

VIRGINIA BEACH

Community for a Lifetime



City of Virginia Beach
Adopted Resource Management Plan
Fiscal Year 2012-13

Executive Summary



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Virginia Beach
Virginia**

For the Fiscal Year Beginning

July 1, 2011

Linda C. Danson Jeffrey R. Emer

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **City of Virginia Beach, Virginia** for the annual budget beginning July 1, 2011. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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; and the Media and Communications Group who assisted with budget communication. 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.

Luis Asercion, David Bradley, Kevin Chatellier, Meredith Ching, Jacqueline Conley, Monica Dudek, Paul Harris, Lee Hedberg, Stacy Hershberger, Jonathan Hobbs, Beth Kavanaugh, Tonya Martin, and Rebecca Taylor-Schmidt

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

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)

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, if applicable.

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 vbgov.com.





Virginia Beach Vision: 2024

At the 2012 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 2012-13)	442,746
Number of Registered Voters (January 2012)	288,104
Number of Homes/Residences (excludes on-base military housing)	173,705

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

John D. Moss, At-Large

John E. Uhrin, District 6 – Beach

Rosemary Wilson, At-Large

James L. Wood, District 5 – Lynnhaven

City Council Appointees:

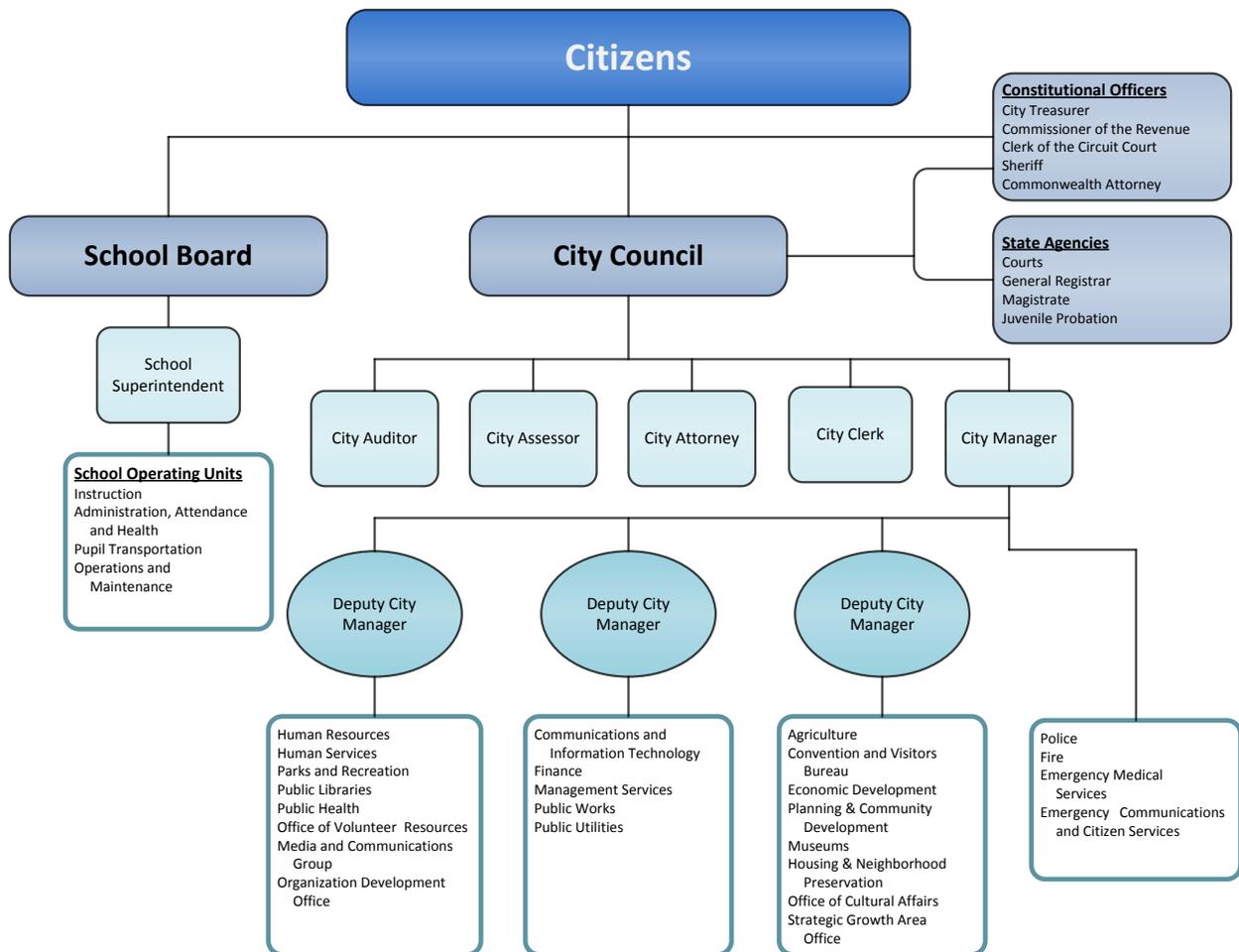
City Manager – James K. Spore

City Attorney – Mark Stiles

City Auditor – Lyndon Remias

City Clerk – Ruth Hodges Fraser

City Real Estate Assessor – Jerald Banagan





City of Virginia Beach

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June 15, 2012

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

Subject: Adopted FY 2012-13 Resource Management Plan Amendments

Dear Mayor and Council Members:

The Proposed FY 2012-13 Operating Budget and Capital Improvement Plan were presented to City Council on March 27, 2012. From discussions that occurred during five City Council workshops, three 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 8, 2012, includes \$1,767,394,011 for the FY 2012-13 Operating Budget and \$277,566,687 for the FY 2012-13 Capital Budget.

The major revenue change to the proposed budget submitted to you on March 27th is **a two cent increase in the real estate tax beyond the four cent increase included in the Proposed Operating Budget** for an adopted rate of 95 cents. Of the six cent real estate tax increase, four cents is committed to Schools and two cents is committed to transportation and the Line of Duty Act. It is City Council's intent that this increase in real estate tax can be reduced based on increased State funding related to the Local Composite Index, increased State support for urban road construction, and the State restoring its commitment to Line of Duty funding.

City Council also **addressed employee compensation** by choosing an increase of 1% to offset the State requirement for employees to pay 1% of their retirement costs. This increase will phase-in over the next five years. The requirement is to have employees pay 5% of their retirement costs offset with a corresponding pay increase. The School Board chose the same phase-in approach. The City Council also provided a 1% pay increase for City employees who were hired after July 1, 2010 to begin offsetting their full share of 5% of retirement costs. In addition to the 1% compensation increase to offset School employees' retirement costs, the City Council funded 2% of the 3% pay increase requested by the School Board. The 2% pay increase will keep the School employees consistent with the pay increase provided to City employees in FY 2011-12.

The City Council was able to fund all of the School Board's request with the exception of the full 3% pay increase noted above. The following table details all adjustments to the Proposed Operating Budget adopted by City Council.

Changes to Appropriations

Increased funding for Schools	\$ 13,849,542
1% pay increase for employees hired after July 1, 2010	300,000
Reduce City VRS phase-in from 5% to 1%	(2,960,000)
Net increase in transfers to CIP – impact to be discussed in CIP section below	420,856
Water/Sewer and Storm Water’s portion of Greenwich Road Crossover	(340,000)
Address overtime requirements in the Sheriff’s Department	800,000
Address economic development initiatives	250,000
Overtime/contractual staffing to address increased permit backlog in Planning	50,000
Transfer Elderly/Disabled Tax Relief and recording real estate transfer process between the Real Estate Assessor and the Commissioner of Revenue	178,500
Establish a Youth Neighborhood Partnership program in Green Run	100,000
Program support to historic homes and climate controlled storage for collections	36,625
Brochures and educational materials for the Historic Preservation Commission	6,000
Debt Service savings due to recent bond refinancing	(292,816)
Savings from privatization of the joint City/Schools Print Shop	(207,084)
SPSA reduction due to lower tipping fees	(3,100,000)
Bayville Creek Neighborhood Dredging Special Service District (approved in March)	50,508
Reduction of appropriation by School Board (approved by City Council on June 12)	(307,351)
Total	\$ 8,834,780

Changes to Revenue

Additional two cents of the real estate tax to 95 cents	\$ 9,600,000
Additional State funding for Schools	2,700,000
Build America Bonds Subsidy for School related debt	504,362
Reduction in use of General Fund Balance	(612,739)
Reduction in SPSA revenue due to reduction in tipping fees	(3,100,000)
Bayville Creek Special Service District	50,508
Reduction of revenue by School Board (approved by City Council on June 12)	(307,351)
Total	\$ 8,834,780

With these adjustments, the City Manager’s Proposed Operating Budget of \$1,758,559,231 increased by \$9,142,131 for an adopted total of \$1,767,394,011.

City Council adopted several changes to the proposed six-year Capital Improvement Program. One of the more significant changes was reinstating the renovation of the Kempsville Recreation Center into the six-year Capital Improvement Program. This project was removed from the proposed six-year plan due to the impact of declining real estate values within the Parks and Recreation dedicated funds. Reinstating the project with Bond Premium funds and Charter Bonds allows for 28 FTEs needed for the opening of the Williams Farm Recreation Center to be deferred until FY 2015-16 as both Bow Creek and Kempsville Recreation Centers are renovated. Another project added by City Council is to begin restoring the beaches along the Chesapeake Bay. This initial funding will allow legal and permitting work to begin. City Council deferred the biweekly payroll project to help offset some of the additional projects. The following table provides a summary of changes to the Capital Improvement Program.

Changes to the Capital Improvement Program

Additions/Deferral	Capital Budget	FY 2013-14 to FY 2017-18
2.401 Greenwich Road Crossover	\$ 340,000	\$ 5,000,000
2.418 Indian River Road/Princess Anne Road Intersection Improvements	250,000	-
2.421 Sportsplex Drive	2,850,000	-
3.103 Heritage Building – Maintenance Program	565,000	-
3.648 CIT – Bi-Weekly Lag Payroll Implementation	(1,854,144)	-
4.509 Modernization of Kempsville Recreation Center	8,910,696	11,089,304
8.408 Pleasure House Point Mitigation	120,000	-
8.409 Chesapeake Bay Beach Restoration	1,000,000	-
8.501 Bayville Creek Neighborhood Dredging	50,508	309,396
Total Adjustments to Capital Improvement Program	\$ 12,232,060	\$16,398,700
Offsetting Amounts		
General Fund pay-as-you-go	\$ 80,856	\$ 78,792
Bayville Creek SSD	50,508	230,604
Storm Water pay-as-you-go	30,000	-
Water and Sewer pay-as-you-go	310,000	-
Bond Premium	10,339,582	-
Charter Bonds	1,421,114	16,089,304
Total Revenue for CIP	\$ 12,232,060	\$ 16,398,700

With these adjustments, the City Manager’s Proposed Capital Budget of \$265,334,627 increased by \$12,232,060 for an adopted total of \$277,566,687.

As we approach the FY 2013-14 Resource Management Plan, we will need to work with School staff to finalize a school funding formula for City Council and School Board review.

The last four years have presented unprecedented fiscal challenges for localities across the country, which has required all localities to address their budgets in a way that preserved essential services. Since future budgets are anticipated to be just as challenging due to declining resources, one particular issue that we need to address is reducing the use of fund balance as a funding source in the Operating Budget.

This year’s Operating Budget for City and School’s relies on \$35.3 million in Fund Balance (\$21.1 million from the General Fund, including \$2 million from the Sandbridge surplus dedication, \$11 million from the school reserve fund and \$1.2 million from the Sheriff’s fund). While this use has allowed us to avoid major reductions in services, it is not an on-going source of funds. Prior to next year’s budget, we will propose a strategy to reduce this use of fund balance, while minimizing the impact to services. Overall, 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 27, 2012

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

Subject: Proposed FY 2012-13 Resource Management Plan

Dear Mayor and Council Members:

Virginia Beach is a wonderful place to live. Ask anyone who calls this City home.

Our quality of life is exceptional. Virginia Beach has great natural beauty with a moderate climate. It is clean, vibrant and safe. We have great Schools, parks and libraries. Our economy is diverse and offers opportunities for everyone to prosper. It truly is a Community for a Lifetime.

Why do I mention this now? It's an idea worth repeating – *especially* in a budget letter. It's the single most important concept behind the complex numbers and charts in this document.

This budget was prepared with one goal in mind – preserving Virginia Beach's outstanding quality of life, despite the slow recovery from a deep recession.

It wasn't easy. There were challenges in balancing the budget. For the first time in my 20-year tenure, we do not have an adopted State budget. That's significant because the State accounts for 25 percent of all funding for City programs. So we have made well-considered assumptions about funding in the operating budget and the Capital Improvement Program.

This year, we had to close a \$90 million gap. Throughout our deliberations, we kept one thing in mind. All parts of the budget – both School *and* City programs – are interdependent. Our citizens expect many things: great schools, a safe and efficient transportation system, unparalleled public safety, an extensive public library system, an outstanding parks and recreation system, and all the services we provide for individuals and families in need. In this budget, all these things are funded at an appropriate level and in a sustainable manner.

We cannot sacrifice one service to maintain another. That's foolish. That's the path some cities have taken during this recession, and, as a result, their quality of life has suffered and their future dimmed.

At the same time, it's important to keep costs to citizens as low as possible. This has been a major concern of City Council for many years. That's one reason why Virginia Beach has the lowest real estate tax rate in Hampton Roads. Over the past decade, in fact, the City Council has lowered tax rates as property values escalated – to ease the burden on homeowners. Now that property values are falling, it's equally important to keep our tax rate and the overall tax burden on families as low as possible. This budget maintains Virginia Beach's standing as the City with the lowest real estate tax rate in the region.

This budget recommends a 4-cent increase in the real estate tax rate. The City will share the \$19 million this increase will generate equally with the Schools. Virginia Beach will still have the lowest tax rate in Hampton Roads. And given the drop in real estate values, it also means nearly every homeowner in Virginia Beach will pay less in taxes next year than they did four years ago. Raising the tax rate is a difficult step to take, but I believe it is necessary to maintain Virginia Beach's outstanding services and quality of life.

