353,432)	1,356,456
115 School Operating	9,961,911	-	9,961,911		-	-
116 School Grants	893,092	-	893,092		-	-
117 School Textbooks	5,077,422	17,112,319	22,189,741	U	(8,096,740)	9,015,579
119 School Athletic Special Revenue	78,613	1,033,223	1,111,836	U	(108,057)	925,166
614 School Risk Management	-	20,600,764	20,600,764	U	(20,600,764)	-
615 School Health Insurance (City & School)	-	30,993,483	30,993,483	U	(17,669,203)	13,324,280
Total School Funds	\$ 45,896,773	\$ 95,936,983	\$ 141,833,756		\$ (67,274,921)	\$ 28,662,062

City and School Fund Balance ⁽¹⁾

Internal Service Funds

604	Print Shop	\$	-	\$	307,104	\$	307,104	\$	-	\$	307,104
606	City Garage	-	-	-	2,019,924	-	2,019,924	-	-	-	2,019,924
607	Risk Management	-	-	(18,327,228)	(18,327,228)	U	5,100,000	-	-	-	(13,227,228)
611	Information Technology	-	-	328,653	328,653	U	(328,653)	-	-	-	-
613	School Site Landscaping	-	-	1,658,279	1,658,279	-	-	-	-	-	1,658,279
620	Telecommunications	-	-	1,106,515	1,106,515	-	-	-	-	-	1,106,515
621	Subscriptions	-	-	3,668,635	3,668,635	U	(1,455,607)	-	-	-	2,213,028
Total Internal Service Funds		\$	-	\$	(9,238,118)	\$	(9,238,118)	\$	3,315,740	\$	(5,922,378)
GRAND TOTAL		\$	128,088,252	\$	375,346,479	\$	503,434,731	\$	(117,410,117)	\$	263,157,756

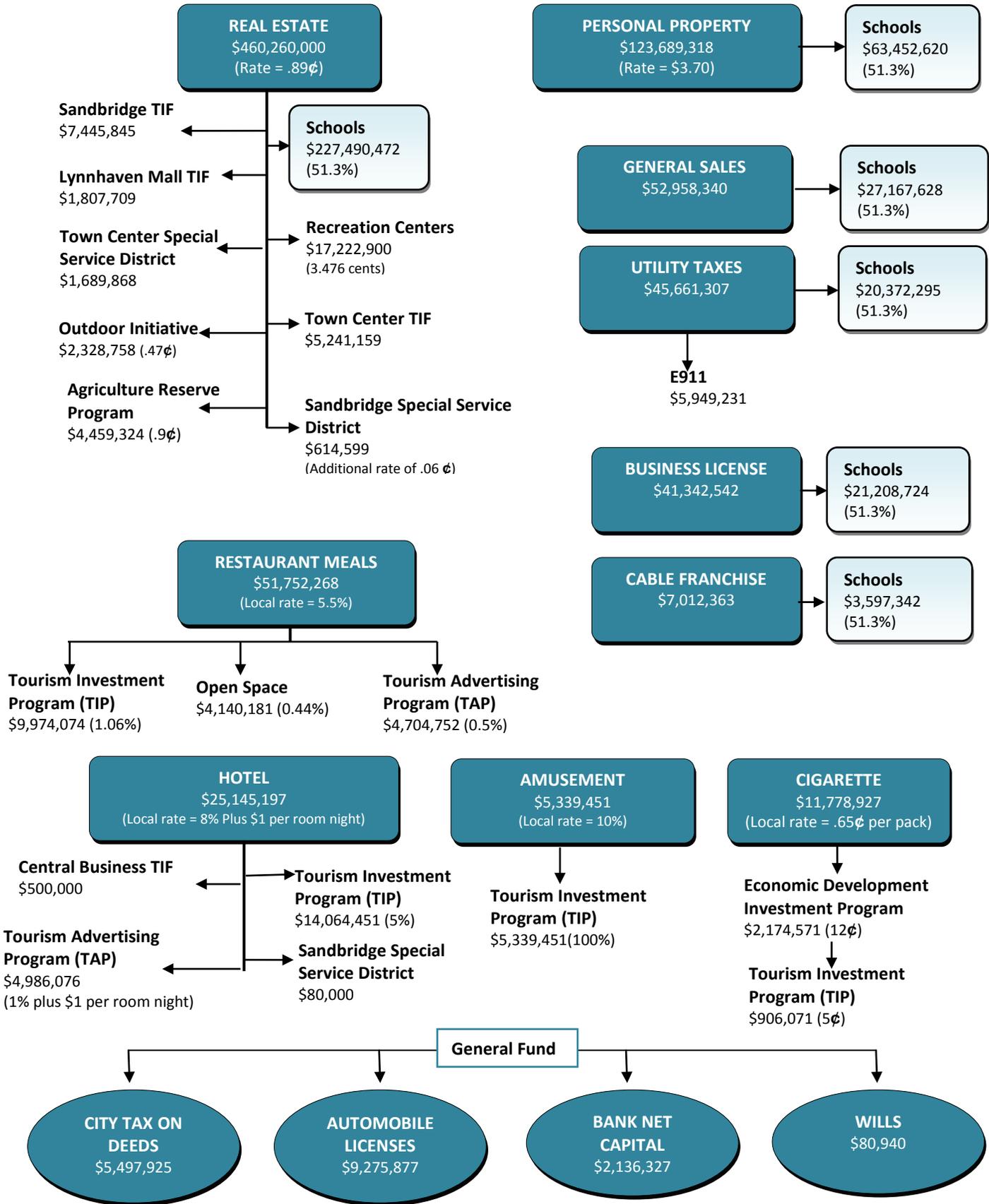
Notes:

- (1) Fund Balances are as of June 30, 2010 unless otherwise noted
- (2) Reserved or Designated amounts are for encumbrances, loans, special projects, future programs, capital projects, or debt service.
- (3) "D" indicates use of designated funds; "U" indicates use of undesignated funds
- (4) See page 45 for a projection as of June 30, 2011
- (5) Reflects City Council action on May 24, 2011, which used \$4,584,053 of Undesignated Fund Balance

**City of Virginia Beach, Virginia
Revenue Summary**

	FY 2010 Actual	FY 2011 Adjusted Budget	FY 2012 Adopted Budget	%
				Change
<u>Revenue Source Summary</u>				
Revenue from Local Sources				
General Property Taxes				
Real Estate	502,400,284	473,644,801	460,260,000	-2.83
Personal Property	113,226,393	118,574,744	123,689,318	4.31
Total General Property Taxes	<u>615,626,677</u>	<u>592,219,545</u>	<u>583,949,318</u>	-1.40
Other Local Taxes				
General Sales Tax	50,263,545	50,596,245	52,958,340	4.67
Utility Tax	44,779,188	47,253,219	45,661,307	-3.37
Business License	38,092,462	40,771,644	41,342,542	1.40
Automobile License	8,654,627	8,734,363	9,275,877	6.20
Cigarette Tax	12,387,010	12,721,345	11,778,927	-7.41
Amusement Tax	5,308,371	5,700,550	5,339,451	-6.33
Hotel Room Tax	24,099,486	22,659,486	25,145,197	10.97
Restaurant Meal Tax	47,144,303	48,188,033	51,752,268	7.40
Other Taxes	16,141,900	16,398,883	15,583,645	-4.97
Total Other Local Taxes	<u>246,870,892</u>	<u>253,023,768</u>	<u>258,837,554</u>	2.30
Other Local Revenue				
Permits, Privilege Fees, and Regulatory Licenses	4,387,846	4,699,896	4,079,791	-13.19
From the Use of Money and Property	9,326,897	10,783,936	9,809,982	-9.03
Charges for Services	183,895,635	197,196,050	211,490,334	7.25
Miscellaneous Revenue	24,946,463	16,643,811	20,155,131	21.10
Fines and Forfeitures	6,733,769	8,219,750	6,872,815	-16.39
Total Other Local Revenue	<u>229,290,610</u>	<u>237,543,443</u>	<u>252,408,053</u>	6.26
Revenue from the Commonwealth				
State Shared Sales Tax	66,688,947	67,116,477	72,311,348	7.74
Other Sources from the Commonwealth	395,219,790	371,924,568	362,979,335	-2.41
Total Revenue from the Commonwealth	<u>461,908,737</u>	<u>439,041,045</u>	<u>435,290,683</u>	-0.85
Revenue from the Federal Government				
Non-Revenue Receipts	106,575,121	128,470,021	153,891,976	19.79
Non-Revenue Receipts	11,196,706	2,431,550	3,006,130	23.63
Total Revenues	<u><u>1,671,468,743</u></u>	<u><u>1,652,729,372</u></u>	<u><u>1,687,383,714</u></u>	2.10
<u>Fund Reserves Summary</u>				
Specific Fund Reserves	23,533,614	51,107,990	55,262,553	8.13
Total Fund Reserves	<u>23,533,614</u>	<u>51,107,990</u>	<u>55,262,553</u>	8.13
TOTAL FINANCING REQUIRED	<u><u>1,695,002,357</u></u>	<u><u>1,703,837,362</u></u>	<u><u>1,742,646,267</u></u>	2.28

Dedication of Local Revenues



Summary of Adopted Fee & Tax Adjustments

Department	Old Fee	New Fee	Notes
City-wide			
• Solid Waste Fee	\$0	\$10 per month	Effective on January 1, 2012
Finance			
• Check Reissuance Fee	\$0	\$15 per request	
• Check Pick-up Fee	\$0	\$15 per request	
• IRS 1099 Reissuance Fee	\$0	\$15 per request	
• Reissuance Title Fee for Surplus Vehicles	\$0	\$50 per request	
Parks and Recreation			
• Memberships			
• Adult - Annual	\$72	\$79	
• Adult - 6 Months	\$44	\$48	
• Senior - Annual	\$58	\$64	
• Senior - 6 Months	\$35	\$38	
• Youth - Annual	\$29	\$32	
• Youth - 6 Months	\$19	\$22	
• Child - Annual	\$26	\$29	
• Child - 6 Months	\$16	\$18	
• Non-Residential Annual	\$280	\$308	
• Non-Residential 6 Months	\$168	\$185	
• Non-Residential 3 Months	\$98	\$108	
• Recreation Center Rentals	Various	5% increase for various rentals	
• Field Rentals			
• City View Park	\$125 half day/ \$175 full day	\$150 half day/ \$200 full day	
• Princess Anne Athletic Complex Softball/Baseball Fields	\$125 half day/ \$175 full day	\$150 half day/ \$200 full day	
• Princess Anne Athletic Complex Multipurpose Fields	\$150 half day/ \$200 full day	\$175 half day/ \$225 full day	
• Boat Fee			
• Boat Ramp Fee	\$6 per launch	\$7 per launch	
• Munden Point Boat Rental Fees	\$6 per hour	\$10 per hour	
• Aquatic Classes		Various classes raised by \$3-\$15	
• Youth Sports Participation	\$5 per child	\$100-\$200 per team	
• Aquatics Class	Various classes raised by \$3	Various classes raised by \$3	
• Out of School Time Program			
• School-Based Kindergarten	\$190	\$200	
• KidzQuest Summer	\$89	\$94	
• KidzQuest Before School	\$52	\$55	
• Middle School Summer	\$89	\$99	
• Dog Park Registration	\$10 per dog	\$15 per dog	
• Owl Creek Tennis Court Rental	\$8.50 per hour	\$10 per hour	

Department	Old Fee	New Fee	Notes
<ul style="list-style-type: none"> Therapeutic Recreation After School Registration 	\$0	\$45	
Public Works			
<ul style="list-style-type: none"> Storm Water ERU Rate 	24.1 cents per day	31.6 cents per day	
Public Utilities			
<ul style="list-style-type: none"> Monthly Sewer Charge (Single Family Residence, 5/8" meter) 	\$19.54	\$22.12	Adopted in FY 2010-11 Budget
<ul style="list-style-type: none"> Hydrant Meter Deposit 	\$650	\$1,000	
<ul style="list-style-type: none"> 3" Omni C2 Meter (Domestic) 	\$0	\$3,875	
<ul style="list-style-type: none"> 4" Omni C2 Meter (Domestic) 	\$0	\$4,975	
<ul style="list-style-type: none"> 4" Omni F2 Meter (Fire) 	\$0	\$5,300	
<ul style="list-style-type: none"> 6" Omni C2 Meter (Domestic) 	\$0	\$6,700	
<ul style="list-style-type: none"> 6" Omni F2 Meter (Fire) 	\$0	\$6,825	
Strategic Growth Area			
<ul style="list-style-type: none"> Special Event Permit Fees <ul style="list-style-type: none"> Beach Wedding Permit 	\$0	\$200 per permit	
<ul style="list-style-type: none"> Event Permit Application Late Fee 	\$0	\$10 per business day for the first week; \$20 per business day for the second week; and \$30 per business day after the second week	

**City of Virginia Beach, Virginia
Expenditure Summary**

Department Name	FY 2010 Actual	FY 2011 Adjusted Budget	FY 2012 Adopted Budget	%
				Change
Agriculture	3,227,032	5,389,794	4,220,251	-21.70
City Attorney	3,535,020	3,542,705	3,512,286	-0.86
City Auditor	583,718	574,469	571,714	-0.48
City Clerk	586,157	539,780	539,211	-0.11
City Manager	2,956,273	2,487,657	2,486,125	-0.06
City Real Estate Assessor	2,879,751	2,812,175	2,854,180	1.49
City Treasurer	4,915,021	4,825,429	4,908,622	1.72
Commissioner of the Revenue	3,755,680	3,659,749	3,848,587	5.16
Commonwealth's Attorney	7,677,034	7,620,530	7,345,325	-3.61
Communications and Information Technology	20,974,300	21,860,639	22,049,653	0.86
Convention and Visitors Bureau	41,504,883	43,510,156	44,409,353	2.07
Courts and Courts' Support	5,512,122	6,699,023	6,375,616	-4.83
Cultural Affairs	2,525,705	2,403,433	2,442,436	1.62
Debt Service - General Fund	41,538,636	44,925,755	44,862,754	-0.14
Economic Development	9,217,664	9,689,592	9,311,788	-3.90
Education	792,973,069	828,286,187	853,100,598	3.00
Emergency Communications and Citizen Services	8,286,906	9,502,174	10,206,092	7.41
Emergency Medical Services	6,823,303	7,381,490	7,446,995	0.89
Finance	4,717,951	4,671,658	4,632,305	-0.84
Fire	42,060,072	42,855,340	42,535,479	-0.75
Future C.I.P. Commitments	0	8,761,274	8,511,788	-2.85
FY 2010 Outstanding Encumbrances	10,733,539	0	0	0.00
General Registrar	1,355,594	1,121,765	1,106,926	-1.32
Health	2,981,772	3,040,204	2,858,445	-5.98
Housing and Neighborhood Preservation	21,673,107	23,909,160	24,913,890	4.20
Human Resources	4,143,971	4,203,724	4,152,528	-1.22
Human Services	108,137,535	112,084,188	110,116,938	-1.76
Library	15,892,929	15,653,565	15,599,762	-0.34
Management Services	1,642,439	1,448,577	1,461,870	0.92
Municipal Council	512,865	553,348	542,671	-1.93
Museums	8,430,989	9,428,638	9,166,462	-2.78
Non-Departmental	27,709,911	29,967,464	31,563,053	5.32
Parks and Recreation	43,889,580	44,853,194	46,558,558	3.80
Pay-As-You-Go Capital Projects	54,508,892	34,346,430	40,959,979	19.26
Planning	13,881,340	13,342,783	13,637,212	2.21
Police	82,105,515	86,412,942	86,766,164	0.41
Public Utilities	73,441,674	91,222,547	95,284,623	4.45
Public Works	100,900,690	111,506,635	114,961,821	3.10
Reserve for Contingencies	0	13,783,625	13,886,542	0.75
Sheriff and Corrections	34,720,530	36,851,333	35,645,050	-3.27
Strategic Growth Area	6,492,886	8,108,231	7,292,615	-10.06
TOTAL EXPENDITURES	<u>1,619,406,055</u>	<u>1,703,837,362</u>	<u>1,742,646,267</u>	<u>2.28</u>

**City of Virginia Beach, Virginia
Personnel Summary**

Department Name	FY 2010 Actual	FY 2011 Adjusted Budget	FY 2012 Adopted Budget	% Change
Agriculture	13.00	12.00	12.00	0.00
City Attorney	43.00	39.96	39.61	-0.88
City Auditor	6.00	6.00	6.00	0.00
City Clerk	7.00	6.00	6.00	0.00
City Manager	26.20	20.50	20.50	0.00
City Real Estate Assessor	38.35	34.30	34.30	0.00
City Treasurer	73.68	72.83	72.83	0.00
Commissioner of the Revenue	63.61	57.93	60.93	5.18
Commonwealth's Attorney	91.40	86.40	85.25	-1.33
Communications and Information Technology	188.80	182.50	183.50	0.55
Convention and Visitors Bureau	120.91	113.52	113.52	0.00
Courts and Courts' Support	65.00	75.00	75.00	0.00
Cultural Affairs	3.00	3.00	3.00	0.00
Economic Development	16.00	15.00	15.00	0.00
Emergency Communications and Citizen Services	127.00	125.00	123.50	-1.20
Emergency Medical Services	58.75	62.55	63.95	2.24
Finance	57.00	54.00	55.00	1.85
Fire	468.84	466.71	466.71	0.00
General Registrar	12.03	12.03	12.03	0.00
Health	11.07	10.75	10.75	0.00
Housing and Neighborhood Preservation	68.00	67.00	66.00	-1.49
Human Resources	53.13	47.00	47.00	0.00
Human Services	1,076.91	1,045.68	1,066.40	1.98
Library	260.85	227.50	228.50	0.44
Management Services	20.00	15.00	15.00	0.00
Municipal Council	11.00	11.00	11.00	0.00
Museums	152.78	152.30	148.47	-2.51
Parks and Recreation	872.16	855.37	843.38	-1.40
Planning	123.00	113.00	110.00	-2.65
Police	1,005.86	996.66	1,006.66	1.00
Public Utilities	404.50	404.50	412.00	1.85
Public Works	871.38	867.28	883.38	1.86
Sheriff and Corrections	524.37	530.61	519.61	-2.07
Strategic Growth Area	12.00	15.00	15.00	0.00
Total City Positions	<u>6,946.58</u>	<u>6,803.88</u>	<u>6,831.78</u>	<u>0.41</u>
Education	<u>10,465.87</u>	<u>10,516.77</u>	<u>10,387.27</u>	<u>-1.23</u>
Totals				
Total City Full Time Positions	6,269.00	6,151.00	6,207.00	0.91
Total City Part Time Positions	666.58	641.88	613.78	-4.38
Total City Council Members	11.00	11.00	11.00	0.00
Total School Positions	10,465.87	10,516.77	10,387.27	-1.23
Total Positions	<u><u>17,412.45</u></u>	<u><u>17,320.65</u></u>	<u><u>17,219.05</u></u>	<u><u>-0.59</u></u>

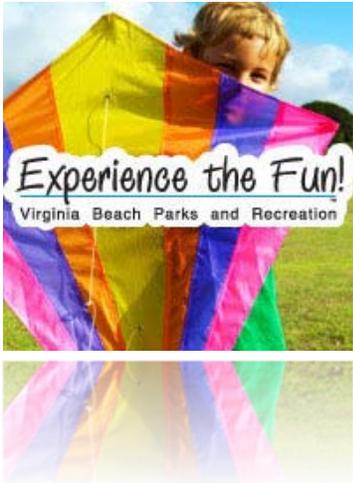
Additions and Reductions of City Positions for FY 2011-12

The chart below indicates the overall change in City positions (both additions and reductions) in FY 2010-11. The first column represents the FTE changes that occurred from the adoption of the original FY 2010-11 to the Adjusted FY 2010-11 Budget. The second column represents the FTE changes that will occur as a result of the Adopted FY 2011-12 Budget. The third column represents the net departmental change.

Department Name	FTE Changes Between Adopted FY 2010-11 Budget and Adjusted FY 2010-11 Budget	# FTE	FTE Changes Between Adjusted FY 2010-11 Budget and Adopted FY 2011-12 Budget	# FTE	Departmental FTE Variance
City Attorney	<ul style="list-style-type: none"> Reduced full-time hours to part-time position 	(0.39)	<ul style="list-style-type: none"> Paralegal 	(0.35)	(0.35)
City Manager	<ul style="list-style-type: none"> Media and Communications Coordinator III (Transfer to Communications and Information Technology) 	(2.50)			
City Treasurer	<ul style="list-style-type: none"> Delinquent Tax Collector 	0.60			
Commonwealth's Attorney	<ul style="list-style-type: none"> Victim/Witness Coordinator (Transfer to Police) 	(1.00)	<ul style="list-style-type: none"> Legal Investigator Law Interns Media and Communications Coordinator 	(1.00) (1.15) 1.00	(1.15)
Commissioner of the Revenue			<ul style="list-style-type: none"> Revenue Agent I 	3.00	3.00
Communications and Information Technology	<ul style="list-style-type: none"> Media and Communications Coordinator III (Transfer from City Manager's Office) Multimedia Graphics Designer Information Technology Information Center Aide 	2.50 0.50 (0.30)	<ul style="list-style-type: none"> Systems Analyst III Systems Engineer II Systems Engineer III Print Production Supervisor Printer II Printer III Printer Trainee 	5.00 1.00 1.00 (1.00) (1.00) (3.00) (1.00)	1.00
Courts and Courts Support	<ul style="list-style-type: none"> Deputy Clerk 	(1.00)			
Cultural Affairs	<ul style="list-style-type: none"> Administrative Assistant (Transfer from Non-Departmental) Development Specialist (Transfer from Non-Departmental) Cultural Arts Coordinator (Transfer from Non-Departmental) 	1.00 1.00 1.00			
Emergency Communications & Citizen Services	<ul style="list-style-type: none"> Public Safety Emergency Telecommunicator I Call Taker I Operations Supervisor 	1.00 1.00 1.00	<ul style="list-style-type: none"> Call Taker 	(1.50)	(1.50)
Emergency Medical Services			<ul style="list-style-type: none"> Storekeeper II Beach Lifeguard Supervisor 	1.00 0.40	1.40
Finance			<ul style="list-style-type: none"> Accountant I 	1.00	1.00
Housing and Neighborhood Preservation			<ul style="list-style-type: none"> Code Inspector II 	(1.00)	(1.00)
Human Services			<ul style="list-style-type: none"> Behavior Specialist I MH/MR Educator II Social Worker Supervisor Social Worker II 	2.00 (1.60) (1.00) (2.00)	20.72



Department Name	FTE Changes Between Adopted FY 2010-11 Budget and Adjusted FY 2010-11 Budget	# FTE	FTE Changes Between Adjusted FY 2010-11 Budget and Adopted FY 2011-12 Budget	# FTE	Departmental FTE Variance	
			<ul style="list-style-type: none"> • Staff Psychiatrist • Administrative Assistant • MH/MR Clinician I • MH/MR Clinician III • MH/MR Clinician IV • Juvenile Detention Counselor • Nurse I • Support Service Aide • MH/MR Supervisor II • MH/MR Assistant 	(2.00) 1.00 2.00 1.00 1.00 (2.00) 6.00 (0.60) (1.00) 17.92		
	Library		• Librarian V	1.00	1.00	
	Museums	• Operations Specialist II (Grant Funded)	0.85	<ul style="list-style-type: none"> • Visitor Assistant I • Operations Assistant I • Part-Time Educator • Support Specialist I • Support Specialist II • Museum Specialist Projects • Operations Specialist • Operations Supervisor • Museum Sales Clerk I • Museum Sales Clerk II • Exhibit Technician I • Museum Educator I • Museum Educator II • Operations Assistant I • Operations Assistant II • Operations Assistant III • Support Specialist I 	(1.25) (8.97) (1.00) (12.15) (1.47) (0.88) (1.73) (0.98) 2.00 1.00 15.00 3.00 1.00 0.50 0.50 0.50 1.10	(3.83)
	Non-Departmental	<ul style="list-style-type: none"> • Administrative Assistant (Transfer to Cultural Affairs) • Development Specialist (Transfer to Cultural Affairs) • Cultural Arts Coordinator (Transfer to Cultural Affairs) • Administrative Specialist (Transfer to Strategic Growth Area (SGA) Office) • Management and Budget Analyst III (Transfer to SGA) • Strategic Growth Area Manager (Transfer to SGA) • Administrative Services Manager II (Transfer to SGA) • Office Assistant II (Transfer to SGA) • Event Supervisor (Transfer to SGA) • Resort Special Events Coordinator (Transfer to SGA) • Resort Administrator (Transfer to SGA) • General Supervisor (Transfer to SGA) 	(1.00) (1.00) (1.00) (3.00) (1.00) (1.00) (1.00) (1.00) (3.00) (1.00) (1.00) (1.00)			