This proposed budget closes the deficit by raising the real estate tax rate, reducing some programs and relying on fund balances. Still, the proposal increases spending in the School and City operating budgets by only \$1.7 million, or 0.1 percent over the current budget.

Before we discuss details, I ask that all citizens unite in a serious and civil discussion of local services – both City and School – and the ability to pay for them in a sustainable manner. In many respects it's time for a reality check – after four years of budget cuts and reduced real estate tax revenues, we must acknowledge that if we value our services and facilities we must be willing to pay for them.

First, let's look at the cost factors driving this budget.

Expenses

Like all American cities, Virginia Beach is at the mercy of forces beyond its control.

On the expense side, that means ***pensions***.

All City and School employees belong to the Virginia Retirement System (VRS). For years, the General Assembly has underfunded the system and now it is time to catch up. Unfortunately, that means Virginia Beach's payment into the system will increase dramatically over the next few years. Employees will pay part of those higher costs; the City will pay the rest. The VRS rate increase (including the rate for life insurance) will be 4.01 percent for the City and 4.21 percent for Schools, bringing the City rate to 21.87 percent of full-time salaries and the Schools rate to 17.77 percent. That translates into \$40.4 million in new expenses, nearly half of the total \$90 million budget gap.

Employees will bear part of this burden. The General Assembly required that all City and School employees pay 5 percent of their salaries toward the pension fund. This will be offset by a 5 percent pay raise. While this is relatively neutral to employees, it will cost the City about \$7.7 million extra a year in fringe benefits based on the higher salaries for City and School employees. (The School system has the option of phasing in the employee contribution over five years, with offsetting pay raises. The City does not have that option.)

Another important expense factor beyond our control is ***health care***.

For years, the cost of medical care has continued to increase. Since 2009, the City has not increased employee premiums as we tried to reduce the impact first of the recession, and second, the limited ability to raise salaries. Unfortunately, that is no longer possible. This year, employees will pay higher premiums – a total of \$3.3 million in the first six months. The City also will pay higher employer costs – an extra \$11.1 million.

Finally, there is the expense of ***opening four new City facilities***:

- The Animal Care and Adoption Center opened in December.
- The Williams Farm Recreation Center will open in September 2012.
- The Joint Use Library, in partnership with Tidewater Community College, will open in Spring 2013.
- The Town Center Fire and Rescue Station (replacing the Thalia Fire Station) will open in Summer 2013.

This, obviously, is a cost factor that we *do* control. As a City, *we* decide which buildings to construct, replace or renovate. For these four buildings, the decisions were made in previous years. They are definitely quality-of-life projects. Outstanding libraries and recreation centers are hallmarks of Virginia Beach. Likewise, we could not let our old animal shelter crumble,

or let an old fire station become obsolete, without hurting our citizens. Now it is time to staff and operate these buildings. It is worth noting that the annual cost of operating these facilities is equivalent to 2.3 cents on the real estate tax rate.

These four new facilities will add 68.6 employees in FY 2012-13. Once fully operational, they will cost an extra \$9.4 million a year to operate, staff and service debt. We are taking advantage of the Bow Creek Recreation Center closing during its modernization by transferring the 28 positions from that center to Williams Farm. This will delay the need to fully staff Williams Farm for two years. This is a short-term fix. We will need to add this staffing in FY 2014-15, when Bow Creek reopens.

In short, the City is suffering more from rising expenditures than lost revenue – though we are losing revenue, too. The fact that the proposed budget increases spending by **one tenth of one percent** over last year is impressive, considering the four new public facilities opening and the \$90 million budget gap we closed.

It's worth noting that our resourceful City employees keep finding new ways to economize. Last year alone, our City government found dozens of small improvements that saved \$2.4 million in expenses. We are exploring ways to save money by sharing some services with Chesapeake and Norfolk. And we are fully engaged with the City Council's Process Improvement Steering Committee, which is reviewing City processes to reduce costs and streamline service delivery for residents and businesses.

Now let's look at revenue drivers.

Revenues

In most cases, your house is worth less this year. And it was worth less last year. And the year before that.

This is unprecedented. This is the **fourth year in a row of declining real estate values**. In Virginia Beach, we have never seen the housing market lose value this dramatically. And it's not over. The City assessor says we will see two more years of declining home values in the future. This year alone, home assessments dropped 5.69 percent. The typical home in Virginia Beach has dropped in value from \$259,400 four years ago to \$219,900 today.

As a result, most homeowners pay less in real estate taxes – about \$352 **less**, on average, over the last four years.

This loss of revenue, in turn, has a negative effect on the services we provide citizens because the real estate tax is our single biggest revenue source. **As a result, if the tax rate is not adjusted, the City will receive \$19 million less next year in real estate taxes.**

Making matters worse, we expect less money from Richmond and Washington. How much less? We don't know. The State still has no budget, and the Federal government has stopped making stimulus payments, in addition to triggering significant reductions in spending.

We are on our own. We can't count on anyone else to help. Our expenses are higher and our revenues are lower. To avoid drastic cuts, we must find new ways to pay for many things.

Solutions

Nobody likes raising taxes. It is always a last resort. But it is time to raise the real estate tax rate in Virginia Beach.

I do not say this lightly. As you know, I recommended raising the rate the last two years, but the City Council determined that this would have an unacceptable impact on most Virginia Beach families. I respect that decision. However, we have reached the end of our ability to absorb revenue decreases while maintaining the City's high quality of life.

Over the past four years, the City has struggled to keep service levels high so that citizens could still enjoy our quality of life. And citizens, in response, have been patient with us because this has required shared sacrifices at all levels. We have reduced library hours. We mow City property less often than before. Educators and City workers have received only one

pay increase since FY 2008-09. Both the City and Schools will have nearly 300 fewer employees in this proposed budget than they did in FY 2008-09.

A little history is in order. The City Council last changed the real estate tax rate in FY 2007-08. Prior to that, the rate was reduced by 33 cents to make up for rising home values. The current tax rate of 89 cents per \$100 of value has not changed since then. Meanwhile, virtually every home in Virginia Beach has dropped in value.

I propose three actions:

- **Raise the real estate tax rate by 4 cents.** This would generate \$19 million in revenue to offset the drop in assessed values. We would collect the same amount of real estate tax revenue as in FY 2011-12. Money raised from this increase would be shared equally with the School system. Even with this rate increase, 57 percent of all homeowners would see a drop in their actual tax bills from last year.
- **Draw \$21 million from the General Fund balance to support operations.** Because City departments have controlled costs so effectively, there is enough money available to do this. While conventional wisdom tells us never to use one-time funding for ongoing needs, the real estate market has changed the way all cities look at this issue.

Incidentally, this would directly benefit Schools. For several years, the City Council has used School reserves to help pay for City and School services. Now it's the City's turn to help the School system. We are interdependent agencies working to make our citizens' lives better. What helps the Schools helps the City, and vice versa.

- **Reduce some city programs.** This budget continues the recent trend. In previous years, we trimmed library hours and cut back on how often we mow City properties, among other things. This year, we propose more reductions. Among the program reductions recommended, we would:
 - ✓ Cut two public performances from the Great Performances Series at the Sandler Center for the Performing Arts.
 - ✓ Mow public property, pick up litter and maintain plant beds every 16-18 days instead of every 12-14 days.
 - ✓ Reduce support for some boys and girls basketball leagues.
 - ✓ Reduce support for after-school therapeutic services for some children with disabilities.
 - ✓ Reduce support for the Sister Cities program.
 - ✓ Defer some technological maintenance and replacement.
 - ✓ Defer replacing power washers at the resort.
 - ✓ Reduce 1.5 positions at the 311 call center.

Over the past four years, the City and Schools have eliminated 272.94 positions. This budget would eliminate 15.78 more positions. These cuts will happen even as we open four important new facilities.

Schools

This budget would fund all but \$17.6 million of the School Board's requested \$36.4 million.

The School Board recently asked the City Council for an additional \$36.4 million in local funding. The State is requiring an estimated \$4 million more from the City to provide 5 percent raises to School employees to offset those employees' new requirement to pay 5 percent toward their retirement costs. The table below shows the adjustments we are proposing to the School Board's adopted budget.

	Amount
School Board request for additional City funds	\$36.4 million
Proposed City Adjustments:	
● 2 cents of proposed real estate rate increase	\$9.6 million
● City fund balance for School Operating Budget	\$5.2 million
● City fund balance for benefit increase for required 5% VRS pay increase	\$4.0 million
Total City Adjustments	\$27.8 million
Unfunded School Board Request (City Manager Adjustment Needed to Balance)	\$17.6 million

In summary, the City will provide \$9.2 million from its General Fund balance to the Schools' operating budget and \$9.6 million from the proposed tax rate increase. This addresses all but \$17.6 million of the School Board's request.

The School Board's original request includes a 3 percent pay raise on July 1, 2012, following a 0.5 percent increase that School employees received on July 1, 2011. City employees also received an increase on that date -- 2.5 percent. Because the proposed budget does not include any raises for City employees in FY 2012-13, we hope the Schools will consider lowering their proposed increase for next year to 2 percent. This would achieve parity among all municipal employees while saving the Schools approximately \$4.5 million that could be used for unfunded needs.

Conclusion

On Jan. 1, Virginia Beach will celebrate its 50th anniversary. The City began when a group of leaders saw something larger than a sleepy seaside resort and a rural county. Since then, Virginia Beach has become the largest City in the Commonwealth and a recognized national leader in local government – recently named the Best-Run City in America.

People love to live here. They love our beaches, of course, but also our safe neighborhoods, our outstanding Schools, our first-class libraries, our abundant parks and waterways, and our unparalleled recreation centers.

In a difficult year, the budget offers a choice. We can raise the tax rate a little and maintain our well-known quality of life. Or we can take a scalpel to the outstanding services that our residents expect from their City government.

I propose that we choose quality of life.

With Pride in Our City,



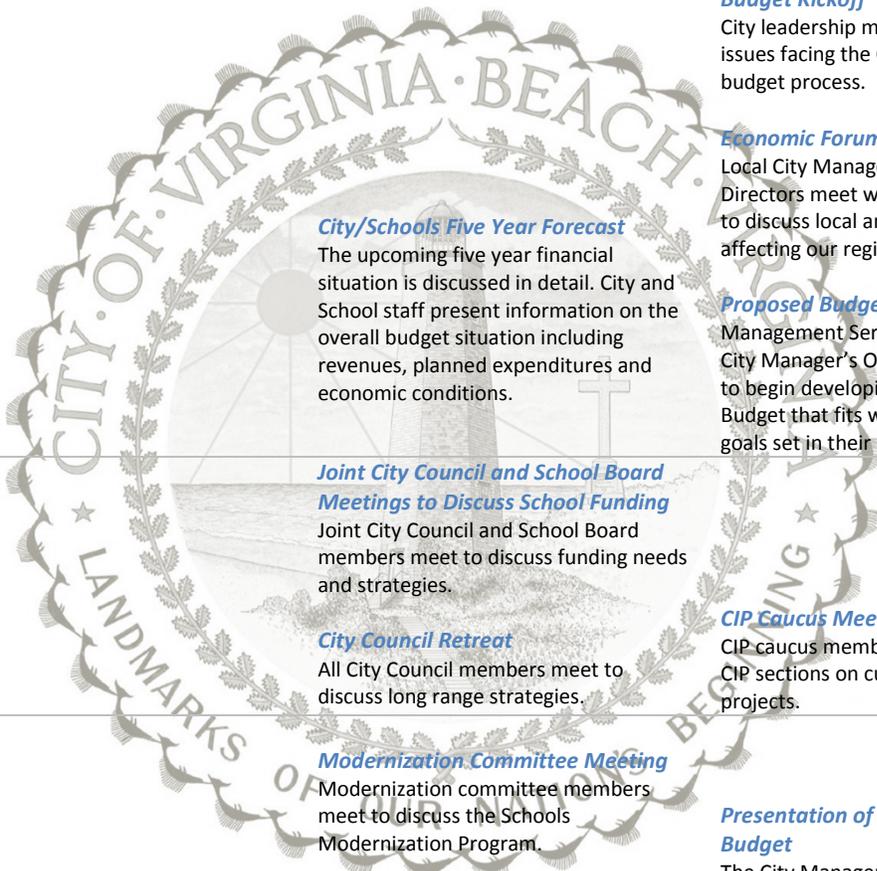
James K. Spore
City Manager

Schedule of Workshops and Public Hearings

<i>Date/Time</i>	<i>Event</i>	<i>Location</i>
Tuesday March 27, 2012	Presentation: The Proposed FY 2012-13 Operating Budget and Capital Improvement Program is Presented to City Council	City Council Chambers 6:00 p.m.
Tuesday April 3, 2012	Council Workshop: <ul style="list-style-type: none"> ● Constitutional Officers ● Safe Community ● Cultural and Recreational Opportunities 	Council Conference Room
Thursday April 5, 2012	Budget Open House: <ul style="list-style-type: none"> ● The Public is Welcome to Come and Ask Questions to Departments Regarding Their Budgets 	Virginia Beach Convention Center 6:00 p.m. – 8:00 p.m.
Tuesday April 10, 2012	Council Workshop: <ul style="list-style-type: none"> ● Quality Physical Environment 	Council Conference Room
Tuesday April 17, 2012	Council Workshop: <ul style="list-style-type: none"> ● Economic Vitality ● Family and Youth Opportunities 	Council Conference Room
Wednesday April 18, 2012	Public Hearing	Cox High School 6:00 p.m.
Tuesday April 24, 2012	Council Workshop: <ul style="list-style-type: none"> ● Quality Education and Lifelong Learning ● Quality Organization 	Council Conference Room
Tuesday May 1, 2012	Public Hearing	City Council Chambers 6:00 p.m.
Tuesday May 1, 2012	Reconciliation Workshop	Council Conference Room
Tuesday May 8, 2012	Public Hearing	City Council Chambers 6:00 p.m.
Tuesday May 8, 2012	Vote On: The FY 2012-13 Operating Budget and Capital Improvement Program	City Council Chambers 6:00 p.m.