Department Name	FTE Changes Between Adopted FY 2010-11 Budget and Adjusted FY 2010-11 Budget	# FTE	FTE Changes Between Adjusted FY 2010-11 Budget and Adopted FY 2011-12 Budget	# FTE	Departmental FTE Variance
	<ul style="list-style-type: none"> • Business Development Representative II (Transfer to SGA) • Parking Operations Manager (Transfer to SGA) 	(1.00)			
Parks and Recreation			<ul style="list-style-type: none"> • Activity Center Leader • Activity Center Assistant Leader • Park Aide I • Park Aide II • Motor Equipment Operator I • Motor Equipment Operator II • Mechanic • Golf Course Supervisor • Grounds Keeper III • Golf Course Administrator • Golf Course Aide I • Golf Course Aide II • Office Supervisor • Recreation Specialist • Parks and Recreations Supervisor • Recreation Class Instructor 	3.57 6.81 (0.23) 1.70 (3.00) (3.00) (3.00) (3.00) (3.00) (1.00) (11.40) (2.40) 1.00 2.88 2.00 0.08	(11.99)
Planning			<ul style="list-style-type: none"> • Code Inspector I (Transfer to Public Utilities) • Code Inspector III (Transfer to Public Utilities) • Planning Aide (Transfer to Public Utilities) • Planning Technician • Code Inspector III 	(1.00) (1.00) (1.00) 1.00 (1.00)	(3.00)
Police	<ul style="list-style-type: none"> • Victim/Witness Coordinator (Transfer from Commonwealth's Attorney) 	1.00	<ul style="list-style-type: none"> • Clerk III • Animal Caretaker • Veterinarian Technician • Behavior Specialist I • Veterinarian • Shelter Operations Supervisor 	2.00 4.00 1.00 1.00 1.00 1.00	10.00
Public Utilities			<ul style="list-style-type: none"> • Code Inspector I (Transfer from Planning) • Code Inspector III (Transfer from Planning) • Planning Aide (Transfer from Planning) • Account Clerk I • Account Clerk II • Utility Electrician • Maintenance Engineer II/Electrical • Administrative Analyst 	1.00 1.00 1.00 1.00 2.00 1.00 1.00 (0.50)	7.50
Public Works	<ul style="list-style-type: none"> • Engineer II 	0.90	<ul style="list-style-type: none"> • Engineer II • Engineer III • Administrative Analyst • Motor Equipment Operator 	(0.90) 4.00 (1.00) 2.00	16.10

Department Name	FTE Changes Between Adopted FY 2010-11 Budget and Adjusted FY 2010-11 Budget	# FTE	FTE Changes Between Adjusted FY 2010-11 Budget and Adopted FY 2011-12 Budget	# FTE	Departmental FTE Variance
			<ul style="list-style-type: none"> • Motor Equipment Operator II • Motor Equipment Operator III • Construction Inspector III • Maintenance Supervisor 	4.00 4.00 2.00 2.00	
Sheriff	<ul style="list-style-type: none"> • Storekeeper II • Food Service Assistant Commissary/Canteen • Clerks 	2.00 2.00 2.24	<ul style="list-style-type: none"> • Deputy Sheriff (State) • Deputy Safety Analyst (State) 	(10.00) (1.00)	(11.00)
Strategic Growth Area Office (SGA)	<ul style="list-style-type: none"> • Administrative Specialist (Transfer from Non-Departmental) • Management and Budget Analyst III (Transfer from Non-Departmental) • Strategic Growth Manager (Transfer from Non-Departmental) • Administrative Services Manager II (Transfer from Non-Departmental) • Office Assistant II (Transfer from Non-Departmental) • Event Supervisor (Transfer from Non-Departmental) • Resort Special Events Coordinator (Transfer from Non-Departmental) • Resort Administrator (Transfer from Non-Departmental) • General Supervisor (Transfer from Non-Departmental) • Business Development Representative II (Transfer from Non-Departmental) • Parking Operations Manager (Transfer from Non-Departmental) 	3.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00			
Total Net City Positions		10.40		27.90	27.90



Total Position Reductions	-71.88
Total Position Additions	+99.78
Net Change	27.90

Additions and Reductions of School Positions for FY 2011-12

Instruction	Adopted FY 2010-11 Budget	Adopted FY 2011-12 Budget	Change Between FY 2010-11 Budget and FY 2011-12 Adopted Budget
Elementary Classroom	2109.90	2044.20	(65.70)
Senior High Classroom	1074.40	1007.60	(66.80)
Technical and Career Education	271.20	270.20	(1.00)
Gifted Education and Academy Programs	156.00	156.00	0.00
Special Education	1180.00	1178.00	(2.00)
Summer School	0.00	0.00	0.00
General Adult Education	22.00	22.00	0.00
Alternative Education - Renaissance	83.80	96.60	12.80
Student Activities	29.50	30.50	1.00
Principal - Elementary	343.00	343.00	0.00
Principal - High School	128.50	127.50	(1.00)
Principal - Technical and Career Education	7.00	7.00	0.00
Guidance Services	212.40	215.40	3.00
Social Work Services	31.25	31.25	0.00
Media and Communications	15.00	15.00	0.00
Instructional Technology	0.00	0.00	0.00
Instructional Support	56.00	57.00	1.00
Instructional Center for Teacher Leadership	0.00	7.00	7.00
Special Education Support	30.00	32.00	2.00
Gifted Education & Academy Programs Support	19.00	19.00	0.00
Media Services Support	200.50	199.50	(1.00)
Educational Leadership and Assessment	17.00	19.00	2.00
Middle School Classroom	768.60	752.30	(16.30)
Remedial Education	102.50	104.50	2.00
Principal- Middle School	117.00	115.00	(2.00)
Homebound Services	1.00	1.00	0.00
Technical and Career Education Support	9.40	8.40	(1.00)
Student Leadership	7.00	7.00	0.00
Psychological Services	38.00	38.00	0.00
Audiological Services	4.00	4.00	0.00
School Administration	9.00	9.00	0.00
Alternative Education	22.00	15.00	(7.00)
Instructional Total	7,064.95	6,931.95	(133.00)
Administration, Attendance, & Health			
Board, Legal, and Governmental Services	13.00	13.00	0.00
Superintendent	7.00	7.00	0.00
Budget and Finance	43.00	43.00	0.00
Human Resources	44.50	47.30	2.80
Internal Audit	4.00	4.00	0.00
Purchasing Services	13.00	13.00	0.00
Center for Teacher Leadership	16.80	8.00	(8.80)
Technology	0.00	0.00	0.00
Benefits	15.00	15.00	0.00
Health Services	131.00	131.00	0.00
Administration, Attendance, & Health Total	287.30	281.30	(6.00)
Pupil Transportation			
Management	26.00	26.00	0.00
Vehicle Operation	354.69	354.69	0.00
Vehicle Operation-Special Education	122.56	122.56	0.00
Vehicle Maintenance	57.00	57.00	0.00
Monitoring Services	106.88	106.88	0.00
Pupil Transportation Total	667.13	667.13	0.00
Operations and Maintenance			
Facilities Planning and Construction	6.00	6.00	0.00
School Plant	197.00	197.00	0.00
Supply Services	23.50	23.50	0.00
Custodial Services	726.00	726.00	0.00
Environmental Services	0.00	0.00	0.00

Instruction	Adopted FY 2010-11 Budget	Adopted FY 2011-12 Budget	Change Between FY 2010-11 Budget and FY 2011-12 Adopted Budget
Safe Schools/Risk Management	197.00	197.00	0.00
Vehicle Services	4.00	4.00	0.00
Telecommunications	3.00	3.00	0.00
Technology Maintenance	0.00	0.00	0.00
Operations and Maintenance Total	1,156.50	1,156.50	0.00
Operating Budget Total	9,175.88	9,036.88	(139.00)
Categorical Grants and Other Funds			
State Grants	12.00	13.00	1.00
Federal Grants	639.00	646.50	7.50
Food Services Fund	492.89	492.89	0.00
Office of Safety and Loss Control Fund	5.00	5.00	0.00
Health Insurance Fund	4.50	4.50	0.00
Technology Category Fund	186.00	187.00	1.00
Textbook Fund	1.50	1.50	0.00
Categorical Grants and Other Funds Total	1,340.89	1,350.39	9.50
All Funds Total	10,516.77	10,387.27	(129.50)

Demographic Information

The table below highlights available information from the last three Censuses for Virginia Beach as well as the Census' 2007-09 American Community Survey:

Demographic Characteristic	1980	1990	2000	2007-09
Sex:				
Male	50.8%	50.8%	49.5%	49.0%
Female	49.2%	49.2%	50.5%	51.0%
Age:				
Below 18	30.7%	28.0%	27.5%	25.0%
65+	4.5%	5.9%	8.4%	10.3%
Peak Earning Years (Age 35 to 54)	23.1%	24.9%	30.5%	28.7%
Median Age	26.9	28.9	32.7	34.3
Dependency Population (Under 18 and 65+)	35.2%	33.9%	35.9%	36.3%
Race:				
White	86.5%	80.5%	71.4%	70.0%
Black/African American	10.0%	13.9%	19.0%	19.3%
American Indian/Alaskan	.2%	.4%	.4%	0.2%
Asian/Hawaiian/Pacific	2.5%	4.3%	5.0%	5.7%
Other Race	.7%	.9%	1.5%	1.1%
Two or More Races*	N/A	N/A	2.7%	3.7%
Hispanic**	2.0%	3.1%	4.2%	6.0%
Households:				
Family Household	79.2%	75.4%	71.8%	67.6%
Married Couple Family	66.6%	62.9%	55.7%	49.8%
Female Householder	10.3%	9.5%	12.4%	13.5%
Non-Family Household	20.9%	24.6%	28.2%	32.4%
Households with Children Under 18	N/A	44.8%	42.1%	36.1%
Housing Occupancy: Owner	64.2%	62.5%	65.6%	65.4%
Renter	35.8%	37.5%	34.4%	34.6%
Average Household Size	2.97	2.82	2.70	2.60
Average Family Size	3.35	3.21	3.21	3.12
Migration:				
% who lived in Virginia Beach Five Years Ago	56.0%	59.9%	70.1%	N/A
Marital Status:				
Single, Never Married	26.5%	24.7%	25.5%	30.2%
Married	61.0%	58.4%	57.1%	51.1%
Separated	3.0%	5.4%	3.2%	2.7%
Widowed	4.0%	4.0%	4.7%	5.0%
Divorced	5.5%	7.6%	9.5%	11.1%
Median Household Income:				
	\$20,203	\$36,271	\$48,705	\$62,802
Median Family Income:				
	\$21,809	\$39,112	\$53,242	\$71,231

Demographic Characteristic	1980	1990	2000	2007-09
Poverty:				
Persons	8.9%	5.9%	6.5%	6.4%
Families	7.7%	4.3%	5.1%	4.5%
Children under 18	13.0%	7.6%	8.6%	9.7%
65+	10.3%	8.0%	4.7%	4.8%
Female Householder	38.9%	20.2%	18.9%	16.1%
With Children	45.8%	26.5%	23.1%	21.2%
Housing Expenses:				
Owner Expenses Exceeding 30% of Income	26.3%	30.7%	27.4%	37.0%
Renter Expenses Exceeding 30% of Income	37.8%	39.0%	37.9%	49.3%
Percent of Homeowners Mortgage Free	11.1%	11.4%	13.9%	18.9%
Education Attainment:				
High School Graduate	80.0%	88.0%	90.4%	92.4%
College Graduate	22.4%	25.5%	28.1%	31.5%
Labor Force:				
Civilian Labor Force Population Rate	58.3%	62.5%	63.2%	64.4%
Civilian Female Participation Rate	54.6%	63.5%	62.9%	63.5%
% of Labor Force in Armed Forces	18.2%	18.6%	13.3%	8.6%
% Unemployed	5.3%	4.7%	4.1%	5.1%
Percent Who Drive Alone:				
	67.5%	78.4%	82.0%	81.9%
Percent Who Car Pool:				
	21.2%	12.0%	10.8%	9.3%
Percent Who Use Public Transportation:				
	1.7%	0.8%	0.7%	1.0%
Percent Who Work At Home:				
	1.1%	3.3%	2.8%	4.2%
Mean Travel Time:				
	21.9 min.	22.7 min.	23.9 min.	22.7 min.