Understanding the Budget Process and Capital Improvement Program

Month	Residents	City Council and School Board	City Administration
JULY			
AUGUST		<p>Financial Sustainability Workshop Joint City Council and School Board members collaborated to discuss School funding.</p>	<p>Leadership Budget Meetings Management leadership budget planning meetings begin.</p>
SEPTEMBER			
OCTOBER			<p>Budget Kickoff City leadership meets to understand issues facing the City for the upcoming budget process.</p>
NOVEMBER		<p>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.</p>	<p>Economic Forum Local City Managers and Budget Directors meet with regional Economists to discuss local and national situations affecting our region's economy.</p>
DECEMBER		<p>Joint City Council and School Board Meetings to Discuss School Funding Joint City Council and School Board members meet to discuss funding needs and strategies.</p>	<p>Proposed Budget Development Management Services works with the City Manager's Office and departments to begin developing the Proposed Budget that fits with the City Council goals set in their retreat.</p>
JANUARY		<p>City Council Retreat All City Council members meet to discuss long range strategies.</p>	<p>CIP Caucus Meeting CIP caucus members meet to hear from CIP sections on current and proposed projects.</p>
FEBRUARY		<p>Modernization Committee Meeting Modernization committee members meet to discuss the Schools Modernization Program.</p>	
MARCH			<p>Presentation of the Proposed Budget The City Manager presents the Proposed Budget to City Council.</p>
APRIL	<p>Budget Open House Members of the public are welcome to comment and ask questions to departments on their individual budgets.</p> <p>Budget Public Hearings Members of the public are welcome to comment on the Proposed Budget and offer suggestions to City Council.</p>	<p>School Board Budget Adoption School Board members make final decisions and adopts the Virginia Beach City Public Schools Budget.</p> <p>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.</p>	<p>Budget Inquiries Management Services and other City staff respond to inquiries from City Council regarding the Proposed Budget.</p>
MAY		<p>Final Budget Adoption City Council makes final decisions and adopts the official City of Virginia Beach budget.</p>	<p>Adopted Budget Management Services produces the Adopted Budget and begins to develop budget guidelines for the next fiscal year.</p>
JUNE			





Operating Budget

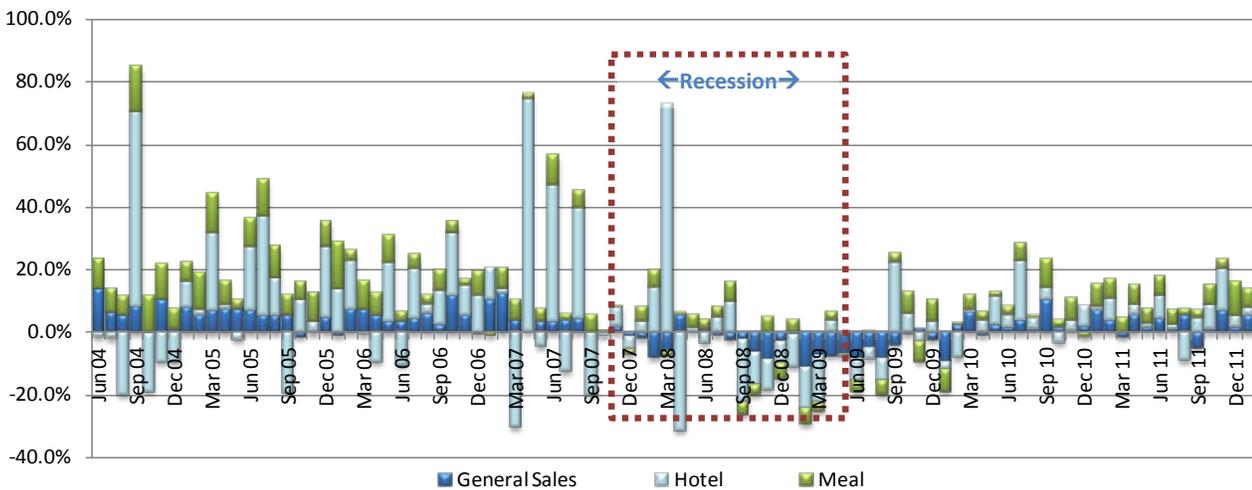
Operating Budget

This section provides a brief overview of the major issues driving both expenditures and revenues in the operating budget. The economy is slowly beginning to emerge from the recession, with some sectors showing improvement. Unfortunately, not all sectors of the economy have rebounded and overall growth remains slower than periods following other recessionary periods. Unemployment in Virginia Beach is still better than both the region and the country. Many residents still depend on municipal services. Some City services, like food stamps (SNAP), have experienced significant increases; however, because of declines in revenues, the City has had to reduce spending in many areas to weather the economic storm. This is the fourth year in a row the recession has impacted the budget and unfortunately we may still continue to see sluggish growth until the real estate market begins to recover.

There are several major budget drivers that are reflected in this document: 1) loss of real estate revenue; 2) loss of Federal stimulus funding; 3) increasing retirement and health insurance costs; 4) changes to Virginia Retirement System (VRS) benefits and payment structure; and 5) the need to staff new facilities. All of these are combining to require extraordinary strategies to address, while maintaining, existing services and the quality of life residents have come to expect.

Revenues

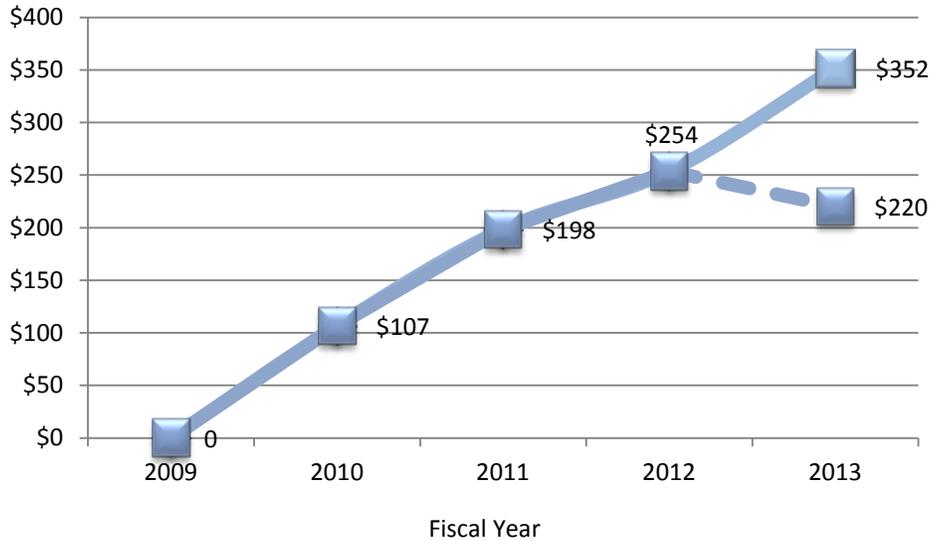
On the good news side, it appears that most of the City’s revenues are starting to trend in a more positive direction. Though not experiencing the robust growth that occurred prior to the recession, local revenues are showing improvement. As the graph below illustrates, revenues tied to the City’s tourism and economy have been growing, and are anticipated to continue this trend in FY 2012-13.



The one down side remains the real estate market, which has not experienced a rebound and instead continues to decline. The loss of value in the City’s real estate tax base has not been a one year phenomenon and projections on when the housing market will recover provide no relief over the next few years.

Since FY 2009-10, real estate assessments have declined a total of 14.9% which equates to a loss of \$8.0 billion in property value over the past four fiscal years. Projections from the Real Estate Assessor’s Office do not reflect a change in this trend until FY 2015-16. If assessments were to decline 2% each of the next two years, this would result in an additional loss of \$1.9 billion in property value. These losses in property value have translated into substantial losses in real estate tax revenue as the real estate tax rate has not been adjusted for the declining property values. The next graph illustrates the cumulative reduction in real estate taxes paid by taxpayers (assuming the median home value). The solid line indicates this cumulative savings at the old tax rate of \$0.89 per \$100 valuation. So by 2013, with a drop in the median home value from \$259,400 to \$219,900, the cumulative savings at the \$0.89 rate would be \$352. For FY 2012-13, there is a six cents tax rate increase. The dashed line shows at the adopted \$0.95 real estate tax rate, the cumulative savings would drop to \$220 based on the median assessed home value.

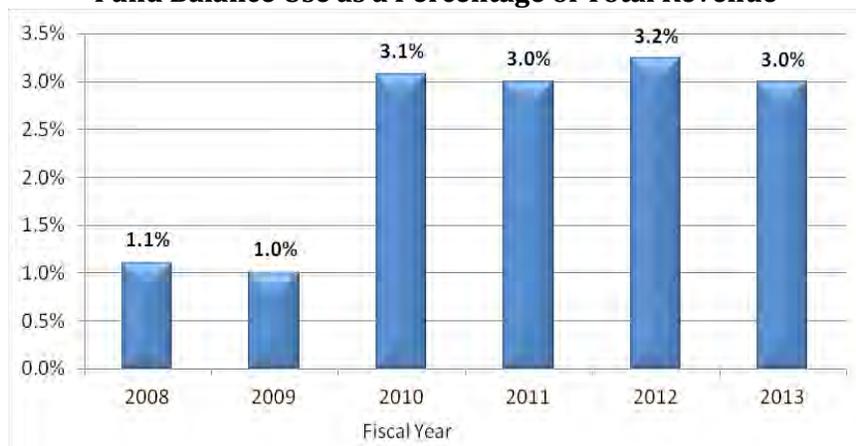
Decrease in Real Estate Taxes Based on the Median Assessed Value of a Residential Home



Each year as real estate assessments and real estate revenues declined, the City and Schools have made necessary cuts to programs and services, improved efficiencies, and used fund balance. The decline in real estate taxes has been compounded by decreased support from the State for critical programs like education and road construction. While for a brief time the State was able to use Federal stimulus funds to help fill the gap in State funding, this source has been eliminated as the Federal government deals with its own budget problems. After several years of cuts to programs and services, it has become significantly more difficult for the City to provide the quality Schools, public safety, human services, and recreational opportunities that have made the City of Virginia Beach what it is today. In order to maintain our quality Schools and municipal services, the City Council approved a six cent real estate tax rate increase to offset both the loss of real estate tax revenue and the loss of State funding for education and road construction. In total, this adjustment to the real estate tax rate will generate \$28.8 million. \$19.2 million of this increase, or 4 cents, will be dedicated to the Schools, while the remaining \$9.6 million will be dedicated to transportation projects and the Line of Duty program. It is the City Council's intention that when the State begins to restore funding to education as measured by the Local Composite Index (LCI); road construction funding beyond the historical level of \$20 million each year; and fully funds the State's Line of Duty program, that the six cents increase in the real estate tax rate can be reduced.

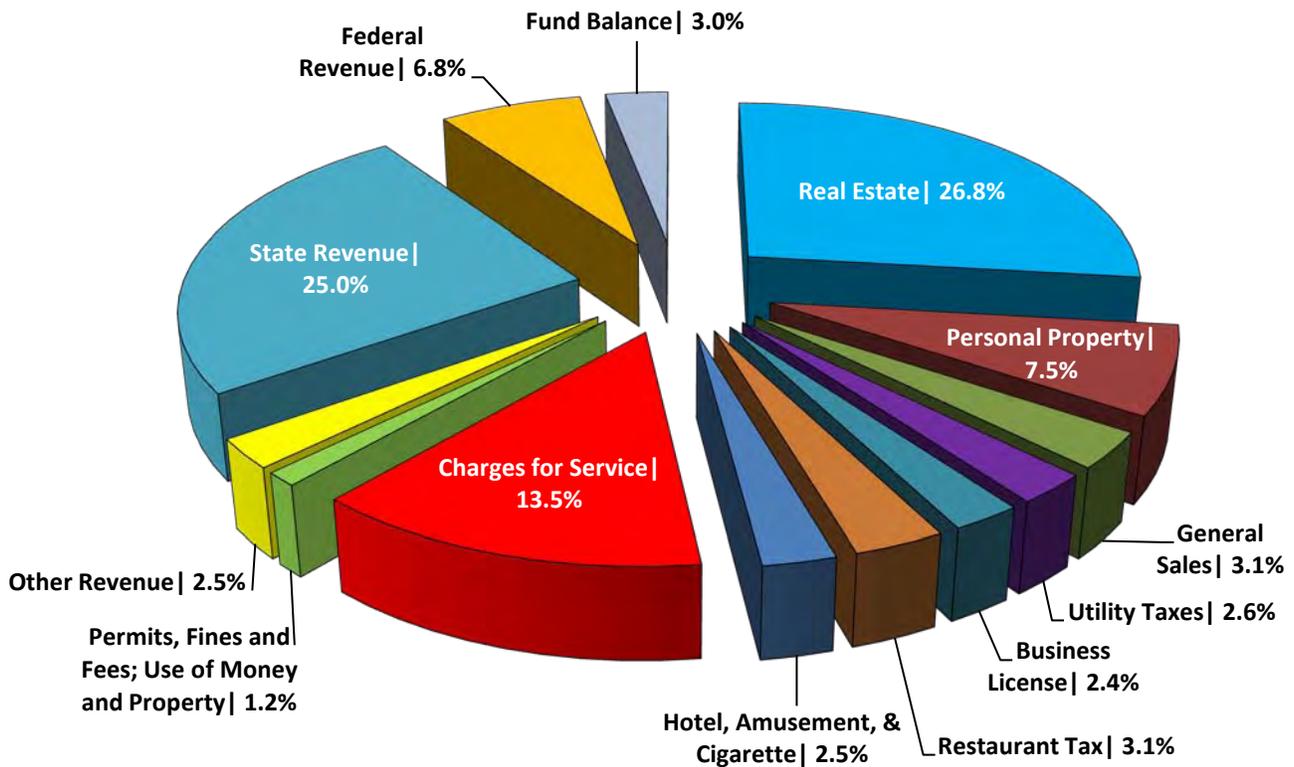
In addition to the adjustment to the real estate tax rate, the City and Schools will again have to dip into their respective fund balances to maintain services. Both the City and Schools have been very prudent in their daily financial management and have generated a savings at the end of each fiscal year. As the next graph illustrates, the use of fund balance has grown to 3% of revenue in the operating budget. While this strategy has worked, it is certainly not sustainable.