Notes:

* New category in 2000

** Can be of any race

Totals may not equal 100% due to rounding

Source: Census Bureau

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Cultural Affairs				
Cultural Plan, Arts & Entertainment Districts	The Cultural Plan and Program Associate position would focus on the emerging Town Center Arts & Entertainment District, as recommended by the Pembroke Area Strategic Growth Area Plan, and the 19th Street Arts & Entertainment District, to provide branding and planning strategies and funds for their implementation.	Above Current	71,109	1.00
Museums				
Historic Preservation Staffing and Support	This program would add a full-time architectural historian, a part-time operations technician position and related support costs to provide assistance to the City's Historic Preservation Commission and to administer the program. Without this additional funding, support for this initiative will continue to be provided on a more limited basis by existing staff.	Above Current	99,637	1.50
History Museum Exhibits and Collections	This request would provide additional funding to maintain, conserve, update and rehabilitate the existing exhibits in the history museums. Development of temporary displays to enhance repeat visitation would also be included. Most of the exhibits have not been upgraded for several decades. New exhibit panels and presentations are needed to engage the visitor in a more active experience that is now expected at all types of museums.	Above Current	53,000	0.00
Parks and Recreation				
Maintenance of New Pupil Transportation Facility	Landscape maintenance for a new pupil transportation facility. This will be absorbed by existing staff.	Above Current	16,066	0.00
Early Discoveries Program	Annual inspection, maintenance, and repair of 14 recently acquired Early Discoveries program playgrounds. This will be absorbed by existing staff.	Above Current	9,800	0.00
Expansion of Community Outreach Program	An expansion of the current Community Outreach program in Western Bayside to another community in the City. The program's goals are to increase youth exposure to and participation in recreational, educational, and cultural activities, and to reduce crime. Examples of program activities include recreational/cultural activities, uses of technology, and leadership development for several thousand youth and citizens.	Above Current	50,153	0.00
Increase Hourly Wages of Personal Trainers	Personal trainers are paid at \$12.17 per hour. The market rate for personal trainers is \$20-\$30 per hour (plus bonuses/commissions). Increasing the hourly wage to \$18 will help attract and retain a higher caliber of trainers, enhancing program quality.	Above Current	12,010	0.92
Elimination of Thoroughgood Before School Program	The Before School Program at Thoroughgood Elementary School is eliminated due to minimal participation (below 6 students is not cost effective).	Current	4,816	0.24
Reduction in Supplies at Recreation Centers	Reduction in various operating supplies in recreation centers. These reductions affect postal, printing, computer supplies, staff certification, aquatic uniforms, medical supplies, and equipment parts. By making changes to the catalog size and mailing lists, the cost of printing and mailing was reduced. Other possible impacts include a reduction in the ability to treat minor injuries that occur in the centers and ability to repair equipment.	Current	85,930	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
Reduction in Therapeutic Recreation Operating Expenditures	This reduction in operating expenses will mean a decreased number of field trips for the "Around Town" and "New Ventures" programs. Adaptive or sensory equipment, which enhances learning and skill development, will not be purchased, and "Camp Explore" patrons will not receive camp t-shirts.	Current	2,810	0.00
Reduction in Parks and Natural Areas Part-Time Staffing	This staff reduction will slightly impact the ability to open/close, clean and maintain public restrooms at the major park sites of Bayville Farms, Great Neck, Little Island, Mount Trashmore, Munden Point, Red Wing, and Woodstock/Providence, and satellite park sites such as Lynnhaven Park, Sandbridge North, and Beach Garden Park.	Current	3,733	0.23
Reduction in Out of School Time School-Based Operating Expenditures	This reduction in supplies will mean a reduction in medical and antibacterial supply inventory to address minor injuries, training opportunities and potentially impacting licensing standards, program marketing materials, staff uniform, and computer supplies all of which could impact the City's quality product.	Current	51,326	0.00
Princess Anne Park/Stumpy Lake Natural Area Part-Time Staffing	Additional part-time staffing for Princess Anne Commons Gateway Park, Stumpy Lake, Lake Smith, and Lake Lawson natural areas to maintain public restrooms, parking lots, trails, picnic shelters, playgrounds, litter control, and to staff kayak launches and overlook/fishing areas. Existing staff will have to provide these services.	Above Current	32,888	1.70
Reduction in Supplies and Training	Reduction in office and computer supplies, routine travel, training, and postage, which means less professional improvement learning opportunities for staff and less flexibility to maintain various operations.	Current	22,183	0.00
Elimination of Shoulder Mowing on Residential Properties	The mowing of urban neighborhood shoulder rights-of-way will be eliminated, and mowing maintenance will be the responsibility of the adjacent property owners who, by City Code, are responsible for this upkeep. Some of the more concentrated neighborhoods affected include Oceanfront, Croatan, Thalia, Linlear, Shore Drive, Chesapeake Beach, North End Beach, Bellamy Manor, Acredale, Avalon Terrace, Highland Meadows, and the Salem Road/Indian River Corridor. There are no significant amounts of property to mow and none are located on major roadways. Staff from Parks and Recreation will meet with the civic leagues for the neighborhoods most affected.	Current	177,349	0.00
Funding for Hazardous Tree Abatement	Funding for hazardous tree abatement (removing trees on public property that represent a safety risk). The department will continue to absorb these expenditures.	Above Current	250,000	0.00
Upgrade the CLASS Software Program	Upgrade to current version of software that is used for self-serve opportunities for customers, decreasing the time and effort required for the staff to support this application.	Above Current	10,000	0.00
Total Cultural and Recreational Opportunities			952,810	5.59

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Economic Development				
Virginia Beach Green Business Program	This program, administered through a contract employee, would provide interested businesses with a checklist on how to achieve a green business designation to protect, preserve, and improve the environment.	Above Current	100,000	0.00
Information Technology Funding	The purchase of technological equipment and the development of software applications that would allow staff members from Economic Development and Convention and Visitor Development to access important data in the field via a mobile device. One example would be for staff to show clients potential properties via a mobile device, or check the availability of the Convention Center for multiple dates.	Above Current	500,000	0.00
Neighborhood Design Center	This program would provide residential property owners and developers with guidance and information regarding desired design and design elements using a "Pattern Book" and adopted City plans and design guidelines appropriate for the location of the proposed project.	Above Current	300,000	0.00
Workforce Readiness Skills Training for City Employees	A program to train entry level City employees and interested citizens in 21st century Workforce Readiness skills. The Workforce Readiness Skills Training program in partnership with the Virginia Beach City Public School System (VBCPS) would allow entry level employees to be assessed via a nationally recognized 21st Century Skills for Workplace Success test and then taught using a 32 hour curriculum developed by VBCPS for adult audiences.	Above Current	42,500	0.00
Grant Royalty Program For Biosciences	This program proposal establishes the Specialized Biotechnology Research Performance Grant program for entities engaged in research, development, and production related to molecular diagnostics and drug development that enter into a performance-based memorandum of understanding with the City. This program will target bioscience companies to relocate to the Princess Anne Commons area.	Above Current	100,000	0.00
Housing and Neighborhood Preservation				
Elimination of a Code Enforcement Inspector Position	Elimination of a Code Enforcement position. As a result, inspection area boundaries will increase and potentially result in a decrease in the number of patrol inspections conducted per inspector and an increase in the number of complaints received; however, implementation of a wireless field reporting system will represent a significant productivity improvement that may offset these impacts.	Current	78,219	1.00
Housing Resource Center	Establish a "Housing Resource Center" to provide housing remodeling and building design assistance to residents and builders in designated neighborhoods or a small group of neighborhoods.	Above Current	84,756	1.00
Total Economic Vitality			1,205,475	2.00

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Family and Youth Opportunities				
Human Services				
Mediation and Investigation Services for the Courts	Custody and visitation investigations are completed when directed by the court. The court can direct the department to conduct an investigation or to provide mediation services in matters involving a child's custody, visitation or support. This reduces three of four Social Workers who provide these services. The number served will be reduced from 355 to 110 with agreement and cooperation from courts.	Current	244,968	3.00
Juvenile Detention Center Counselors	Decreased admissions and excess bed capacity at the Juvenile Detention Center (JDC) enabled the department to eliminate two counselor positions without impacting services.	Current	107,401	2.00
Contractual Staffing in the Supportive Living Program	The Supportive Living program provides an array of services that enable adults with mild to severe intellectual disabilities who are attempting to live independently in the community. Services include rental assistance, income maintenance benefits, health care services, and transportation and life skills instruction. Eliminating the contractual staff will limit the level of services provided.	Current	45,845	0.00
Operating Expenses for Additional Client at Group Home	Annual operating expenses associated with adding an additional bedroom to a supportive living program group home. Expenses are reimbursed by Medicaid. The cost of construction is not reflected in this figure.	Above Current	24,793	0.00
Community Corrections and Pretrial Operational Costs	Miscellaneous operating supplies for the Community Corrections and Pretrial programs to conduct services such as drug testing.	Current	6,401	0.00
MHSA Prevention Educator Position	This educator position provides substance abuse prevention programming and life skills education in the schools through the Navigator and CHOICES programs. These programs target elementary through high school students. This program will serve 149 fewer students.	Current	70,042	1.00
MHSA Supportive Residential Program Supervisor	The Mental Health and Substance Abuse Division's Supportive Residential Services Unit delivers community-based residential services to citizens with serious mental illness. Elimination of a supervisor position will require other staff to address conflicts with clients, handle licensure and billing requirements, coordinate clinical needs and manage workflow. This will affect services to about 42 clients, a 10% reduction.	Current	86,881	1.00
Total Family and Youth Opportunities			586,331	7.00

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Quality Education and Lifelong Learning				
Education				
Restore Teaching Positions	This would restore 48 teaching positions that were eliminated in the School Board's Adopted Budget. The loss of these positions will increase student to teacher ratios in grades K through 12.	Current	2,398,207	0.00
Restoration of Non-Personnel Accounts	Restoration of supply accounts across various divisions of the department's operating budget.	Current	3,000,000	0.00
Library				
Operating Costs for Automated Materials Handling System	This request is for the operating costs associated with the Library Automated Materials Handling CIP project. This project is funded in the FY 2011-12 CIP; however, additional funds for the operating costs associated with this project were not approved. The library department will absorb these costs within their operating budget.	Above Current	97,872	0.00
Total Quality Education and Lifelong Learning			5,496,079	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
City Attorney				
Part-Time Paralegal	Eliminate one vacant part-time paralegal position. This will reduce the amount of support to all City departments and these duties will be absorbed by existing staff within the City Attorney's Office.	Current	23,766	0.35
City Clerk				
City Clerk Support Costs	Reduction in funding for core operating expenses in the City Clerk's Office including postal charges, telecommunications, routine travel/professional improvement and dues/memberships. This will result in only 55% of postal costs being funded. Three of six staff members will be able to continue training to work towards certifications.	Current	2,582	0.00
City Manager				
Neighborhood Services Coordinator	The request for a new Neighborhood Services Coordinator position in the Office of Volunteer Resources. This position is to promote and grow "Neighbors Helping Neighbors" in achieving a Community for a Lifetime by tracking, logging and coordinating citywide volunteer organizations. Not funding this position will result in the same level of service being delivered by current staff.	Above Current	69,954	1.00
Commissioner of the Revenue				
Full Time Position for Satellite DMV Services	Establish a full-time position for the Department of Motor Vehicle satellite service rather than provide this service with part-time employees.	Above Current	31,573	1.00
Restoration of Additional Positions Eliminated in FY 2010-11 Budget	Restoration of positions (Auditor and part-time Account Clerk) eliminated in previous budgets.	Above Current	64,260	1.50
Communications and Information Technology				
Location Based Services Capital Project Budget Impacts	Eliminates support for a new Location Based Services CIP project. Funding for a Systems Engineer and associated operating expenses.	Above Current	184,196	1.00
eGIS Master Address Repository Capital Project Budget Impacts	Eliminates support for a new eGIS Master Address Repository CIP project. This funding is for a Systems Analyst and associated operating expenses. In FY 2011-12 CIP CIT 3-623 "eGIS Master Address Repository" is funded and the additional workload for the Planning Department will be absorbed utilizing current staffing levels. The Department of Communication and Information Technology received 7.0 positions in FY 2011-12 to address various infrastructure projects.	Above Current	118,192	1.00
Enterprise Electronic Records Management System Capital Project Budget Impacts	Eliminates support for a new Enterprise Electronic Records Management System CIP project. Funding for six positions (2.0 Systems Engineers, 3.0 Business Application Specialists, 1.0 Systems Analyst) and associated operating expenses.	Above Current	856,319	6.00
Sequel Server Reporting Services Capital Project Budget Impacts	Eliminates support for a new Sequel Service Reporting Services project. Funding for software support, general maintenance and repair and professional improvement.	Above Current	34,900	0.00
Spatial Image Server Capital Project Budget Impacts	Eliminates support for a new Spatial Image Server CIP project. Funding for general maintenance and repair as well as software support/maintenance.	Above Current	25,000	0.00
Print Shop FTE Reduction	Eliminated six Print Shop positions due to a lower workload for the Print Shop Internal Service Fund.	Current	385,112	6.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Communications and Information Technology				
Communications and Information Technology Lifecycle Maintenance	Eliminated funding for a consultant application package and contracted project management services, reduced support capacity for Emergency Communications and Citizen Services networked systems, and reduced funding for existing subscriptions associated with the Revenue Assessment and Collection (RACs) licensing as well as existing RACs infrastructure.	Current	372,718	0.00
Finance				
Governor's Transportation Program Position	Elimination of an Accountant I position related to less funding than originally anticipated for the Governor's Transportation Program.	Above Current	52,522	1.00
New Funds, TIFs and Reporting Requirements	Additional contracted manpower funding to support anticipated new accounting funds coming online that will be incorporated into all accounting reports and processes.	Above Current	79,244	0.00
Federal Legislation Mandates for Accounts Payable	Additional funding requested for a Financial Analyst and an Administrative Specialist to coordinate Federal legislation mandates for accounts payable for the City.	Above Current	191,055	2.00
CAFR Reporting System	Additional funding to upgrade the Finance Department's reporting system CAFR to a more current system that provides a higher level of flexibility and reporting capabilities.	Above Current	78,000	0.00
Operating Costs - Current Services	Eliminated funding for contracted manpower and increased postage costs for vendors. The impact of not funding this will result in the workload redistributed to existing staff.	Current	41,061	0.00
InSITE Indirect Payroll Costs	Eliminated funding for legal services, print shop, postal services and professional improvement to assist in providing payroll costs of the City's InSITE system.	Current	17,850	0.00
Technology Requirements for Financial End Users	Additional funding for two new Accountant III positions to assist with the upgrade of the Oracle InSITE application Release 12.	Above Current	150,261	2.00
Risk Master Hosting	Additional funding for the Risk Management Division to purchase/upgrade the existing Risk Management "RiskMaster" application.	Above Current	72,520	0.00
Title VI Civil Rights Compliance	Additional funding for two new positions associated with VDOT's Urban Construction Initiative (UCI) certification program. A third position was requested and is funded in the Finance Department.	Above Current	143,904	2.00
General Registrar				
Overtime, Fees and Operating Supplies	Reduced funding for annual fees, overtime, professional improvement and travel. The impact of this lesser amount of funding will result in the costs being absorbed by the department.	Current	24,425	0.00
Human Resources				
Occupation Health Services - Flu Shots	Elimination of upfront funding for City administered flu shots. Elimination of these budgeted funds does not result in the elimination of City administered flu shots; however, eliminating these funds will require Human Resources to absorb these expenses until reimbursed by the Consolidated Benefits Office.	Current	20,858	0.00