Fund Balance Use as a Percentage of Total Revenue



The following graph illustrates all funding sources that are being used in the adopted operating budget.

FY 2012-13 Adopted Operating Budget Total Estimated Revenues



Real estate revenues are the City's single largest revenue source and comprise 26.8% of the total funding. State revenues, which are a collection of many program specific revenues including support for education, comprise 25% of the funding. The third largest group of revenues, charges for service, is made up of the many fees charged to access municipal services. These services include water and sewer bills, the solid waste fee, recreation center memberships, library cards, and building permits to name a few. Federal revenue comprises 6.8% of the total revenue and is down from the current year's budget due to the loss of \$25 million in Federal stimulus funding in the School's budget. Other revenue is comprised of non-revenue receipts including water resource recovery fees, sewer main extensions, and sewer line fees; other taxes and fees include cable franchise taxes, bank net capital taxes, City taxes on deeds and wills; and other smaller scale revenues.

For City and Schools combined, revenues for the upcoming fiscal year are projected to increase 0.60% compared to the Adjusted FY 2011-12 Operating Budget. Despite the six cent real estate tax rate increase, increases in other revenue sources, use of fund balance, fee increases necessary to defray the cost of the sewer consent decree and water quality issues, and a small increase in State funding, revenue is increasing by less than one percent due to a significant reduction in Federal revenue. As seen on the next table, of the \$1.767 billion budget, \$919.9 million is allocated to support City programs and \$847.5 million is used to support School programs.

The City's portion of the Operating Budget revenues is increasing 1.8%, which is actually less than the current inflation rate of 2.9%. This increase in revenue is necessary to maintain core services like Police, Fire, Human Services and Libraries. Of the increase in the City's operating budget, \$25.6 million is due to increases in pension costs for retirement and life insurance, health insurance premiums and costs related to the opening of four new facilities. This budget includes increased charges for sewer and storm water services 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 \$919.9 million, or 52%, of the total \$1.767 billion budget.

The FY 2011-12 Adjusted Budget is \$14.2 million higher than the FY 2011-12 Adopted Operating Budget because of an accounting change that reflects gross costs for SPSA disposal expenses rather than net costs, as well as Council Ordinances that amended the budget such as funding for the Sheriff's Office related to salary increases that were initially funded using fund balance from the Sheriff's Department Special Revenue Fund; increase in pay-as-you-go cash funding for the Capital Improvement Program to establish the Old Donation Creek Neighborhood Dredging capital project (8-500) and Bayville Creek Neighborhood Dredging capital project (8-501); and additional costs related to improvements to the Sportsplex for the United States Football League to be funded by increased admissions tax revenue as a part of the agreement.

City and Schools Revenue Summary

	FY 2011-12 Adjusted Budget ¹	FY 2012-13			Percent Change
		City Adopted Budget	Schools Adopted Budget	Total City & Schools Adopted Budget	
Real Estate ²	\$ 460,295,808	\$ 455,112,812	\$ 19,200,000	\$ 474,312,812	3.05%
Personal Property	123,689,318	132,412,895	-	132,412,895	7.05%
General Sales	52,958,340	54,098,252	-	54,098,252	2.15%
Utility Tax	45,661,307	44,979,473	-	44,979,473	-1.49%
VA Telecommunications	20,146,396	19,279,076	-	19,279,076	-4.3%
Business License	41,342,542	42,423,932	-	42,423,932	2.62%
Cable Franchise	7,012,363	7,527,233	-	7,527,233	7.3%
Restaurant Tax	51,752,268	55,155,356	-	55,155,356	6.58%
Amusement Tax	5,579,451	5,800,563	-	5,800,563	3.96%
Hotel Room Tax	25,299,535	26,608,521	-	26,608,521	2.14%
Cigarette Tax	11,778,927	12,153,510	-	12,153,510	1.10%
Local Contribution ³		-357,045,180	357,045,180	-	
General Fund Balance	6,236,739	9,887,917	11,200,000	21,087,917	238.1%
Other Fund Balance	50,707,767	7,681,466	24,134,446	31,815,912	-37.3%
Utility Fees	132,616,114	141,005,711	-	141,005,711	6.3%
Other Revenue	126,538,373	95,577,945	25,840,861	121,418,806	-4.0%
Waste Collection Fee ⁴	7,000,000	14,600,000	-	14,600,000	108.6%
State Revenue	435,295,895	112,341,803	329,767,953	442,109,756	1.6%
Federal Revenue	152,962,388	40,276,106	80,328,180	120,604,286	-21.2%
Total Operating Budget	\$ 1,756,873,531	\$ 919,877,391	\$ 847,516,620	\$ 1,767,394,011	0.6%

¹ The adjusted budget includes all ordinances adopted by City Council as well as an accounting change related to the grossing of SPSA revenues and expenditures. ² Includes the \$0.06 real estate tax rate increase. ³ Although the funding formula was eliminated, the City Council dedicated \$0.04 of the real estate tax rate increase or \$19.2 million to the Schools. This amount represents the non-dedicated local contribution to Schools. ⁴ The increase in this revenue is due to the annualization of the waste collection fee that went into effect on January 1, 2012.

A major change reflected in this table is the elimination of sharing specific revenues between the City and Schools. In December 2011, after discussion with the School Board and careful consideration of a new funding formula proposed by the Superintendent and the City Manager, the City Council eliminated the revenue sharing formula that had existed since 1997. The City Council felt that this would allow them to evaluate all services and programs, whether City or Schools, and to manage all funding sources. Despite the lack of a funding formula, the City Council dedicated four of the six cents real estate tax rate increase to the Schools. In addition to this \$19.2 million, the City is contributing \$357.0 million in revenue from non-dedicated local sources to the School system. The City is also allocating \$9.2 million of General Fund Balance to the Schools. Between these two sources, this budget provides \$28.4 million in additional City support to address the School systems request for additional local funds. An additional \$2 million in General Fund Balance (Sandbridge surplus declaration) is being redirected from the Schools CIP to the Schools operating budget at the School Boards request.

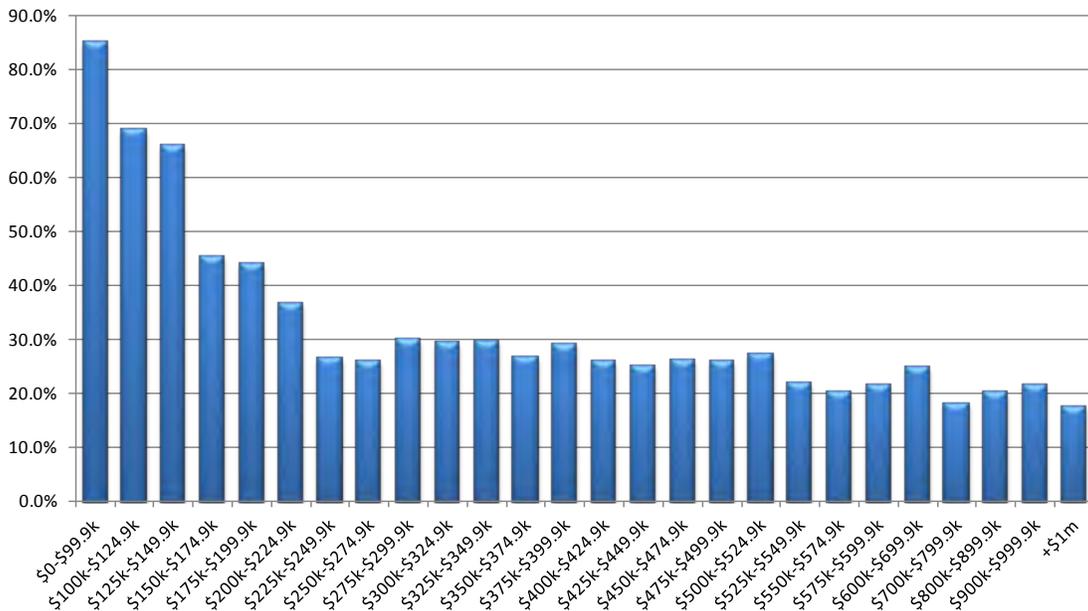
For FY 2012-13, the City is providing \$387.4 million in local funding, 45.7% of the \$847.5 million FY 2012-13 School Operating Budget. This amount exceeds the minimum required by the State Standards of Quality (SOQ) by \$222.2 million.

In adopting this operating budget for the School system, the City Council indicated a desire to use a formula for educational funding similar to that proposed by the School Superintendent and City Manager for the FY 2013-14 budget process if the details can be worked out over the summer.

Impacts on Taxpayers

From the perspective of the individual taxpayer, the increase from \$0.89 to \$0.95 does not necessarily equate to a higher property tax bill. The graph below illustrates the percentage of taxpayers, distributed by median home value, who will pay less in real estate taxes with the \$0.95 rate. For example, 65.7% of homeowners whose homes are \$125,000 to \$149,000 in value will pay less, even with the 95 cent tax rate, than they did in FY 2011-12. The majority of homeowners with lower property values will pay less, while a greater proportion of property owners with higher valued homes will pay more. Overall, 39.1% of the homeowners will pay less in real estate taxes, even with the six cent increase, than they did in FY 2011-12.

Percent of Homeowners Who Will Pay Less with the Six Cent Increase



When all of the tax and fee increases are combined, the annual tax burden on a family of four will increase from last year by \$183.25 or \$15.27 per month. When compared to FY 2008-09 when the recession began, the family of four will be asked to pay \$80.83 annually or \$6.74 a month more. However, if you think of the cost of all the goods and services that a family of four consumes, there aren't many things that cost only an additional \$7 a month when compared to FY 2008-09.



Comparison of Annual Tax Impact for Virginia Beach

(From FY 2008-09 through FY 2012-13)

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Adopted FY 2012-13
Real Estate Tax ¹	\$2,308.66	\$2,201.86	\$2,110.19	\$2,054.12	\$2,089.05
Personal Property Tax ²	210.90	155.76	160.97	187.61	224.80
Electricity Utility Tax	36.00	36.00	36.00	36.00	36.00
Gas Utility Tax	36.00	36.00	36.00	36.00	36.00
Va Telecommunications Tax	70.68	70.68	70.68	70.68	70.68
Water Utility Tax	36.00	36.00	36.00	36.00	36.00
Restaurant Tax	251.48	251.48	251.48	251.48	251.48
Admissions Tax	25.69	25.69	25.69	25.69	25.69
Vehicle License Decal	50.00	50.00	50.00	50.00	50.00
Storm water Utility Fee	73.37	80.67	87.97	115.34	133.59
Residential Refuse Fee	None	None	None	60.00 ³	120.00
Water & Sewer	509.52	529.69	552.00	582.96	615.84
Total Tax Impact	\$3,608.30	\$3,473.83	\$3,416.98	\$3,505.88	\$3,689.13
Annual Change	\$0.00	(\$134.47)	(\$56.85)	\$88.91	\$183.25

Cumulative Change in Total Tax Impact		(\$134.47)	(\$191.32)	(\$102.41)	\$80.82
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¹ Real estate taxes computed based on a median home value. ² Personal property tax computed based on average vehicle value with two cars. ³ Includes solid waste collection fee for half of year

There are a multitude of people in the City of Virginia Beach who some of these fee increases will not impact. Take for example the many homes and properties in the southern portion of the City who do not have City water and sewer services. Those families will be paying an additional \$150.37 or \$12.53 per month more when compared to last year; however, when compared to FY 2008-09, they will still be paying \$25.49 less in taxes and fees.

Comparison of Annual Tax Impact for Virginia Beach

(Homeowners without Water and Sewer)

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Adopted FY 2012-13
Total tax impact from previous table	\$ 3,608.30	\$ 3,473.83	\$ 3,416.98	\$ 3,505.88	\$ 3,689.13
Homeowners without Water and Sewer	(\$509.52)	(\$529.69)	(\$552.00)	(\$582.96)	(\$615.84)
Total Tax Impact	3,098.78	2,944.14	2,864.98	2,922.92	3,073.29
Annual Change	0.00	(154.64)	(79.16)	57.94	150.37
Cumulative Change in Total Tax Impact		(\$154.64)	(\$233.80)	(\$175.86)	\$25.49

In addition to those in the southern part of the City who do not receive water and sewer service, there are also a large proportion of residents who live in apartments, condominiums, or townhomes who do not receive City solid waste collection services. Those families will be paying an additional \$123.25, or \$10.27 per month, when compared to last fiscal year, but will be paying \$39.17 less annually when compared to FY 2008-09.

Comparison of Annual Tax Impact for Virginia Beach
(Homeowners without Municipal Solid Waste Collection)

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Adopted FY 2012-13
Total tax impact from previous table	\$ 3,608.30	\$ 3,473.83	\$ 3,416.98	\$ 3,505.88	\$ 3,689.13
No Municipal Solid Waste Collection	\$0.00	\$0.00	\$0.00	(\$60.00)	(\$120.00)
Total Tax Impact	3,608.30	3,473.83	3,416.98	3,445.88	3,569.13
Annual Change	0.00	(134.47)	(56.85)	28.90	123.25
Cumulative Change in Total Tax Impact		(\$134.47)	(\$191.32)	(\$162.42)	(\$39.17)

The next table 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 many of the lowest tax rates in the Hampton Roads region.