Municipal Council

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Quality Organization				
Municipal Council				
Municipal Council Support Costs	Reduces funding for core operating costs of the Municipal Council including travel/professional improvements, and routine travel. This will result in reduced professional improvement opportunities for Council Members.	Current	10,677	0.00
			3,050,949	24.85
Total Quality Organization				

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Planning				
Zoning Code Enforcement	Elimination of a Zoning Code Inspector. This position is responsible for enforcing multiple zoning responsibilities including the enforcement of the City's Zoning Ordinance which prohibits the parking of commercial and major recreational vehicles in residential neighborhoods. These enforcement responsibilities are being transferred to the Department of Housing and Neighborhood Preservation; therefore, the impact of this reduction is anticipated to be minimal.	Current	78,307	1.00
3-623 eGIS Master Address Repository	The addition of two Planning Technician positions that will be responsible for overseeing the implementation and maintenance of a web enabled master address repository system. Not funding these positions will result in existing staff absorbing these new workloads and responsibilities.	Above Current	118,812	2.00
Environmental and Sustainability Office Expansion	Addition of three new positions to expand services currently offered in the Environmental and Sustainability Office (ESO). These positions would help complete the office's long term work program, as directed by City Council, for the development and maintenance of the City Sustainability Plan and Sustainability website. Not funding this request will result in the ESO continuing to develop these City Council visions and goals with existing staff.	Above Current	134,750	3.00
Mass Transit: Route 28	Addition of a new HRT Route 28. This route will act as an express bus that starts at the oceanfront, and stops at Town Center and the Newtown Light Rail Transit (LRT) station. HRT Route 28 will operate from early a.m. to the end of LRT service in the late evening. Not funding this request will result in the same level of services provided in FY 2010-11.	Above Current	622,635	0.00
Public Utilities				
Maintenance Crew for Sanitary Sewer Consent Order Compliance	An additional crew to address maintenance and repair needs for the sewer pump stations. Crews are responsible for mechanical and interior building maintenance. These positions would address preventive maintenance and emergency responses to avoid sanitary sewer overflows. The crew includes one Utility Mechanic II and one Laborer, an F-350 Truck and miscellaneous small tools.	Above Current	113,444	2.00
Public Works				
Route Balancing Software	Purchase new routing software and secure contract support for the initial balancing of solid waste routes and workloads.	Above Current	150,000	0.00
Administrative Analyst Position	An administrative analyst position that performs research and analyzes information and data. Either existing staff will perform this research or it will not be performed. Response times for information requested from the Business Center/Director's Office would increase.	Current	80,956	1.00
Vehicle Supplies and Materials	Funding for supplies and materials for vehicle maintenance. Some vehicles could experience a delay in being repaired.	Current	461,108	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Elimination of City Garage Overtime	Overtime for police confiscation of vehicles pertaining to after-hours towing requests related to fatality accidents, homicides, and drug related seizures in which the chain of custody for evidence is critical. Overtime for Waste Management holidays pertains to employees providing trash collection services on holidays. These expenditures will have to be absorbed, to the extent possible, within the budget.	Current	35,762	0.00
Governor's Transportation Program Positions	Elimination of a Contract Specialist and an Engineer III related to less funding than originally anticipated for the Governor's Transportation Program.	Above Current	124,825	2.00
Technical Overtime for CIP Project Inspection	Overtime for inspection of CIP projects. The number of CIP projects entering construction is expected to nearly double in FY 2011-12. With staffing levels remaining constant, overtime is required to provide an acceptable level of inspection. This expenditure will have to be absorbed, to the extent possible, within the budget.	Above Current	48,000	0.00
Part-Time Position for Energy Project	The position will oversee replacing the current lighting with more efficient lamps and electronic ballasts in City facilities, generating energy savings. The position can be funded through a reduction in the electrical services account.	Current	0	0.90
Appliance/HVAC Repair Technician	An additional Appliance Repair Technician to assist in repairing and refurbishing over 540 appliances requiring these services in City facilities. This equipment is essential to the daily operations of the City. It has become increasingly difficult for the one existing position to repair these in a timely manner. Repairing can often be more cost effective than replacing these appliances.	Above Current	54,648	1.00
Standby Pay	Standby pay for carpenters, electrical, HVAC, and plumbing personnel who provide after-hours emergency repair calls for City facilities and the resort area. This cost has been, and will continue to be, absorbed within the existing budget, but it may mean a degradation in maintaining a sufficient level of supplies.	Above Current	99,993	0.00
Grommet Park Attendant	A contracted attendant position to provide custodial and other services at the restroom facilities at Grommet Park. This facility will be maintained within the existing contractual funding level, but this will mean a degradation in service level to all non-municipal center facilities, including this one.	Above Current	59,728	0.00
Resort Beach Recycle Program	Establish an on beach recycle program at the resort area. Currently one ton of recycle material is collected per day through contractual services. This program would expand the per day collection to two tons.	Above Current	380,090	3.00
Beach Operations Quality Service	An assistant superintendent, maintenance supervisor and 12 additional contract positions during the height of the tourism season and equipment to provide a higher level of supervision, coordination, and services for the beach operations program.	Above Current	544,536	2.00

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Administrative Analyst Position for Facilities Management	Administrative Analyst position to the Facilities Management Office to assist in administering the maintenance and functioning of the building card access system, leases of City property and City leases of private property. Funding for this position would allow for the elimination of the \$42,000 currently budgeted in Contracted Manpower.	Above Current	59,936	1.00
Establish a Special Events Program	Establish a program to support citywide special events. The citywide transportation management network has expanded three fold in the past year with no increase in maintenance funding. A stand-alone program to support special events would eliminate the use of traffic signal and pavement marking funding for special event support and allow it to be used to meet our increased traffic signal program infrastructure needs.	Above Current	292,501	0.00
Traffic Management Center Maintenance	Additional operational maintenance support for the new traffic signal infrastructure to maintain 100 miles of fiber optic cable, 40 CCTV cameras, and 800 additional electronic devices. This will fund repair parts and subscription charges.	Above Current	100,000	0.00
Traffic Signal Construction Staff	Re-establish the traffic signal construction staff through the addition of five FTE's to the Traffic Signal Shop. These positions were eliminated four years ago and this function was contracted to a private company. The contract has since been terminated due to a budget reduction. The 1,300 preventive maintenance tasks performed previously by City staff and then the contractor are now performed by eight Traffic Signal Electronic Technicians resulting in an increase in work backlog and staff overtime use.	Above Current	276,600	5.00
Traffic Signal Rehabilitation Program	Reduce the number of technologically outdated signal intersections. The City currently has 90 intersections that require upgrading. The outdated intersections are maintenance intensive, especially in this coastal environment, requiring labor every 6 months. The typical mast arm installations are inspected every 16 months and are more aesthetically pleasing.	Above Current	750,000	0.00
Total Quality Physical Environment			4,586,631	23.90

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Commonwealth's Attorney				
Additional Clerk II	Additional Clerk II position to be the main receptionist for the Commonwealth's Attorney Office. This position greets the public, police officers, defense attorneys and other visitors. This position also handles the office's call center, schedules screenings for the duty attorney, schedules conference rooms, handles incoming/outgoing mail and other tasks as assigned.	Above Current	27,371	1.00
Elimination of Legal Investigator	Elimination of a Legal Investigator. The primary duties of an investigator are to supplement investigations of pending cases by participating in case analysis, interviewing additional witnesses for the Commonwealth and witnesses subpoenaed by the defense, acting as the primary investigator on cases initiated through the office, serving subpoenas and running criminal record checks. The impact of not funding this position will eliminate any further consumer affairs services that the office provides as well as limit the type of cases that will be available for further investigation.	Current	89,110	1.00
Elimination of Summer Law Interns	Elimination of part-time summer law interns. Interns perform additional research and writing on large cases and are also utilized for prosecution of misdemeanor offenses. An additional benefit is providing experience to the interns.	Current	38,779	1.15
Additional Contracted Manpower	Additional contracted manpower to provide media and communications related work as well as receptionist duties. A Media and Communications Coordinator I was funded in FY 2011-12.	Above Current	51,000	0.00
Courts and Courts' Support				
Restoration of Various Operating Accounts	The funds in these accounts are used for contract labor to supplement staffing in the office's accounting division, purchase annual updates to the many volumes of State and Municipal Code that the court must maintain, provide printing services for court documents, provide telecommunication services for court personnel, and to provide maintenance and repair for equipment used in the day-to-day operations of the Clerk's Office.	Current	2,224	0.00
Reduction of Pre-Dispositional Funds	Reduction of pre-dispositional funds that are used to provided shelter care and alternative options to juveniles before their sentences are determined by a judge. Actual expenditures associated with this program have been trending down in recent years. This is the result of a concerted effort by the juvenile courts to reach out and work with troubled youth before they can become juvenile delinquents. There is no anticipated impact from not funding this budget issue.	Current	293,907	0.00
Emergency Communications and Citizen Services				
3-1-1 Hansen CRM/Work Order Request Access	This request is an enhancement to the City's 3-1-1 Call Center. This will provide licensing and access to the Hansen work order system for VB 3-1-1 staff to enter service request calls received for various department agencies.	Above Current	56,641	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Emergency Communications and Citizen Services				
Part-Time Call Taker I	This request would restore two part-time call taker positions (0.75 FTE each). Failing to restore these positions will cause delays in the provision of service in the City's 3-1-1 Call Center (approximately two additional seconds in the que per caller). It will also make it difficult for staff to attend training due to workload requirements. These positions are currently vacant.	Current	38,870	1.50
Additional 9-1-1 Conditional Offer Testing	Due to the high stress environment, the ECCS Department has one of the highest turnover rates in the City. This request would fund conditional offer testing (to include background investigations, psychological and polygraph testing) for an additional six applicants in the Public Safety Emergency Telecommunicator (PSET) hiring process.	Above Current	3,150	0.00
Emergency Medical Services				
Ambulance Staffing Augmentation	Would provide twelve additional career paramedics over four rotating shifts to staff ambulances across the City to augment volunteer rescue squad crews to bring the average number of ambulances staffed per day from 9 to 12. This staffing will allow EMS to achieve the goal of providing one ambulance per 3,000 people reported by an Emergency Medical Services/Emergency Response System Committee report to Council March 27, 2007.	Above Current	670,171	12.00
Expanded Sandbridge Lifeguard Services	Provides staffing for an additional three lifeguard stands at the streets of Tuna Lane, Bass Street and Rock Lane in Sandbridge at the request of the Sandbridge Civic League. This would bring the number of lifeguard stands to 13 for the Sandbridge beach.	Above Current	51,516	2.27
Defibrillator Replacement Program	Eliminates the third year of funding of a five-year phased approach to replace all Welch-Allyn PIC 50 defibrillators that are approximately ten years old and no longer supported by the manufacturer, with the Physio-Control Lifepak 12 lead capable defibrillators. Without this funding, there are increased risks for equipment failure, which will reduce the number of ambulances available for patient transport and fire apparatus capable of providing medical service. EMS will continue to pursue grants for this equipment as grant opportunities arise.	Above Current	200,000	0.00
Fire				
Replacement Equipment Funding	Provides funding to establish a capital project to replace core fire and medical equipment on a 10-year cycle including: thermal imaging cameras, electrocardiogram monitors, self contained breathing apparatus, extrication equipment, and hazardous material equipment. If not funded, there will be an increased risk of catastrophic equipment failure due to equipment age, the demanding environment in which the equipment is deployed, and lack of manufacturer support for old technology. Currently, the department replaces this equipment using its Operating Budget and grants, which do not provide a regular cycle of replacement.	Above Current	300,000	0.00

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Safe Community				
Fire				
Civilian Financial Management Analyst	Provides a civilian financial management analyst to coordinate and oversee the grant, budget and financial management functions for the department. This position will focus on City policy as well as departmental procedures and practices to provide improved fiscal accountability within the department. This will provide a permanent, dedicated position that will provide greater consistency and continuity in fiscal management than is now provided by using sworn personnel, who are frequently rotated among various duty stations and are of greater value to the department serving in tactical fire operations.	Above Current	71,600	1.00
Four Person Staffing for Fire Apparatus	Would provide for 80 additional firefighters on the remaining 20 fire apparatus to increase crew size from three persons to a four person minimum (60 FTEs) and provide for leaves of absence (20 FTEs). Currently 9 of 29 frontline apparatus (engines, ladders, and squad trucks) are staffed with four person crews. Expansion to four person fire apparatus crews citywide will provide these benefits: reduce the number of apparatus on the first alarm assignment, thereby reducing response time and provide earlier intervention to increase the likelihood of containment prior to flashover; increase the availability of apparatus for coverage of the City; reduce fuel and maintenance cost of the fleet as fewer apparatus will be required on calls; increase the number of firefighters that could partner with EMS to staff ambulances during peak demand EMS call times; and reduce injury to firefighters. This request is a continuation of a strategic initiative begun in 1997 between City Council and the Fire Department.	Above Current	4,596,386	80.00
Relocate Resource Management	Would provide funding for an annual lease to relocate the Fire Department's Resource Management facility from the Fire Training Center to an 18,200 square foot warehouse adjacent to the Federal Emergency Management Agency (FEMA) Virginia Task Force 2 Urban Search and Rescue Team leased facility. This will provide an improved platform and location to provide resource management functions, may allow for the sharing of resources between the FEMA Task Force and Resource Management, and will free up 21,000 square feet of space at the Fire Training Center to be renovated for fire training needs at less cost than constructing a 21,000 square foot expansion onto the Center.	Above Current	125,580	0.00
Police				
Additional Central Business District Staffing	The addition of 15 Police Officers and a part-time community service officer for the Central Business District. This request is intended to be phased in over a two year period with the first year cost of \$641,401 and would provided additional public safety resources to the growing Town Center region. The impact of not funding this request will result in the same level of services currently being provided by the Police Department.	Above Current	1,485,300	15.80
Police Overtime for Central Business District Staffing	Request for additional Police Department overtime for Central Business District. This proposal is an alternative to the proposed addition of permanent staffing for the Central Business District. The impact of not funding this request will result in the same level of services currently being provided by the Police Department	Above Current	323,790	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Street Crime/Gang Unit	Addition of nine Police Officers (one sergeant and eight officers) to combat criminal street gang and other violent street crime activities directly affecting City neighborhoods. The impact of not funding this request will be that the Police Department will have to continue to perform these functions as best possible with existing staff.	Above Current	722,284	9.00
Additional Uniform Patrol Overtime	Additional funding for Police Uniform Patrol Overtime. Historically the Police Overtime costs have been absorbed by vacant salaries within the department. In the event that vacancies are limited in FY 12, there is the potential for budgeted funds to be insufficient to cover overtime costs.	Above Current	268,700	0.00
Part-time Cold Case Investigator Expansion	Expansion of the existing Cold Case Detective Squad. This requested expansion is for 32 part-time hours per week for the department's two part-time cold case investigators. Currently both work 20 hours per week. The impact of not funding this request will result in the same level of services currently being provided by the Police Department.	Above Current	26,573	0.60
Additional Police Support Positions	Addition of two Public Safety Data Services Assistants to address a substantial workload increase in warrant work which is required by State and Federal agencies. Not funding this request will result in the Police Department continuing to perform these responsibilities with existing staff.	Above Current	66,702	2.00
Part-Time Telephone Reporting Unit Staff	The addition of five part-time Telephone Reporting Unit Staff. These positions would work 32 hours per week and would be responsible for taking low priority police reports by telephone. Not funding this request will result in the continued handling of low priority police reports by existing staff.	Above Current	177,157	4.00
Police Integrated Public Safety RMS	Addition of a public safety analyst position. This position will work directly on the implementation of the Public Safety Records Management CIT project for the Police Department. This position will also subsequently assist in handling on going security and business issues related to the system.	Above Current	66,686	1.00
Police Online Training Module	Additional funding to support the on-going costs associated with a Police Department online training module. If not funded, the Police Department will have to continue to train using traditional training methods.	Above Current	43,000	0.00
Sheriff and Corrections				
Replacement of Equipment	Request by the Sheriff's Department for the replacement of existing equipment. If funded, the Sheriff's Department will use these funds to provide the department's Human Resources Office with new computers and training equipment, as well as fund the replacement of existing cameras and security equipment within the correctional facility. The impact of not funding this request will be that the Sheriff's Department will continue to provide the same level of services currently being provided.	Current	134,930	0.00

**City of Virginia Beach, Virginia
Items Requested But Not Funded**

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
New Equipment or Increased Cost for Continuation of Current Operations	Requested funding to purchase new equipment for the correctional facility, as well as, funding for increased personnel training and professional improvement. The impact of not funding this request will be that the Sheriff's Department will continue to provide the same level of services currently being provided.	Above Current	46,030	0.00
New Positions and Capital Equipment Purchases	Addition of 15.5 additional positions, new vehicles, new computers and other new capital equipment to the Sheriff Department's FY 2011-12 Operating Budget. The impact of not funding this request will be that the Sheriff's Department will continue to provide the same level of services currently being provided.	Above Current	876,194	15.50
Replacement of Firearm Diagnostic Machine	Requested funding for the replacement of one of the two firearm diagnostic machines within the Sheriff's Department. This piece of equipment will allow Sheriff Deputies to train with a newer more technologically advanced piece of equipment than what is currently owned. The impact of not funding this budget issue will be minimal as the deputies will continue to train on existing equipment.	Current	30,000	0.00
Restoration of State Cut Positions	In FY 2010-11, the State Compensation Board eliminated funding for 11 State Deputy Sheriff positions within the Sheriff's Department Operating Budget. The Sheriff's Department funded these positions in FY 2010-11 through the one time use of fund balance; however, the department has not proposed doing this in the FY 2011-12 Sheriff's Operating Budget. As a result, these 11 vacant State Sheriff Deputy positions have been eliminated from the Sheriff's Department budget.	Above Current	486,163	11.00
Total Safe Community			11,369,814	158.82
Total Requested But Not Funded			27,248,089	222.16

City of Virginia Beach, Virginia
Fiscal Years 2012 through 2017 Capital Improvement Program
Requested But Not Funded Project Listing

Project #	Project Title	Estimated Cost
<u>Cultural and Recreational Opportunities</u>		
Parks and Recreation		
4078000	Pedestrian System Improvements - Phase II This project funds Phase II (FY 2011-12 thru FY 2016-17) of an initiative to construct sidewalk improvements on major arterial and collector roadways to facilitate pedestrian and bicycle transportation from residential neighborhoods to destinations such as schools, recreation centers, parks, shopping centers, offices and libraries. Initial projects will target areas of the City most in need of these improvements and where many medium and high density residential areas are located such as Bayside, Bayfront and Holland Planning Areas. Improvements will consist of a variety of facilities including new concrete sidewalks, new asphalt paths, and new pedestrian roadway crosswalks and related signage.	600,000
4079000	Thalia Creek Greenway - Phase I This project will fund Phase I (FY 2011-12 thru FY 2016-17) of the design and construction of the boardwalk and trail facilities outlined in the greenway corridor of the Thalia Creek Greenway Master Plan. This project is a unique initiative to develop an urban greenway that will provide access to natural open space and recreational activities in the Town Center area in addition to providing an alternative transportation route.	1,100,000
Total Projects for Cultural and Recreational Opportunities		2
Total Estimated Cost		<u>1,700,000</u>
<u>Economic Vitality</u>		
Economic and Tourism Dev - EV		
9086000	Oceanfront Restroom This project seeks funding to place a permanent restroom facility along the boardwalk or on Atlantic Avenue between 17th Street and 24th Street. The facility will be similar to the restrooms located at 2nd Street, 24th Street, 30th Street, and 31st Street.	302,680
9087000	SGA - Northampton/Burton Station Road Improvements - Phase IV A This project is for design and construction of new streets with utilities and drainage within an existing neighborhood where public sanitary sewer service, public water service and storm drainage are currently not available except in limited areas. The alignment of Burton Station Road will remain as it currently exists, while all other roads will be new alignments to provide a residential area of redevelopment, and provide separate commercial development that transitions into the adjacent Northampton Boulevard corridor, Airport Industrial Park, and a golf course office park. The project is divided into several phases. Phase IV is the extension of Wesleyan Drive north from Northampton Boulevard approximately 3,050 feet. The Phase IV road will connect to Miller Store Road. Wesleyan Drive will be located adjacent to the Virginia Beach/Norfolk boundary and the road will have an overpass for golf cart crossing traffic grade separation. Development of Phase IV will require redevelopment of the existing golf course and require development of a sanitary sewage pumping station.	8,750,000
9088000	SGA - Northampton/Burton Station Road Improvements Phase IVB This project is for design and construction of new streets with utilities and drainage within an existing neighborhood where public sanitary sewer service, public water service and storm drainage are currently not available except in limited areas. The alignment of Burton Station Road will remain as it currently exists, while all other roads will be new alignments to provide a residential area of redevelopment, and provide separate commercial development that transitions into the adjacent Northampton Boulevard corridor, Airport Industrial Park, and a golf course office park. The project is divided into several phases. Phase IVA is the completion of Golf Road from Wesleyan Drive to the Loop Road in Phase II. This is the last portion of Golf Road. Redevelopment of the golf course will be required to construct this portion of Loop Road.	2,500,000

City of Virginia Beach, Virginia
Fiscal Years 2012 through 2017 Capital Improvement Program
Requested But Not Funded Project Listing

Project #	Project Title	Estimated Cost
<u>Economic Vitality</u>		
Economic and Tourism Dev - EV		
9089000	Strategic Real Estate Acquisition This project would create a fund to acquire property near the recently purchased railroad right-of-way that may be used for future improvements in and around the corridor. This project will give the City the ability to purchase properties that may become available on the open market for a future use by the City.	5,000,000
9094000	Aquarium and Owl Creek District Implementation Project This project is for the creation of a 20-year plan for the area surrounding the Virginia Aquarium & Marine Science Center. It will incorporate adjacent land and recreational facilities along General Booth Boulevard, Lake Rudee and its tributaries. The vision will encourage strategic development, and the district will serve as a southern anchor for the resort area. To begin implementation of the plan, a prioritized list of future capital requirements will need to be established for programs, partnerships and facilities in the following focus areas: recreation, research & technology, education, economic development, entertainment, and exhibits.	1,350,000
9096000	Oceanfront Capital Projects Reinvestment This project provides on-going funding to reinvest in various high-impact capital projects at the oceanfront. Reinvestment activities will include replacements, service upgrades to antiquated technology, and enhancements to oceanfront parks, streetscapes and street fixtures, sidewalks, connector park paver systems, boardwalk and railing systems, bike path and markings, signage and sign posts, utility service devices, pedestrian lighting fixtures and posts, street lighting fixtures and posts, benches, bike racks, and public art pieces.	600,000
9097000	Rudee Inlet Jetty Walk This project will construct a 12 foot at-grade concrete walkway from the southern terminus of the boardwalk on top of the north jetty extending approximately 700 feet long.	2,200,000
Total Projects for Economic Vitality		7
Total Estimated Cost		<u>20,702,680</u>
<u>Quality Education and Lifelong Learning</u>		
Schools		
1043000	Thoroughgood Elementary School Replacement This project is for the replacement of Thoroughgood Elementary School. This project was unfunded by the School Board on March 15, 2011.	28,270,000
1107000	Princess Anne High School Replacement This project is for the replacement of Princess Anne High School and first appeared in the FY 2008-09 CIP as proposed by Schools. This project was unfunded by the School Board on March 15, 2011.	105,000,000
Total Projects for Quality Education and Lifelong Learning		2
Total Estimated Cost		<u>133,270,000</u>

**City of Virginia Beach, Virginia
Fiscal Years 2012 through 2017 Capital Improvement Program
Requested But Not Funded Project Listing**

Project #	Project Title	Estimated Cost
Quality Organization		
Communications and IT - QO		
3624000	CIT - Data Integration and Exchange This project performs the necessary analysis for a solution that facilitates data integration and exchange between the City's disparate systems and with external business partners.	156,240
3625000	CIT - Electronic Content and Records Management System Acquisition This project implements an Enterprise Content Records Management (ECRM) system to increase operating efficiency in handling electronic documents, to include the electronic capture, processing, storing, retrieving and proper disposal of records.	5,418,806
3626000	CIT - Sequel Server Reporting Services (SSRS) This project implements an Enterprise solution that will replace, where applicable, other reporting solutions in the City and create a homogenous reporting platform that is easy to use, maintain, and manage.	202,704
3629000	CIT - Risk Master This project provides for moving the City's RISKMASTER X and Business Intelligence applications from the City-owned and maintained server to a Computer Science Corporation (CSC) hosting server.	115,770
3630000	CIT - Disaster Recovery - Phase III This projects purpose is to develop comprehensive information technology disaster recovery and business continuity capabilities. Disaster recovery and business continuity planning cannot be conducted as a single event for the City of Virginia Beach. The projects are too large, the parts too immense and the work far too extensive. For this reason, project work for disaster recovery and business continuity is being broken into separate phases to lay the critical foundation of information required for the initial disaster recovery planning and to add additional service recovery capabilities.	3,163,080
Total Projects for Quality Organization		5
Total Estimated Cost		<u>9,056,600</u>