Adopted FY 2012-13 Selected Taxes/Fees
(for Virginia Beach and Other Localities)

City	Real Estate (per \$100 / A.V.)	Personal Property (Vehicles & Business)	Personal Property (Machinery & Tools)*	Automobile License	Meals	Admissions	Cigarette (per pack)	Hotel
Virginia Beach	\$0.95	\$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	26.00	6.5	10.0	0.50	8.0
Hampton	1.04	4.25	1.23	35.00	7.5	10.0	0.85	8.0
Newport News	1.10	4.50	1.25	26.00	7.5	7.5	0.85	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.

While a family of four will pay more in total taxes and fees as compared to last year, they still pay less to live in Virginia Beach than they would in any other Hampton Roads city.

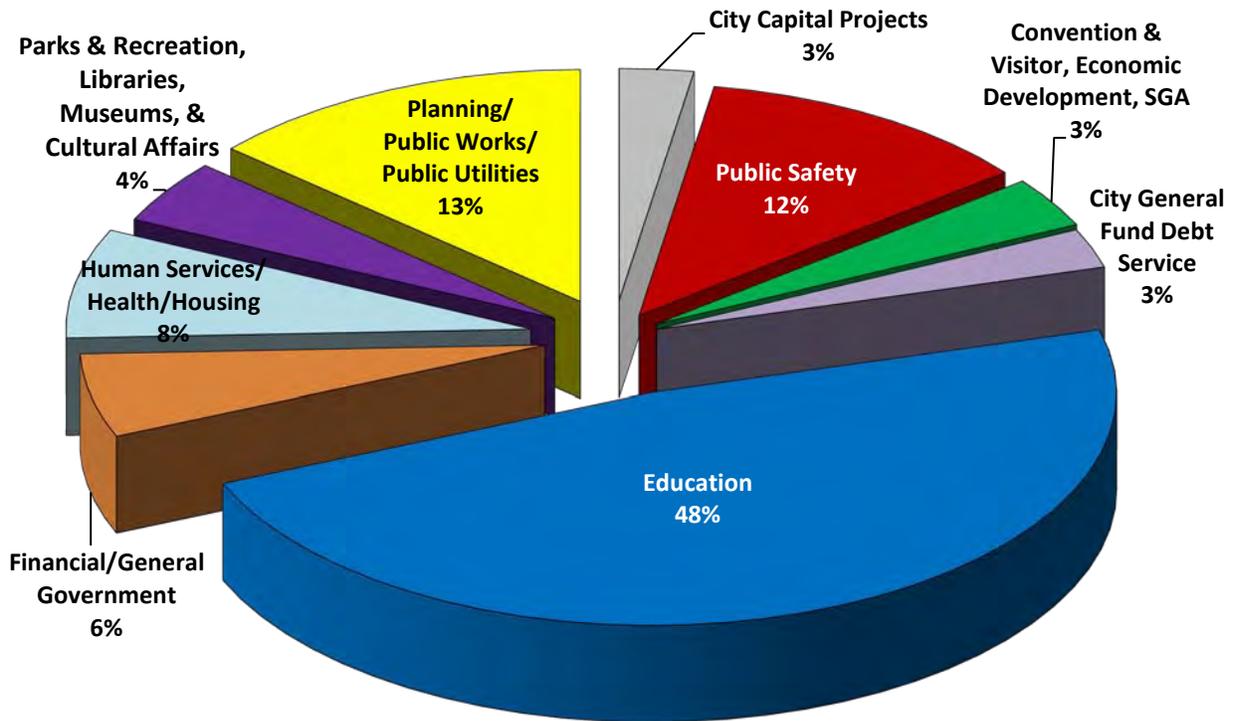
Despite the improving economy and rate increases, there are still reductions in current services for both the City and Schools. Some have been achieved through efficiencies; some are a result of declining utilization, while other programs are still needed. There simply are not enough resources available to maintain them. A complete list of reductions is included in the items Requested But Not Funded section on page 71.

There are also some new or expanded programs or expansions of current services where outside funds were available to cover the cost or where a particular need was identified to address service deficiencies.

Expenditures

Expenditures in the Operating Budget can be dissected and analyzed in many ways: by department, by service area, and by major purpose. The graph below illustrates the breakdown of the \$1.767 billion budget by major service areas. As can be seen, 48% goes to education and the next largest amount goes to planning, public works and public utilities at 14% and public safety at 12%.

FY 2012-13 Adopted Operating Budget Total Expenditures



Expenditures can also be grouped and analyzed by categories including personnel (salaries and fringe benefits), operating and capital (equipment, storm water infrastructure, and roadway maintenance), debt service and reserves (future capital construction and contingencies such as fuel and energy). 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 types of expenditures for both City and School Operating Budgets.

City and School Expenditures by Expenditure Type

	FY 2011-12			FY 2012-13				
	City Adjusted Budget	Schools Adjusted Budget	Total City & Schools Adjusted Budget	City Adopted Budget	Schools Adopted Budget	Total City & Schools Adopted Budget	% Change	\$ Change
Personnel	\$320,788,559.00	\$493,255,024.00	\$814,043,583.00	\$322,910,857.00	\$468,837,808.00	\$791,748,665.00	-0.03	-\$22,294,918.00
Fringe Benefits	112,613,404.00	148,405,518.00	261,018,922.00	129,214,799.00	174,396,270.00	303,611,069.00	0.16	42,592,147.00
Operating Expenses	294,620,084.00	164,362,912.00	458,982,996.00	285,276,021.00	156,228,087.00	441,504,108.00	-0.04	-17,478,888.00
Capital Outlay	11,809,229.00	2,265,061.00	14,074,290.00	11,996,362.00	3,306,469.00	15,302,831.00	0.09	1,228,541.00
Debt Service	103,802,413.00	44,812,083.00	148,614,496.00	111,025,013.00	44,747,986.00	155,772,999.00	0.05	7,158,503.00
Pay-As-You-Go*	41,319,475.00	0.00	41,319,475.00	45,655,285.00	0.00	45,655,285.00	0.10	4,335,810.00
Reserves	18,819,769.00	0.00	18,819,769.00	13,799,054.00	0.00	13,799,054.00	-0.27	-5,020,715.00
City Manager Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00
Total	\$903,772,933	\$853,100,598	\$1,756,873,531	\$919,877,391	\$847,516,620	\$1,767,394,011	0.60%	\$10,520,480
\$ Change				\$16,104,458	(\$5,583,978)	\$10,520,480		
% Change				1.78%	-0.65%	0.60%		

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

As illustrated by the table, the overall budget is increasing slightly by 0.60% or about \$10.5 million involving a combination of increases and decreases in the various expenditure categories. Of the total Operating Budget, the City portion is increasing \$16,104,458 or 1.8% and the Schools portion is decreasing \$5,583,978, or -0.65%. For changes in expenditures by department, see page 62 departmental expenditures and page 63 for personnel summaries. More detailed explanations of these changes can be found in the departmental sections of the Adopted FY 2012-13 Operating Budget document as well as the Schools FY 2012-13 Operating Budget.

Given the complexity of the Operating Budget, there are numerous factors impacting costs by increasing some costs while decreasing others, as well as creating new costs. The increase in the Operating Budget involve costs mandated by the State, costs to address City Council priorities of education and public safety, maintain existing services, and address known critical backlogs in financial services and public infrastructure that are included in the Adopted FY 2012-13 Budget. Major cost drivers of the Operating Budget total roughly \$70.5 million and are outpacing and squeezing out the existing revenue capacity to provide new services as well as maintain existing levels of service. Despite these pressures, the overall increase for City programs remains below the current inflation rate of 2.9%. While the overall Operating Budget increased \$10.5 million, the table below summarizes the impacts of the major cost drivers to the City and Schools FY 2012-13 Operating Budgets. They are discussed in further detail below.

Major Cost Drivers to City and Schools FY 2012-13 Adopted Operating Budgets

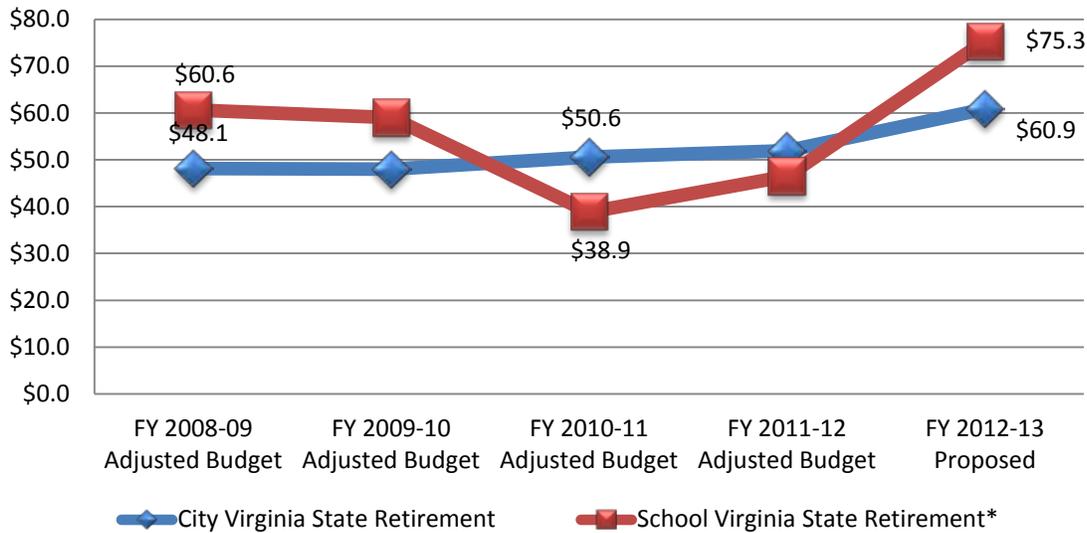
City	
City Virginia Retirement System and Life Insurance (net of costs related to staff for the new facilities)	\$ 11,356,147
City Health Insurance (net of costs related to staff for the new facilities)	5,081,253
Increased fringe benefit cost due to new State mandate that the City provide a 1% increase in salary to offset City employees paying 1% of VRS costs	
• City costs for Plan 1 employees (hired prior to July 1, 2010)	792,225
• City costs for Plan 2 employees (hired on or after July 1, 2010)	\$300,000
New City facilities operating, maintenance and debt service	9,435,262
Increased pay-go to the City Capital Improvement Program	4,335,810
City risk management	1,830,499
City reserve for fuel and utility costs	1,500,000
Subtotal City Cost Drivers	\$ 34,631,196
School	
School Virginia Retirement System and Life Insurance	\$ 28,700,000
Schools Health Insurance	6,400,000
Increased fringe benefit cost due to new State mandate that Schools provide a 1% increase in salary to offset School employees paying 1% of VRS costs	800,000
Subtotal School Cost Drivers	35,900,000
Total All Cost Drivers	\$ 70,531,196

Key cost drivers include changes from the State pension system (both retirement and life insurance), changes in health insurance premium costs, closing the gap in funding risk management liabilities, other changes in the Schools Operating Budget, opening of new City facilities, addressing other capital infrastructure needs, and anticipated fuel and energy costs. Without these \$70.5 million of cost drivers, the Operating Budget would be \$1.697 billion which is a decrease of \$60.0 million or 3.4% compared with the FY 2011-12 Adjusted Budget. For the City alone this would mean a \$34.6 million decrease in the budget or \$18.5 million less than the FY 2011-12 budget. Schools budget would be a decrease of \$41.5 million compared with the FY 2011-12 budget.

Changes in Retirement Costs

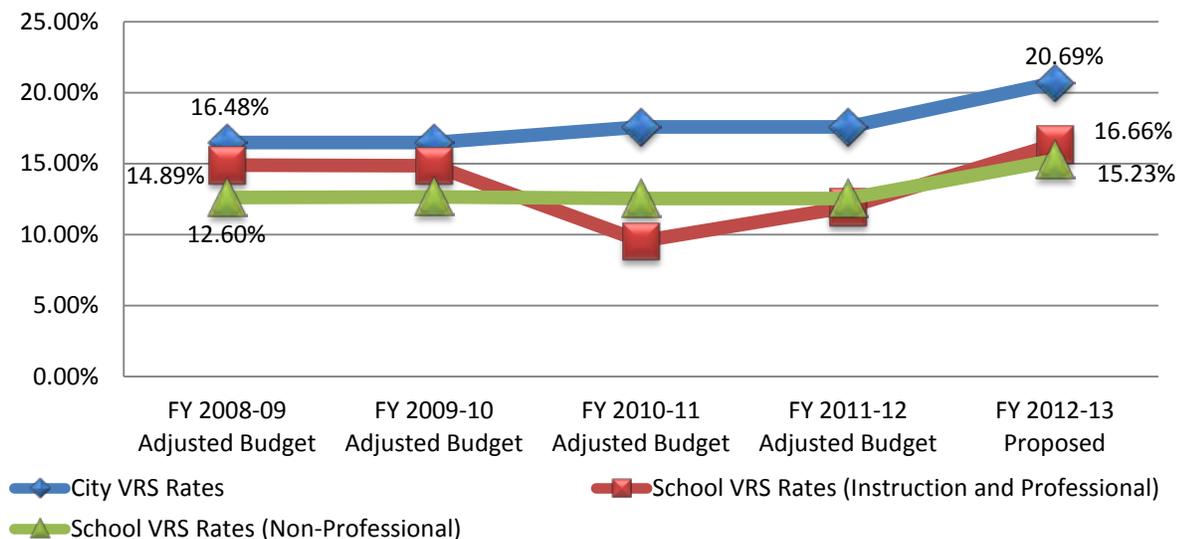
Changes the General Assembly made in its 2012 session to the Virginia State Retirement System will increase costs for the City, Schools, employees, and reduce benefits to employees hired July 1, 2010 and thereafter. Both the City and School Board are required to have all employees pay 5% towards their retirement by July 1, 2016 with an offsetting 5% pay raise; however, both entities chose the option to phase-in over five years both a 1% employee contribution and a 1% pay raise. To fund the cost of the increase in fringes the offsetting pay raise for employees will produce, we have provided \$800,000 to the Schools, and included compensation reserves for the City totaling \$1,092,225 (\$792,225 for employees hired prior to July 1, 2010 and \$300,000 for employees hired on or after July 1, 2010). Shown in the adjacent graphs are a recent history of retirement costs and rates paid by both the City and Schools showing costs trending upward since FY 2010-11. Rates and costs for FY 2012-13 include the 1% employee portion for comparison purposes.