City of Virginia Beach, Virginia
Fiscal Years 2012 through 2017 Capital Improvement Program
Requested But Not Funded Project Listing

Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Buildings - QPE		
3205000	Judicial Center Escalator Replacement This project is for the replacement of the existing escalators at the Judicial Center. The existing escalators are 16 years old and are frequently in need of repair. They are required to provide a reliable means of moving large numbers of people from floor to floor in the Judicial Center. Daily, there are approximately 300+ employees and 1,500 citizens using the Judicial Center. The replacement escalator system will be able to handle the heavy traffic loads and will last 20+ years. Cost estimates are in FY 2014-15 dollars.	3,825,000
3504000	Beach Maintenance Facility This provides for a new site and replacement facilities (approximately 44,000 square feet) for the existing 40 year old facilities located at 14th Street and Parks Avenue. The existing site and facilities are used by Public Works (Beach Operations, Traffic Operation, Street Sweeping and Building Maintenance), Parks and Recreation, and the Strategic Growth Area Office/Parking Management. Site cost estimates are being developed. Construction cost estimate is in FY 2014-15 dollars.	7,000,465
3511000	City Hall Building Renovation This project is for the replacement of all existing systems in the 89,957 square foot City Hall Building, including the heating, ventilation, air conditioning, electrical, sprinkler, and fire alarm systems. These systems are, for the most part, 1967 vintage, and are all well beyond their functional useful life. The project also includes the removal of asbestos fireproofing on the building's structural steel, the upgrade of the telecommunications/computer infrastructure for the building including the special equipment needs for the television equipment room and Council Chambers, and the installation of an emergency electrical generator to support the total electrical needs of the City Hall Building. Because the building is occupied (400 employees), the renovation will need to be either phased, or all of the occupants moved to another location during the renovation process. Cost estimates are preliminary and do not include relocation of building occupants, which will be a sizable cost.	9,000,000
3512000	Public Safety Building Renovation This project is for the total replacement of systems in the 57,588 square foot Public Safety Building (Building 11), which houses 200 employees of the Police Department including the Investigative Division/Detective Bureau, Services Division, First Precinct, and Police Administration. These systems are all 1974 vintage, are past their functional useful lives, increasingly malfunctioning, and are causing an increased amount of work orders to address system repair needs. This project would include the replacement of the electrical, fire alarm, heating, ventilation, air conditioning, and sprinkler systems. It would also involve the upgrading of the data and telecommunications infrastructure of this building. Renovations should occur after relocations of the Property and Evidence and Forensics units to the new Police Special Operations/Forensics/Evidence Facility (project 3-317), which is anticipated to be completed in June 2013.	8,000,000
Coastal		
8400000	Chesapeake Beach - Restoration and Maintenance Chesapeake Beach- Restoration and Maintenance (Requested But Not Funded Project Listing CIP 8-021) is for the adoption of a beach management program of Chesapeake Beach, from Little Creek Amphibious Base to Baylake Beach. The project will include resolution of beach ownership issues, permitting, and design of a long-term beach erosion control project. The project is on hold pending community input on funding strategies.	8,400,000
8401000	Chesapeake Bay Beach Accesses	4,000,000

City of Virginia Beach, Virginia
Fiscal Years 2012 through 2017 Capital Improvement Program
Requested But Not Funded Project Listing

Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Coastal		
	Chesapeake Bay Beach Accesses (Requested But Not Funded Project Listing CIP 8-022) is for the improvement to the public beach accesses along the Chesapeake Bay and any other location along the oceanfront that may require improvement, except for Sandbridge. A set of standards will be developed for improvements to beach access walkways, ramps and stairs. The improvement will be systematically implemented.	
8402000	Replacement for Rudee Inlet Dredge This project provides funding for replacement of the 1987 year-model hydraulic dredge and associated equipment utilized to keep the channel at Rudee Inlet navigable. It also provides major bulkhead repairs needed at the dredge berthing facility and dolphin pilings for mooring.	4,510,000
8403000	Landfill #2 - Phase IV Development This project is for the development of Phase IV of Landfill #2. The project has been permitted under Virginia Solid Waste Permit #398, and will provide 2.6 million cubic yards of capacity. The Cell will piggyback over the original mound and a portion of Phase I. The design will include a synthetic liner system built to Subtitle D regulatory standards for Municipal Solid Waste.	23,600,000
8404000	Landfill #2 - Cell 2A Closure This project is for the closure of Cell 2A of Landfill #2. The work is required under Virginia Solid Waste Regulations and in accordance with Virginia Solid Waste Permit #398.	7,500,000
Communications and IT - QPE		
3605000	CIT - Location Based Services The purpose of this project is to provide an analysis and pilot implementation project for GIS Location Based Services (LBS), focusing on business-oriented location management functions, such as navigation, street routing, finding a specific location or tracking a vehicle crew. This project will inventory and analyze the current fleet and field environments defining what tiers and equipment are appropriate to meet department specific workflows, make recommendations and develop an implementation plan. This project will also develop a seed pilot program (40 devices) with the goal of implementing a day forward core LBS infrastructure design.	1,373,700
3608000	CIT - Public Works Contracts Database The purpose of this project is to provide computer software to process via computer all change orders, formal notifications, payments for architectural/engineering forms and for construction.	122,540
3609000	CIT - Public Works Waste Management System Analysis The purpose of this project involves a thorough analysis of current applications in order to develop and implement an information system which will support the full range of functions provided by the Public Works Waste Management Division and allow for information exchange with the other divisions and departments as well as access to information by residents. The new system should address all current work processes and allow for expansion and/or modifications as necessary.	160,726
3611000	CIT - Public Works Real Estate Management Database and Reporting System The purpose of this project is to migrate the Real Estate Management Database and Reporting System to a supportable technology platform and programming language.	195,480
3628000	CIT - Spatial Information Services Analysis & Implementation	558,840

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Project #	Project Title	Estimated Cost
Quality Physical Environment		
Communications and IT - QPE		
	The purpose of this project is to analyze and develop recommendations for the implementation of a spatial service. The analysis will include design, specification, procurement, and implementation of a spatial image storage solution. The storage of location based imagery (either geo-tagged or geo-rectified) is a growing segment of the City's business needs to further support the core GIS applications and the location-aware derivative applications including web-based spatially-oriented query and reporting applications. A properly sized and designed warehouse would more efficiently store, index, and serve location-based images for the GIS user community, the non-GIS user base, and the public at large through a variety of retrieval methods.	
Roadways		
2109000	Pembroke Area Transportation Improvements This project will develop short-term, mid-term, and long-term alternatives for transportation needs in the Central Business District surrounding the Town Center. The project will be phased based on funding.	3,500,000
2116000	Shore Drive Corridor Improvements - Phase II (Partial) This project will provide safety improvements, including pedestrian multi use paths, along the Shore Drive corridor from South Oliver Drive/Waterspoint Place to Treasure Island Drive. It will also include improvements along Shore Drive at the Northampton Boulevard interchange and to the intersections at Pleasure House Road and Greenwell Road.	12,180,800
2404000	Holland Road This project is for construction of a six lane divided highway within a 165 foot right-of-way from South Independence Boulevard to South Plaza Trail, a distance of 0.50 miles. This project will include full improvements along Holland Road at the South Independence Boulevard and South Plaza Trail intersections. This project is #9 of #63 on the 2008 Technical Ranking of Congested Roadway Segments list.	12,936,000
2405000	Holland Road Right Turn Lane This project will include lengthening the right turn lane along Holland Road at the intersection of Dam Neck Road.	637,500
2406000	Lynnhaven Parkway This project is for construction of a six lane divided highway within a 165 foot right-of-way from Holland Road to Princess Anne Road, a distance of 2.37 miles. This project will include full improvements along Lynnhaven Parkway at the Rosemont Road, Holland Road, South Independence Boulevard and Princess Anne Road intersections. This project is #8 of #63 on the 2008 Technical Ranking of Congested Roadway Segments list.	52,119,110
2407000	Shipps Corner Improvements This project will provide improvements at the intersection of Shipps Corner Road and London Bridge Road. These improvements will be based on the final decision from the 2009 Safety and Operations Analysis for the Intersection of London Bridge Road, Drakesmile Road and Shipps Corner Road.	1,300,000
2408000	Ferrell Parkway This project is for construction of a six lane divided highway within a 165 foot right-of-way from Indian Lakes Boulevard to Indian River Road, a distance of 0.85 miles. This project will include full improvements along Ferrell Parkway at the Indian Lakes Boulevard and Indian Lakes Shopping Center intersections. This project is #10 of #63 on the 2008 Technical Ranking of Congested Roadway Segments list.	21,991,200
2500000	Princess Anne Road (Transition Area Network)	11,331,500

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Roadways		
	This project is for the reconstruction of a two lane undivided roadway from Sandbridge Road to Indian River Road, a distance of approximately 2.1 miles. This project includes landscaping, aesthetic enhancements, multi-use paths, and bike lanes. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	
2501000	Nimmo Parkway - Phases II & III (Transition Area Network) This project is for the construction of two lanes of the ultimate four lane section from West Neck Road Extended to North Landing Road at Indian River Road, a distance of approximately 2.4 miles. This project will include landscaping, aesthetic enhancements, multi-use paths, and bike lanes. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	14,396,500
2503000	Seaboard Road (Transition Area Network) This project is for the reconstruction of a two lane undivided roadway from Princess Anne Road (North) to Princess Anne Road (South), a distance of approximately 2.1 miles. This project includes landscaping, aesthetic enhancements, multi-use paths, and bike lanes. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	11,331,500
2504000	Indian River Road East (Transition Area Network) This project is for the reconstruction of a two lane undivided roadway from West Neck Road to North Landing Road, a distance of approximately 2.9 miles. This project includes landscaping, aesthetic enhancements, multi-use paths, and bike lanes. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	15,761,500
2505000	West Neck Parkway (Transition Area Network) This project is for the construction of two lanes of an ultimate four lane divided roadway from North Landing Road to Elbow Road, a distance of approximately 2.2 miles. This project includes landscaping, aesthetic enhancements, multi-use paths, and bike lanes. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	12,839,000
2506000	Indian River Road West (Transition Area Network) This project is for the construction of a four lane divided roadway from Elbow Road to North Landing Road, a distance of approximately 3.0 miles. This project includes landscaping, aesthetic enhancements, multi-use paths, and bike lanes. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	38,079,100
2507000	Salem Road (Transition Area Network) This project is for the construction of a four lane divided roadway from Elbow Road to North Landing Road, a distance of approximately 2.5 miles. This project includes landscaping, aesthetic enhancements, multi-use paths, and bike lanes. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	31,499,500
2508000	Nimmo Parkway/West Neck Parkway (Transition Area Network) This project is for the completion of the ultimate four lane divided roadway along Nimmo Parkway from West Neck Road Extended to North Landing Road at Indian River Road, a distance of approximately 2.4 miles, and along West Neck Parkway from Elbow Road to North Landing Road, a distance of approximately 2.2 miles. This was requested as a new project in the FY 2003-04 CIP. Transition Area projects will be funded as development creates the need for additional roadways.	31,376,000

Sewer Utility

City of Virginia Beach, Virginia
Fiscal Years 2012 through 2017 Capital Improvement Program
Requested But Not Funded Project Listing

Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Sewer Utility		
6001000	Salem Road Sewer Improvements - Phase II (VDOT) This project provides for sanitary sewer improvements along Salem Road, between Independence Boulevard and Elbow Road, located in the Centerville and Princess Anne Districts. Approximately 1,800 feet of 8 inch force main will be replaced by a 16 inch force main to improve operating conditions in the pump stations along the Salem Road corridor. Funds are provided on the basis that some additional adjustments to the existing gravity sewer facilities along Salem Road will be necessary. Construction for the improvements will be coordinated with roadway project 2-075 Salem Road Phase II and water utility project 5-204 Salem Road Water Improvements - Phase II.	505,000
6044000	Public Utilities Building - New Construction This project provides funding for design and construction of a new building to provide office space needs for Public Utilities and Communications and Information Technology. A potential site is the open space to the west and adjacent to Building #2. This project is coordinated with water utility project 5-018. The project is located in the Princess Anne District.	7,500,000
6075000	Laskin Road Sewer Improvements - Phase I (VDOT) This project provides funding to improve existing sewer facilities on Laskin Road, from Republic Road to South Oriole Drive. Approximately 10,250 feet of 8 inch gravity sewer, 3,440 feet of 10 inch gravity sewer, and 1,280 feet of 15 inch gravity sewer lines will be televised to identify deficiencies in the system. Approximately 9,000 feet of gravity sanitary sewer will be lined or replaced. This project will be coordinated with roadway project 2-156, water utility projects 5-207 & 5-202 and sanitary sewer utility project 6-081. Construction of this project is subject to VDOT's schedule for project 2-156. The water and sewer projects affected by the increased State transportation funding will be adjusted during the development of the FY 2012-13 Capital Program. Any impacts to Public Utilities in FY 2011-12 will be addressed through existing funding in projects such as the Various Roadways and Stormwater Coordination - Phase V (Projects 5-089 and 6-106).	1,385,000
6201000	Green Hill Farms Sewer Improvements - 51% Program This project provides funding for sanitary sewer service to the Green Hill Farms neighborhood, by construction of approximately 950 feet of 8 inch gravity sewer, a submersible pump station facility, and approximately 850 feet of 4 inch force main. Flows will be conveyed to an existing sewer manhole, which is part of the Chelsea gravity sewer system (SA 205).	1,027,000
Storm Water		
7400000	Aragona Drainage Improvements Aragona drainage improvements address drainage inadequacies in the Aragona subdivision. A major storm sewer trunk line located along DeLaura Lane will be replaced with a significantly larger system to improve drainage on DeLaura Lane and the tributary system to the northwest. The improvements will also cross Holladay Lane, Brinson Lane, Aragona Boulevard and run along Overman Avenue before emptying into an existing canal.	2,000,000
7401000	Bay Colony Drainage Improvements The Bay Colony drainage improvements project (Requested But Not Funded Project Listing CIP 7-088) will address some of the chronic flooding that occurs in three low central roadway areas within the Bay Colony Subdivision. The positive drainage system will be built along portions of East Bay Shore Drive, Wythe Lane, Brandon Road and Rolfe Lane.	1,200,000
7402000	College Park/Level Green Drainage Improvements	5,650,000