City and Schools VRS Pension Costs
(Including Employee 1%)



* Amount budgeted by Schools for FY 2012-13 is a City estimate.

VRS Pension Rates for City and Schools
(Employer and Employee Share Combined)

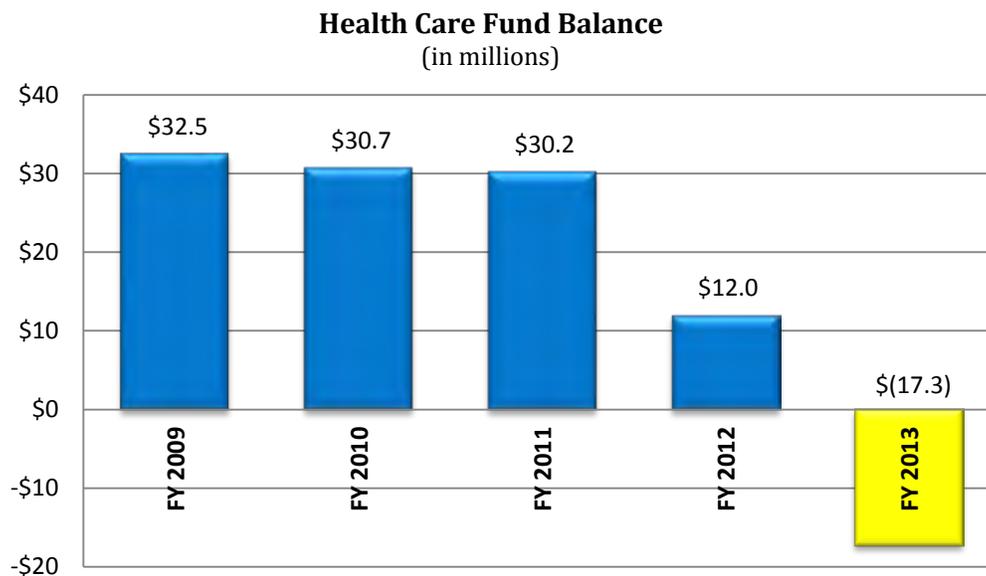


Other changes that will be impacting employees include:

- For employees who are not vested in VRS by January 1, 2013 and for Plan 2 employees (hired July 1, 2010 and thereafter) their benefits have changed. The multiplier for these employees will be 1.65 rather than 1.70 for all years after January 1, 2013 and 1.70 for the years prior to January 1, 2013. The calculation is based on the highest 60 months of compensation rather than 36 months. There is also a reduction in the retirement COLA cap from 5% to 3% for these employees. Public Safety positions are similarly affected with the exception of their multiplier stays at 1.85.
- After January 1, 2014 all new employees will have to be in the “Hybrid Plan” which is a combination of defined benefit and defined contribution plans. It has many changes that will affect our contribution rates and employee’s benefits under the plan. More information will be needed to determine how this will impact the City and Schools Operating Budgets, so no changes for this were reflected in FY 2012-13 yet.

Health Insurance Premium Costs

Over the last three years the City and Schools have used the health insurance fund balance to offset major changes in either the employee premiums or the employer’s contribution required because of increasing medical costs. This has allowed insurance rates to remain relatively stable through the recession, but has significantly reduced the fund balance of the fund. In addition, the GASB 45 payment of \$8 million for post employment retirement benefits has also been made through this fund. As the graph illustrates, without significant investment into the insurance program, the fund will be in a deficit status for next year.



As briefed to City Council and the School Board on March 20th, the Benefits Executive Committee is recommending that the employer contribution be increased by nearly \$23.4 million beginning in January 2013 to maintain the employer’s contribution as 80% of the total plan cost. Because the health care plan runs on a calendar year, the FY 2012-13 Operating Budget includes \$11.7 million. Due to the rising medical costs, it is anticipated that the health care program will require \$124.9 million with GASB 45 requiring an additional \$8 million for a total cost of \$132.9 million of which the employer share is \$106.3 million. The remaining 20% will have to be made up through employee premiums. Premiums were determined based on using the employer contribution to cover 90% of the active employee and 60% of dependent costs. While the employee contributions are increasing for 2013, it is important to remember that employees who participate in the Wellness for Life program can significantly reduce their costs.

Closing the Gap in Funding Risk Management Costs

The FY 2012-13 Operating Budget continues the initiative begun in the FY 2011-12 Operating Budget to close the gap in funding the City's Risk Management Fund needs to cover 70% to 100% of its actuarial estimate within five years (by FY 2015-16) with a goal of 75%. For FY 2012-13, the City increased funding by \$1.83 million for the Risk Management Internal Service Fund. The percentage of accrued liabilities funded can vary depending on the actual claims experience. The additional amount provided to the Risk Management Fund in the FY 2011-12 Operating Budget was \$4.03 million.

Changes in Schools Operating Budget

For the FY 2012-13 Schools Operating Budget, the School Board initially requested \$851.6 million, which was \$36.4 million more than the City initially provided. In the FY 2012-13 Proposed Operating Budget, the City Manager included \$18.8 million of the additional request, and City Council closed the remaining gap with \$13.5 million to fund operations including 2% of the School Board's requested 3% pay raise for School employees. With Council adjustments, \$847.5 million was funded for Schools from all funding sources. The School Board later reduced their request by \$307,351 leaving \$3.73 million unfunded. The School Board restored most, but not all of the programs originally targeted for reduction in the Superintendent's Estimate of Needs and agreed with City Council to provide a 2% pay raise (excluding the 1% pay raise provided for the phase-in of the 5% employee contribution to retirement).

Opening of New City Facilities and Addressing Capital Infrastructure Needs

Additional operating, maintenance and debt service costs (\$9.4 million) are included in the City's FY 2012-13 Operating Budget for the opening or accounting for full-year of operations of four new facilities that were of high priority to City Council: the Virginia Beach Animal Care and Adoption Center (opened December, 2011 with 10 new FTEs), Virginia Beach-Tidewater Community College Joint Use Library (opening March, 2013 with 39 new FTEs), Williams Farm Recreation Center (opening September, 2012 with 22.63 new FTEs of the 50.81 needed), Town Center Fire and Rescue Station (opening July, 2013 with 12 new FTEs). Staff members have been or will be hired prior to facility opening due to training requirements or other start-up needs. This involves increased staffing of 68.6 FTEs. Hiring will be delayed for about 28 FTEs for the Williams Farm Recreation Center as staff will be temporarily transferred from Bow Creek Recreation Center and from Kempsville Recreation Center to Williams Farm Recreation Center during Bow Creek and Kempsville renovations. Bow Creek is anticipated to reopen in FY 2014-15, and Kempsville is anticipated to open in FY 2015-16 at which time the remaining staff members will be added for Williams Farm Recreation Center.

With the State's declining support for transportation funding, the City will use part of its 2-cent portion of the 6-cent real estate tax increase for transportation needs, such as Greenwich Road Crossover, Sportsplex Drive, and a turn lane at Indian River Road and Princess Anne Road. Also, the City increased pay-as-you-go funding and used proceeds from Bond Premiums for the Capital Improvement Program. This funding was used mainly for storm water and parks and recreation for rehabilitation of existing infrastructure including Bow Creek Recreation Center and Kempsville Recreation Center, rehabilitation of historic houses/museums, mitigation study for Pleasure House Point, dredging of Bayville Creek, funding to begin the legal and permitting work for beach restoration for Chesapeake Beach Bay beaches, and economic and tourism development projects for development of the Strategic Growth Areas.

Fuel and Energy Increases

Rising gasoline prices are squeezing the City's budget as they are for families and businesses. According to the American Automobile Association's Daily Fuel Gauge Report as of March 19, 2012, average price per gallon of unleaded and diesel were slightly less in the Norfolk-Virginia Beach-Newport News Metro area than for the State or nation, and has increased 9.1% for unleaded and 5.6% for diesel compared with March 19, 2011. The City's price for fuel is based on OPIS (Oil Pricing Index Service); the OPIS price changes daily. Through this fuel contract, the City is paying an average of \$2.88 for unleaded and \$3.14 per gallon for diesel from July through February in FY 2011-12, which is 28% higher for unleaded and about 29% higher for diesel than the same period in FY 2010-11. On average the City's fuel utilization is split 50/50 between unleaded and diesel.

Price Paid Per Gallon for Fuel

	As of March 19, 2011			As of March 19, 2012		
	Unleaded	Diesel	Average (Unleaded and Diesel)	Unleaded	Diesel	Average (Unleaded and Diesel)
Norfolk-Virginia Beach-Newport News Metro	\$ 3.45	\$ 3.79	\$ 3.62	\$ 3.76	\$ 4.00	\$ 3.88
			Percent Change	9.1%	5.6%	7.3%
Virginia	\$ 3.47	\$ 3.82	\$ 3.65	\$ 3.76	\$ 4.04	\$ 3.90
			Percent Change	8.3%	5.8%	7.0%
Nation	\$ 3.55	3.95	\$ 3.75	\$ 3.84	\$ 4.30	\$ 4.07
			Percent Change:	8.3%	8.9%	8.6%

City Cost for Fuel

	July – February FY 2010-11			July – February FY 2011-12		
	Unleaded	Diesel	Average (Unleaded and Diesel)	Unleaded	Diesel	Average (Unleaded and Diesel)
Virginia Beach Municipal Government*	\$ 2.25	\$ 2.43	\$ 2.34	\$ 2.88	\$ 3.14	\$ 3.01
			Percent Change:	28.0%	28.9%	28.5%

* Excludes the 18-cent mark-up charged by Public Works – Automotive Services Division to City departments.

Sources: AAA Daily Fuel Gauge Report, 3/19/12. Department of Public Works, Automotive Services Division

The City is budgeting \$52.2 million for fuel and utility costs in FY 2012-13, which is a decrease of 0.9% or \$467,000 less than was budgeted in FY 2011-12. By the end of February 2012, citywide expenditures for fuel and utilities were running 6% higher than the same period in FY 2010-11. If this trend holds through year-end, FY 2011-12 expenditures for fuel and utilities will be \$54.0 million or \$1.37 million over budgeted amounts. To address an anticipated increase in fuel and energy costs, a reserve has been budgeted at \$1.5 million in FY 2012-13 as was done in FY 2011-12.

City Cost for Fuel and Utilities

	Actual FY 2010-11	Budgeted FY 2011-12	Budgeted FY 2012-13	\$ Change over FY 2011-12	% Change over FY 2011-12
City - Fuel	\$ 6,673,839	\$ 5,747,684	\$ 6,880,063	\$ 1,132,379	19.7%
City - Utilities	44,251,480	46,897,946	45,298,013	(1,599,933)	-3.4%
Subtotal Fuel and Utilities	50,925,319	52,645,630	52,178,076	(467,554)	-0.9%
Fuel and Energy Reserve		1,500,000	1,500,000		
Total Fuel and Utilities	\$ 50,925,319	\$ 54,145,630	\$ 53,678,076	\$ (467,554)	-0.9%

Salary Increases

To expand upon the issue of employee compensation, it should be noted that since the economic downturn, City and School employees have not received a pay raise in the last three of four years. In FY 2011-12, City employees received the first raise in three years of 2.5% and School employees received a combination of a 0.5% increase in base pay and a 2.5% bonus. For FY 2012-13, a salary increase is not being proposed for City employees, except as required by the State to offset the requirement that employees pay 1% of their retirement costs. As mentioned previously, overall compensation will increase due to rising rates from the State for pension, life insurance, and rising health care premium costs. The School Board had proposed 3.0% salary increase to stabilize salaries from FY 2011-12 when a 2.5% bonus and 0.5% base pay increase were provided; however City Council provided funding to fund a 2% pay raise to maintain parity with the pay raise City employees received in FY 2011-12 and the School Board affirmed that decision when they reconciled their budget with City Council's approved budget.

Personnel Reductions for City and Schools

Since FY 2008-09, the City and Schools combined have eliminated 293.72 FTEs. For FY 2012-13, the School system includes 10,322.52 FTES, which is a net decrease of 64.75 FTEs from FY 2011-12. Some of those positions were funded by Federal American Recovery & Reinvestment Act stimulus funds, which are no longer available. For the City, the net increase of 43.97 FTEs is a combination of eliminating FTEs and adding new City FTEs in critical service areas to address City Council's priorities such as: the Joint Use Library (39 FTEs in FY 2012-13), Town Center Fire and Rescue Station (12 FTEs), Williams Farm Recreation Center (17.63 FTEs in FY 2012-13) storm water maintenance for off road ditches, project management for storm water drainage maintenance projects, museums (2 FTEs) and lake management projects (8 FTE's). It is important to note that additional staffing of about 28 FTEs will ultimately be needed for the Williams Farm Recreation Center that will temporarily utilize staff from Bow Creek (until FY 2014-15) and Kempsville Recreation Center (until FY 2015-16) when the Bow Creek and Kempsville Recreation Centers' modernizations are completed. Positions for storm water are supported by storm water fees, whereas the other positions are supported by general tax revenues. A complete list of added and deleted City and School positions begins on page 65. For the positions eliminated, there will be a need to deploy the Employee Transition Program to transition these employees to other vacancies.

Service Reductions Over Last Four Years

In response to declining revenues as a result of the economic recession, the City and Schools have reduced services over the last four years since FY 2008-09 including:

- One position in Consumer Affairs Office was eliminated in FY 2009-10, and the entire program was eliminated (remaining three positions) in FY 2010-11. Services reverted to the State.
- Human Services eliminated 32.23 positions in FY 2010-11 that increased waiting lists and/or the availability of programs in Case Management, Respite Care, Rehabilitation Services, Resource Development Program, Weekend Residential Program at Pendleton Child Service Center, SkillQuest Program, summer camp subsidies in the Family Support Program, Adult Day Treatment Program, Supportive Living Homes Program, Employment Services Program, Child/Youth Mental Health Program, Mental Health Programs, HIV Prevention and Outreach Program, Supportive Living Program, and Juvenile Detention Center.
- Elimination of the Year-Round School Program
- Elimination of positions at the Schools Central Office
- Elimination of 48 teaching positions, which resulted in class size adjustments for grades K through 12
- Citywide, all departments reduced training and travel budgets by 10% in FY 2009-10.
- After July 1, 2010 all new City employees were required to contribute 5% towards their retirement.
- Library Operating Hours - In FY 2010-11, the eight branch libraries began closing at 7:00 p.m. rather than 9:00 p.m.; this represented a 13.6% reduction in hours of operation of branch libraries (excluding the Meyera E. Oberndorf Central Library).
- Divided Highway Mowing Cycle - Due to the recessionary impacts on the budget, the mowing cycles for divided highways reverted to 23 days in FY 2010-11 from 18 days in FY 2008-09 and FY 2009-10. For FY 2011-12 and FY 2012-13, the mowing cycle will be 20.5 days. For comparison purposes, the cycles in Norfolk and Chesapeake are 17 and 21 days respectively. Parks and Recreation's goal is not to exceed an 18 day mowing cycle.
- Public Safety has not been spared cuts to services and programs. In FY 2010-11, the Police eliminated ten Police Officer positions, affecting mainly the Detective Bureau and Special Investigations (6.0 FTES) that would reduce arrests made related to prostitution, sale of drugs and property crimes, followed by the Motorcycle Traffic Safety Unit (3.0 FTES), and Public Information Unit (1.0 FTE). The Fire Department eliminated one civilian Fire Inspector,

which reduced the number of annual fire inspections from 8,700 to 8,000 in commercial facilities for life safety issues and code violations.

- Funding for roadway pavement maintenance has not kept up with the cost of petroleum and has resulted in delays in roadway resurfacing from 19 years in FY 2009-10 to 25 years in FY 2012-13.

The FY 2012-13 Operating Budget strives to prevent further erosion of services and quality of life in the City as citizen satisfaction levels are starting to decline in some areas as shown in the 2011 Citizen Survey. From the period before the decline in revenues and hence budget reductions (2007) to the most recent survey (2011), the citizens overall satisfaction in City services has declined from 93.4% in 2007 to 91.4% in 2009 to 91.0% in 2011. Although the decline is not significant and many factors may serve as explanations, the budget reductions may contribute to this decline. Notable declines in citizen satisfaction from 2009 to 2011 were for “Overall Appearance of Your Neighborhood” and “City Trash Collection & Recycling Services”. Areas showing declines in satisfaction from the 2007, 2009 and 2011 Citizen Surveys include:

Citizen Satisfaction With:	2007	2009	2011
Overall Satisfaction with City Services	93.4%	91.4%	91.0%
Maintenance of Existing Roads and Bridges	64.3%	62.8%	61.1%
Satisfaction with Police Services	94.0%	92.2%	92.2%
Recreation Centers	96.8%	95.2%	93.5%
City Parks	95.2%	93.2%	93.6%
Trash/Recycling	90.4%	90.4%	83.6%
Courtesy of City Employees	94.2%	90.4%	91.3%

On-Going Efforts to Reduce Costs and Improve Efficiencies

While the Budget adds new positions and programs based on City Council priorities, there is an on-going commitment to provide quality services in the most productive, efficient, and cost effective way possible. These multiple efforts include:

- The City is privatizing its Print Shop Operations to a private contractor, which will save \$207,084 and eliminate 5.0 FTEs in the FY 2012-13 Operating Budget.
- The City is working with Hampton Roads Partnership on a project to share services among the cities of Chesapeake, Norfolk, and Virginia Beach to regionally reduce the cost of providing services.
- In addition, the City is fully engaged with City Council’s Process Improvement Steering Committee to rethink City processes to improve efficiencies and reduce costs where possible, and improve communications within the organization and between the City and its customers.
- The combined efforts of departments and teams resulted in 154 quality and productivity initiatives being completed in 2011 as reported in the **2011 Striving for Excellence Report** resulting in service enhancements through improved customer service and increased productivity, process improvements, and technology improvements. These initiatives saved \$2.39 million, avoided costs of \$411,684, generated new revenues totaling \$571,156, realized grants totaling \$5,212,907, and generated donations of \$22,250.
- One example involved a multi-year project to conserve energy at all six community recreation centers including replacing pool mechanical equipment, building heating and air conditioning mechanical equipment, and replacing interior and exterior lighting fixtures with more energy efficient light fixtures. Total kilowatt hour electrical consumption was significantly reduced during the period of FY 2008-09 through FY 2010-11 by 4,719,000 kilowatt hours that reduced electrical services costs by \$328,317.
- Improving service to its customers, the Department of Planning launched a new web-based permitting system in October 2011, that provides 24/7 customer service enabling customers to obtain building related permits for simple projects, schedule inspections, view inspection results, and authorize a credit card payment. The launch of these online services was an important step in the City’s goal to provide increased access to many of its building

and planning activities. Additionally, field services have been improved through the use of rugged personal computers to provide field inspectors access to more information concerning plans, permits, and previous inspections.

- The City continues to rely heavily on volunteers to increase the capacity of the government to provide services that may not otherwise be provided. For FY 2010-11, there were 20,020 volunteers that contributed 1,390,015 hours of volunteer service valued at \$19,162,199. This was equivalent to 661 FTEs and a real estate tax rate savings of 3.5¢ per \$100 of assessed value.





Capital Improvement Program

Capital Improvement Program

The Capital Improvement Program (CIP) identifies the funding needed for construction of City facilities, modernization of schools, replacement of utility infrastructure, 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 2012-13 through FY 2017-18, although only the first year, the Capital Budget, is actually appropriated. The remaining years are for planning purposes.

Overall Funding Summary

Below are tables displaying the overall CIP project cost estimates and means of financing summaries, excluding the appropriations to date, for the six year period beginning in FY 2012-13.

Summary of Projects Estimates

Project Type	Capital Budget Year 1 FY 2012-13	Remaining Years of the Capital Program Years 2 through 6	Programmed 6 Year Funding
Schools	\$ 37,391,000	\$ 187,955,000	\$ 225,346,000
Roadways	76,375,672	99,216,127	175,591,799
Buildings	11,440,849	61,169,193	72,610,042
Parks and Recreation	39,702,962	72,859,365	112,562,327
Utilities	54,226,521	318,374,900	372,601,421
Coastal	7,469,901	34,856,534	42,326,435
Economic and Tourism Development	31,677,289	103,552,257	135,229,546
Communications and Information Technology	19,282,493	20,742,672	40,025,165
Total Capital Improvement Program	\$ 277,566,687	\$ 898,726,048	\$1,176,292,735

Means of Financing

Type of Financing	Capital Budget Year 1 FY 2012-13	Remaining Years of the Capital Program Years 2 through 6	Programmed 6 Year Funding
Pay-As-You-Go	\$ 45,655,285	\$ 322,706,363	\$ 368,361,648
General Fund Undesignated Fund Balance	18,202,054	35,000,000	53,202,054
Other Fund Balance/Retained Earnings	21,889,582	25,000,000	46,889,582
State and Federal Funds	56,029,135	63,897,433	119,926,568
Bonds and Lease Purchases	134,454,200	449,001,922	583,456,122
Other Sources	1,336,431	3,120,330	4,456,761
Total Financing 6-Year Period	\$ 277,566,687	\$ 898,726,048	\$ 1,176,292,735

Over the last several years, a decline in City resources resulted in a fundamental shift in how the CIP is funded. Means of financing such as pay-as-you-go and fund balance have been redirected from the CIP to both the City and Schools operating budgets for the purpose of sustaining critical services. This is most apparent when the Adopted FY 2012-13 CIP means of financing is displayed next to the means of financing from previously adopted capital improvement plans. Next is a table that displays the total programmed means of financing for the Adopted FY 2012-13 CIP compared to the four previously adopted CIPs.

Five Year CIP Means of Financing Comparison

Type of Financing	FY 2008-09 6 Year Programmed Funding	FY 2009-10 6 Year Programmed Funding	FY 2010-11 6 Year Programmed Funding	FY 2011-12 6 Year Programmed Funding	FY 2012-13 6 Year Programmed Funding
Pay-As-You-Go	\$ 502,342,433	\$436,787,513	\$323,862,947	\$334,652,758	\$368,361,648
Fund Balance/Retained Earnings	115,846,223	155,718,829	99,343,110	92,218,606	100,091,636
State and Federal Funds	127,688,127	114,695,721	84,437,645	172,797,350	119,926,568
Bonds and Lease Purchases	496,234,964	506,947,119	525,791,309	600,971,406	583,456,122
Other Sources	8,386,000	8,553,563	10,991,325	7,571,512	4,456,761
Total CIP 6 Year Financing	\$ 1,250,497,747	\$1,222,702,745	\$1,044,426,336	\$1,208,211,632	\$ 1,176,292,735

Comparing this CIP and previously adopted CIPs in this manner truly does tell a story. As mentioned above, pay-as-you-go and fund balance were diverted each year to fund City and School operations. Reduction in cash funding was primarily replaced with bonds/lease purchases and by reducing projects in the six year Capital Improvement Program, which increases the backlog of needed projects. When comparing means of financing for the FY 2008-09 CIP directly to the Adopted FY 2012-13, the overall CIP six year programmed funding has decreased by 6%. The largest reduction in funding is pay-as-you-go, which decreased by \$134 million or 27%.

Although resources have been limited over the previous five years, City Council remained focused on the needs of the community and accelerated the funding of key projects like the Joint Use Library with Tidewater Community College, Williams Farm Recreation Center, Town Center Fire and Rescue Station, and the Animal Care and Adoption Center. Once all facilities are opened, the annualized on-going costs of these facilities will total approximately \$10 million a year, including debt service. The Animal Care and Adoption Center opened in FY 2011-12 and is reflected as completed in this document. The remaining three new facilities listed above are all scheduled to open prior to the close of FY 2012-13. Overall, the on-going cost to operate these four facilities is estimated at 2.3 cents of the real estate tax rate.

The City Council has also moved key School capital projects forward including the replacement of Kellam High School and the consolidated Old Donation Center/Kemps Landing Magnet School replacement. These two projects cost over \$165 million and represent almost 6% of the entire CIP. These facilities are scheduled to open within the six year timeframe of the Adopted FY 2012-13 CIP. The replacement Kellam High School facility is scheduled to be completed in April 2014 and the Old Donation Center/Kemps Landing Magnet School replacement is scheduled to be completed in December 2016.

Both the Storm Water and Water/Sewer sections of the Capital Improvement Program have significantly increased funding over the six year program. City Council voted to increase the Equivalent Resident Unit (ERU) by a total of 17.5 cents phased-in over a three year period beginning in FY 2011-12. This additional funding will help address the significant backlogs in the areas of flood control, water quality, operations, and maintenance costs. City Council also increased the monthly sewer charge over a four year period beginning in the FY 2010-11 CIP to focus on compliance with the regional consent order issued to the Hampton Roads region by the Environmental Protection Agency and the Virginia Department of Environmental Quality. Starting in the FY 2015-16 CIP, water and sewer annual funding is proposed to increase from \$40 million a year to \$50 million a year to continue to address the requirements of the consent order.



New Animal Care and Adoption Center

Part of the funding strategy with the Adopted FY 2012-13 CIP is to begin returning to the pre-recession CIP financing strategy and replace the use of debt with pay-go and fund balance/retained earnings. The City is several years away, if ever able again, from funding the programmed six year CIP plan with nearly 49% in pay-as-you-go and fund balance/retained earnings as it did in FY 2008-09. Reversing the current CIP financing strategy is a long term plan; however, evidence is visible in the means of financing noted on the previous page. For example, the amount of non-dedicated General Fund pay-as-you-

go financing increases from \$8.4 million in FY 2012-13 to \$14.4 million in FY 2017-18. The strategy is predicated on the real estate market returning to positive growth and will be reevaluated each year.

The following table compares the first year funding in the Adopted FY 2012-13 CIP with the first year funding in last year's Adopted FY 2011-12 CIP.

Year One Sources of Funding Comparison

Type of Financing	Adopted FY 2011-12 Year 1 Funding	Adopted FY 2012-13 Year 1 Funding	Change Between Fiscal Year
Pay-As-You-Go	\$ 40,959,979	\$ 45,655,285	\$4,695,306
General Fund Undesignated Fund Balance	23,863,756	18,202,054	(\$5,661,702)
Other Fund Balance/Retained Earnings	8,194,850	21,889,582	\$13,694,732
State and Federal Funds	77,719,151	56,029,135	(\$21,690,016)
Bonds and Lease Purchases	146,317,690	134,454,200	(\$11,863,490)
Other Sources	5,110,474	1,336,431	(\$3,774,043)
Total CIP Year 1 Financing	\$ 302,165,900	\$ 277,566,687	(\$24,599,213)

The Capital Budget decreases overall by \$24.6 million between FY 2011-12 and FY 2012-13. This reduction is primarily the result of a decrease in State funding. Last year, the City of Virginia Beach received a one-time influx of State money in relation to the Governor's Transportation Plan. The use of bonds and lease purchases decreases 8% and pay-as-you-go increases by 11% mainly due to increases in storm water pay-as-you-go financing. This trend continues over the entire six year financing plan for the Adopted FY 2012-13 through FY2017-18 CIP as overall pay-go increases and debt decreases. Many benefits arise from funding the CIP with higher levels of pay-go and fund balance. The largest benefit being a reduction in future debt service costs. The City is not fully using its Charter Bond capacity in the six-year program; almost \$75 million in Charter Bond capacity is available for City Council to address capital projects of strategic importance.