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Storm Water		
	The College Park/Level Green drainage improvements project (Requested But Not Funded Project Listing CIP 7-089) addresses drainage inadequacies in the existing subdivision system. This phase consists of construction of a new dry detention basin within the existing Virginia Power easement and upgrading of some of the critical links within the current drainage system. It will also look at outfall improvements to Banbury Lake.	
7403000	Eastern Park Drainage Improvements Eastern Park (Requested But Not Funded Project Listing CIP 7-090) is a pre 1970's neighborhood that depends on roadside ditches for the majority of its drainage. Over the years, this system of ditches has ceased to function effectively under moderate to high intensity events. This project will construct 9 to 10 pipe systems as necessary to provide relief in those areas subject to chronic flooding.	4,350,000
Water Utility		
5018000	Public Utilities Building - New Construction This project provides funding for design and construction of a new building to provide office space needs for Public Utilities and ComIT. A potential site is the open space to the west and adjacent to Building #2. This project is coordinated with sewer utility project 6-044. The project is located in the Princess Anne District.	7,500,000
5168000	Shore Drive Water Line Improvements - Phase II (VDOT) This project provides funding for engineering and construction of approximately 3,000 feet of 16 inch water main along Shore Drive from approximately Marlin Bay Drive to Stratford Road. Construction will be coordinated with roadway project 2-118, Shore Drive Corridor Improvements, Phase IV.	1,500,000
5204000	Salem Road Water Improvements - Phase II (VDOT) This project will provide for adjustments and improvements to the 16 inch water main along 4,600 feet of Salem Road, between Independence Boulevard and Elbow Road, located in the Centerville and Princess Anne districts. Construction for the improvements will be coordinated with the VDOT project and Public Works roadway project 2-075 Salem Road Phase II, and sewer utility project 6-001 Salem Road Sewer Improvements - Phase II (VDOT).	195,000
Total Projects for Quality Physical Environment		40
Total Estimated Cost		<u>382,337,961</u>

**City of Virginia Beach, Virginia
Fiscal Years 2012 through 2017 Capital Improvement Program
Requested But Not Funded Project Listing**

Project #	Project Title	Estimated Cost
Safe Community		
Buildings - SC		
3236000	Fire and Rescue Station - Courthouse (Replacement) This proposal recommends replacement and enlargement of this facility to provide approximately 13,800 square feet of space equivalent to a 3 bay station. Relocation is also recommended in the North Landing Road/West Neck/Princess Anne Road area. It is anticipated that two acres of land will be needed for this project. Cost estimate is in FY 2011-12 dollars based on construction cost of \$330 per square foot plus other costs (design, furniture/fixtures/equipment, and contingencies at 11% of all other costs).	6,131,505
3240000	Fire and Rescue Station - London Bridge This project will be an expansion of the existing facility, to add an estimated 2,600 square feet of space. The primary purpose of this expansion will be to provide adequate storage space for departmental equipment, allow for EMS bunk space, renovation of the existing day room, and mitigating poor ventilation. The storage area will allow the department to move equipment currently housed in rented storage space and the apparatus bay. Cost estimate is in FY 2011-12 dollars based on construction cost of \$330 per square foot plus other costs (design, furniture/fixtures/equipment, and contingencies at 11% of all other costs).	1,325,095
3242000	Fire and Rescue Station - Seatack This project requests renovation of the existing 6,794 square foot facility and construction of an additional 1,800 square feet. The total facility will be an estimated 8,594 square feet. There would be no change to the current location on South Birdneck Road. Cost estimate is in FY 2011-12 dollars.	2,206,126
3243000	Fire and Rescue Station - Green Run This project includes renovation of the existing 6,794 square foot facility, and construction of an additional 1,800 square feet. The existing facility is inadequate to accommodate the EMS vehicle, bunk and office needs. This is an area with high EMS call volume, and utilizing this location would be of great benefit for EMS response. Additional needs are related to ventilation, vehicle exhaust removal, and separation of male and female facilities. Cost estimate is in FY 2011-12 dollars.	2,131,521
3245000	Fire and Rescue Station - Diamond Springs This project is for the construction of a new facility, which will encompass about 14,400 square feet of space, which is approximately equivalent to a 3 bay station. This facility would provide for EMS presence at this location as well. It is recommended that the station be located in the Diamond Springs Road/Northhampton Boulevard area in order to address the highest demand for service. The response times to this area of the City are not optimal due to traffic congestion and call volume. Since this is a new facility, it would require additional apparatus and personnel. Cost estimate is in FY 2011-12 dollars based on construction cost of \$330 per square foot plus other costs (design, furniture/fixtures/equipment, and contingencies at 11% of all other costs). Excludes site acquisition cost due to the difficulty of projecting site costs out five years and since a site is not yet identified.	6,398,092
3246000	Fire and Rescue Station - Davis Corner This project includes renovation of the existing 11,775 square foot facility and the addition of an estimated 1,020 square feet of space. This space will provide adequate EMS bunk space, additional office space and watch room for EMS, and allow separation of male and female facilities. Additionally, this project would correct the problems with poor bay ventilation, install fire sprinklers, replace the bay doors and install a vehicle exhaust system. No additional property will be needed for the addition/renovation to the existing facility on Haygood Road. Cost estimate is in FY 2011-12 dollars.	3,069,085
3247000	Fire and Rescue Station - Old Donation	5,123,488

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Project #	Project Title	Estimated Cost
Safe Community		
Buildings - SC		
	This project includes renovation of the existing 11,775 square foot facility and construction of an additional 6,000 square feet. This project would provide EMS bunk space, separation of male and female facilities, and enlargement of the bay space to accommodate larger apparatus and EMS vehicles. Additionally, this project would address bay ventilation, install a vehicle exhaust system, add a decontamination area, install fire sprinklers, and replace all bay doors. Cost estimate is in FY 2011-12 dollars.	
3249000	Fire and Rescue Station - Landstown (Transition Area) This project provides a new 3 bay, 13,800-to-14,200 square foot facility in the Landstown/Salem Road area. It will be located in the transition area, in a service district with increasing call volume. This facility will house both Fire and EMS personnel and equipment. Additionally, the proposed Sentara complex will contribute significantly to the Fire and EMS response in this growing area of the City. As this is a new station, additional apparatus and personnel would be required. Debt service could be funded through Transition Area funds. Cost estimate is in FY 2011-12 dollars based on construction cost of \$330 per square foot plus other costs (design, furniture/fixtures/equipment, and contingencies @11% of all other costs), and excludes site acquisition.	6,123,664
3250000	Fire and Rescue Station - Kempsville This project includes renovation of the existing 12,546 square foot facility and construction of an additional 1,020 square feet. This project would provide adequate EMS bunk space, expand the existing bay to accommodate larger apparatus and EMS vehicles, allow for separation of male and female facilities, provide office and watch room space to accommodate EMS needs, resolve issues with poor ventilation, and install fire sprinklers. Cost estimate is in FY 2011-12 dollars.	2,912,465
3251000	Fire and Rescue Station - North End This project is for the construction of a new facility with an estimated 11,800 square feet of space, which is equivalent to a 2 to 3 bay station. It will house Fire and EMS providers. A site has not been identified, but is recommended for location in the Atlantic Avenue/64th Street area. The distance to the North End from the nearest fire station, and the significant impact of traffic congestion determine the need for a station in this vicinity. As this is a new facility, additional apparatus and personnel are required. Cost estimate is in FY 2011-12 dollars based on construction cost of \$330 per square feet plus other costs (design, furniture/fixtures/equipment, and contingencies @11% of all other costs). Site cost is excluded due to difficulty in projecting land cost out 5 years for an unknown site.	9,219,555
3254000	Fire and Rescue Station - Woodstock This project includes renovation to the existing 11,775 square foot facility and the addition of 450 square feet of space. The scope of the project would include providing EMS bunk space, separation of male and female facilities, enlargement of the day room and office space, installation of a vehicle exhaust system, a decontamination unit, fire sprinklers, resolving ventilation problems and replacing all bay doors. Cost estimate is in FY 2011-12 dollars.	2,618,671
3318000	Police Fifth Precinct - New Facility	13,038,412

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Project #	Project Title	Estimated Cost
Safe Community		
Buildings - SC		
	<p>This project will provide a new 20,000 square foot (with capacity for expansion) Police precinct to be located near the Town Center area to meet the growing service demands in that area. The facility will include a temporary lockup; teleconference room for contact with Magistrate; kitchen, conference room/situation room/command post for use during critical incidents; officer work room with computer access, secure supply room for radios, firearms; supply area for large equipment such as bicycles, generators, ATVs, small motorcycles and flares; security camera system; security entry system for building and parking area; and secure area for temporary holding of property and evidence. The lockup facility must meet Federal, State and Commission on Accreditation for Law Enforcement Agencies Inc. (CALEA) standards. Approximately 150 persons consisting of uniformed sworn personnel, detectives in civilian attire, civilian employees (some with uniform) and volunteers would utilize the facility. The facility would operate at all times so proper lighting and security are required. The parking area needs to be secure as well. A noise barrier may be needed if located in a high density residential or commercial area. Multiple access points (i.e. driveways) are required. An alternative is to purchase an existing building and renovate it to meet Police Precinct unique needs. This alternative may or may not be more costly than building a new facility.</p>	
3513000	Firearms Training Unit Range Facility	1,000,000
	<p>This project funds a study and some preliminary design work for a firearms training range facility to be shared by the Virginia Beach Police Department (VBPD) and Virginia Beach Sheriff's Office (VBSO). This will include a training/administrative building of roughly 12,000 square feet including offices, classrooms, locker rooms, and armories for weapons and ammunition. Also, this project will include two 50 yard pistol ranges, a 300 yard rifle range, a reactive steel range (Rogers), and a tactical ballistic shoot house. These facilities would be constructed to meet all requirements of the Virginia Department of Criminal Justice Services firearms training and qualifications standards for law enforcement agencies along with any other Federal or State requirements. The cost estimate does not include the cost of acquiring additional acreage for the shooting ranges for ammunition containment as the acreage would be later determined once design is completed.</p>	
3514000	Law Enforcement Training Academy Replacement	14,775,500
	<p>This project will replace and relocate the Virginia Beach Police Department (VBPD) and Virginia Beach Sheriff's Office (VBSO) facility currently located at Birdneck Road and Interstate 264 with a state-of-the-art facility of similar size. The replacement structure will be approximately 55,000 square feet and be constructed on about 27 acres near the Police Department's Creeds Training site. The building will consist of classrooms (13 with 20 capacity, and 2 with 60 capacity), computer lab (25 capacity), auditorium (300 capacity), kitchen (100 capacity), gymnasium, weight room, cardio room, conference room (20 capacity), locker rooms with shower facilities, storage space, and running track. The building will need to be wired with required technology infrastructure to support high level audio/video/internet uses. This project would also include building security including access, CCTV, etc.</p>	
Communications and IT - SC		
3627000	CIT - Customer Relationship Management Software Solution	186,597
	<p>The purpose of this project is to provide an analysis to determine the functional requirements for subsequent acquisition (future project for acquisition) of a reporting system that will enable the enterprise system to track and report on the situation, outcomes and trends of citizen contact on multiple levels including a single citizen, a neighborhood, a voting district, etc. An enterprise reporting system will give the executive management of the City a better assessment of common citizen needs and requests.</p>	

City of Virginia Beach, Virginia
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Project #	Project Title	Estimated Cost
	Total Projects for Safe Community	15
	Total Estimated Cost	<u>76,259,776</u>
	Total Projects	71
	Total Estimated Cost	<u><u>623,327,017</u></u>