All Six Years of Funding

	Approved FY 2011-12	Adopted FY 2012-13	Difference
Schools	\$ 240,504,951	\$ 225,346,000	(\$ 15,158,951)
Roadways	240,917,203	175,591,799	(65,325,404)
Buildings	61,151,926	72,610,042	11,458,116
Parks and Recreation	92,056,418	112,562,327	20,505,909
Utilities	351,086,535	372,601,421	21,514,886
Coastal	36,242,774	42,326,435	6,083,661
Economic and Tourism Development	141,379,417	135,229,546	(6,149,871)
Communications and Information Technology	44,872,408	40,025,165	(4,847,243)
Total Capital Improvement Program	\$ 1,208,211,632	\$ 1,176,292,735	(\$ 31,918,897)

The table above compares the adopted six year program to last year. Over the next six years, the City will spend around \$31.9 million dollars less on its capital construction and maintenance needs than it planned in FY 2011-12. The largest reduction is in Roadways. While the Governor's Transportation Plan allowed important projects to move forward in the FY 2011-12 CIP like the Lesner Bridge Replacement, Witchduck Road – Phase II, and Holland Road – Phase VI, the State is no longer providing sustainable roadway construction funding. In the early 2000s, the State provided \$28 million a year in funding as compared to no sustainable funding source in the Adopted CIP. The City Council added local funding for two new projects – Greenwich Road Crossover and Sportsplex Drive.



College Park Elementary School

Overall, the Schools CIP is decreasing mainly as a result of three funding issues: (1) the loss of State lottery funds for construction; (2) the loss of State school construction funding; and (3) the School Board's redirection of pay-as-you-go funding back to the School's Operating Budget to preserve critical services. Even with the reduction to these funding sources, the Schools section includes funding

for the replacement of Kellam High School, the consolidation of Old Donation Center/Kemps Landing Magnet School, and the modernization of John B. Dey Elementary School.

Utilities, both Water/Sewer, and Storm Water are increasing due to the rate increases noted above to address the storm water backlog and the regional consent order.

The Buildings section is increasing as additional emphasis is placed on the maintenance of our existing infrastructure, including maintenance of HVAC systems, general building maintenance/renovations/repairs, replacing fire apparatus, improving the fire training center, supporting the Heritage Building maintenance program and renovating the Chesapeake Bay aquarium. The Buildings section also addresses important long-standing building needs, including replacement of the fourth police precinct, and the inclusion of the Virginia Aquarium Marine Animal Care Center.

Parks and Recreation increases over the six year period with 73% of project resources being allocated to facility maintenance, renovations and repairs. The two primary funding sources for the Parks and Recreation CIP, outdoor initiative and the dedicated recreation center tax, are predicated on real estate tax revenue, which is declining due to the continuing decrease in assessments. Five projects are receiving additional funding sources beyond the normal Parks and Recreation dedicated taxes. The first is the replacement of the Parks and Recreation administrative offices on Lynnhaven Parkway. This project has been a top priority replacement project in the City for several years and will relocate existing staff to a new facility within the City. The existing facility is 70 years old and was initially used to house troops at the Nike missile base. This facility has depreciated beyond repair and beyond its useful life. The second project is the preservation of Pleasure House Point, which City Council approved on March 13, 2012. The third project is additional funding for repair and renovation of the City's bikeways. The fourth new project is the Thaila Greenway project in the Town Center Strategic Growth Area, which takes advantage of the natural amenities associated with Thailia Creek. The final project is the modernization of Kempsville Recreation Center (this project was not in the City Manager's Proposed Budget but was in the approved FY 2011-12 through FY 2016-17 Capital Improvement Program). A total of 28 FTEs needed for opening the Williams Farm Recreation Center can be deferred until FY 2015-16 while the Bow Creek and Kempsville Recreation Centers are being renovated.

As the City Manager noted in his transmittal letter for the FY 2011-12 Resource Management Plan, a goal is to increase the organization's funding to meet the organization's information technology needs over the next five years. While slightly decreasing over the six years, much of the funding focuses on public safety technology needs, including replacing public safety radios, computer aided dispatch workstations, transmitter sites, public safety vehicle mobile computer terminals, and various other types of communication hardware. One new technology project will focus on a police integrated public safety record management system. One project, the bi-weekly payroll project, was deleted at reconciliation by the City Council and its funding dispersed to other priorities.

The Economic Vitality section continues to focus on the Oceana Interfacility Traffic Area Conformity and Acquisition project and the strategic growth area program, but additional funding was added to address maintenance needs at the Convention Center and the Rudee Inlet Connector Walk.

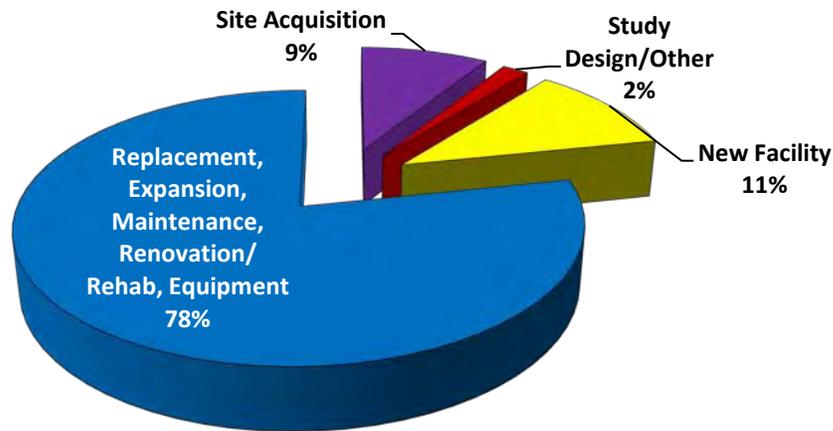
The Coastal section reflects the Old Donation Creek neighborhood dredging project and the Bayville Creek neighborhood dredging project, which were adopted by City Council earlier this fiscal year. This section also includes funding beach replenishment legal and permitting work for the Chesapeake Bay beach, Oceanfront beach and Sandbridge beach.

As displayed in the next chart, the Adopted FY 2012-13 CIP over the next six year period places heavy emphasis in the maintenance, renovation, rehabilitation and replacement of existing facilities and equipment.



Laskin Road Gateway

Funding By Project Type



Programmed funding over the next six years is included for the replacement of Princess Anne Middle School, Old Donation Center/Kemps Landing Magnet School consolidation, Kellam High School, John B. Dey Elementary School Modernization, Police Department Fourth Precinct and the Parks and Recreation Administrative Offices (Citywide Programs). Several of these projects are fully funded in the six year plan of the Adopted FY 2012-13 CIP.

Due to the extensive backlog of building projects, a major initiative to rank all of the building needs was initiated several years ago. This effort resulted in a “Top 13” list of building needs. Below is a summary of these projects and the status of funding. Most of these projects are now fully funded, and it is anticipated that another effort will be undertaken to rank additional projects

“Top 13” Facility Replacement Priority List

Priority	Project	Status as of FY 2012-13 CIP
1	Replace Animal Care and Adoption Center and K-9 Unit	Reflected as Completed in FY 2012-13 document
2	Replace Parks and Recreation Citywide Programs Office (currently located on Lynnhaven Parkway)	Funded for construction
3	Relocate Resort Maintenance Compound away from 14 th Street	Not funded – financing strategy is to swap City owned property for a building and equipment shelters
4	Replace Fire/Large Vehicle Repair Shop at Leroy Drive	Funded for construction, which is anticipated to be completed December, 2013
5	Replace Euclid Yard Buildings	Not funded
6	Relocate EMS Administration Building and Treasurer’s Beach Branch	EMS portion complete -Treasurer’s not funded
7	Replace Town Center Fire and Rescue Station (Thalia)	Funded for construction, which is anticipated to be completed June, 2013
8	Replace Police Special Operations/Evidence Storage/Forensics Complex at Leroy Drive	Funded for construction, which is anticipated to be completed November, 2013
9	Replace Parks and Recreation Landscape Services/Parks Construction Facilities (currently located on Lynnhaven Parkway)	Not funded - funding for construction planned to come from swapping the City owned property for a new building
10	Replace Chesapeake Beach Fire and Rescue Station	Funded for construction, which is anticipated to be completed September, 2013
11	Replace Police Fourth Precinct	Funded for construction
12	Replace Public Works/Highways Modular Buildings at Dam Neck	Not funded
13	Replace Blackwater Fire and Rescue Station	Funded for construction

The FY 2012-13 Capital Improvement Program reflects the implementation of a new method in budgeting and accounting for capital improvement projects. Previously, all funding sources such as bonds, fund balance, pay-as-you-go, grants, State and Federal funding were attached specifically to individual capital projects. This approach created tremendous amounts of work throughout the year managing these funding sources within each project. When funding is transferred between projects, the estimated revenue and realized revenue must also be transferred with the appropriations. This approach creates a lot of accounting work and additional detail but little information value, given the multi-year issues associated with CIP accounting. Since FY 2007-08, the two departments that most directly deal with CIP project funding allocations, Management Services and Finance, lost a combined 14 net positions. The loss of these positions required these departments to continue the search for a more efficient method of budgeting and accounting for City capital projects.



In the FY 2012-13 CIP, the specific means of financing will no longer be controlled at the project level; however, the means of financing is controlled at the macro level. This new budgeting and accounting strategy is outlined as follows:

- Identification of an overall need of funding for the completion of the required project.
- Revenue is identified and allocated to the specific project only if it is project specific. Examples of project specific funding sources include Virginia Department of Transportation (VDOT) funding, grant funding, etc.
- Local sources of revenue are then utilized to fund the remaining cost of the project. Local funding sources are used in priority order of cash (pay-as-you-go and fund balance) and then the use of debt (charter bonds, public facility bonds or utility revenue bonds).

Individual project pages within the CIP document no longer display bonds, pay-as-you-go, and fund balance in relation to each project, since they are local sources and will definitely be realized. Projects will only reflect project specific revenues allocated to each project and a revenue source titled “Local Funding”. The financing source titled “Local Funding” is a combination of bonds, pay-as-you-go and fund balance, all of which will be realized in total to balance the entire CIP, but no longer budgeted or accounted for at the project level. The CIP will maintain the details associated with every revenue source labeled as “Local Funding”; however, these will be included in the overall section summaries and in the overall CIP funding summary. Providing the detailed means of financing at the macro level keeps the Adopted FY 2012-13 CIP in compliance with City Code §2-195 requiring the City Manager to “prepare and submit to the City Council at least ninety (90) days prior to the beginning of each budget year, a capital improvement program, which shall include the City Manager's recommendations, and estimates of the cost of capital improvements and the means of financing them to be undertaken in a period not to exceed six (6) years.”

This project financing method benefits City staff, readers of this document, and the citizenry in a couple of ways. City staff will now be able to better focus on ensuring the few project specific revenues are fully realized and reduce the unnecessary time spent reallocating specific local funding sources in order to balance each project. As a result of this budgeting method, time saved in preparing this document afforded staff the opportunity to prepare and provide a more detailed overall debt analysis in the Operating Budget, including a summary of outstanding debt.



Performance Measures

Performance Measures

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.

For each business area, community indicators, a comparison of selected community indicators with other regional cities, and key departmental performance measures related to the business area are provided.

Please note that with the continued release of new census data 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.

Performance Measurement Initiatives

In an effort to strive for continuous improvement and greater accountability to the citizens of Virginia Beach, the City recently began a new initiative to enhance departmental performance measurement. The Performance Outcome Measurement Pilot (POMP) project began in early 2011 and was a partnership between the Department of Management Services, the Parks and Recreation Department, and the City’s Organizational Development Office. Staff from each of these departments met and developed a framework for the pilot program to test on departments in an effort to enhance the City’s performance measurement program.

Once the framework was developed, the City’s Management Leadership Team (MLT) selected three departments (Public Works, Museums, and Libraries) to participate in the program. Each department established a small working group that met regularly for approximately six months. During this time, these work groups focused on developing and revising the departments existing goals to better align with their vision and mission. The revision of these goals was focused on programmatic areas within each department. Once these program areas were identified and goal statements were developed, each team worked through a process guided by a model to identify inputs and outputs for each goal statement.

With past initiatives related to performance measurement, this is typically where the process ended and performance measures were limited to outputs (product or service produced by program), efficiency measures (cost per output, output per worker, or output per cost of output/program), and service/quality measures (satisfaction with, accuracy of, timeliness of program/service). With the POMP process, department’s were challenged to begin building capacity to measure the impacts (i.e. outcomes) of their programs and services on their customer base. The goals of the POMP program are for departments to: change the way they look at measurement and evaluation within the context of their day-to-day operations and activities; revise their goal statements to make them more readily measureable (and to connect them more logically and seamlessly with the department’s mission and vision); and to develop a set of measures that will allow them to measure the impact that their services have on their customers.

At this point, the Library Department and the Facilities Management Office, a division of the Public Works Department, have completed the POMP process. Both are now in the process of developing data collection methodologies for some of their new measures. The Museums, which were delayed due to a revision to their strategic plan, are now completing their work and developing new measures. Due to the need for data collection tools and methods, significant changes in the performance measures for these departments may not be evident in this year’s document. However, each department’s performance measures will demonstrate significant changes over the next several years.

The POMP group is now revising the process that was used with the first three departments based on lessons learned in the initial pilot program and selecting three new departments or divisions to work with in the upcoming year.

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 continue to lag due to the slow growth in the national and regional economies. The typically reliable tourism industry experienced slight declines in repeat tourism and direct tax revenue generated for 2010 and the total economic impact of agriculture regressed slightly in 2011. On a positive note, the annual unemployment rate for 2011 declined four tenths of a percent. Somewhat surprising was the growth of median household income in 2010. After a significant decline in 2009, household income rebounded, but remained below the City's high mark reached in 2008. Per Capita income increased 1.9% from 2009 to 2010, based on the revised figure for 2009 from the Bureau of Economic Analysis.

	2005	2006	2007	2008	2009	2010	2011
Income of People Moving into Virginia Beach as a Percentage of the Income of People Moving Out	92.0%	94.1%	96.2%	92.9%	100.1%	Data NA	Data NA
Change in Assessed Value of Residential Real Estate ¹	11.5%	21.7%	22.2%	20.7%	2.3%	-4.0%	-5.8%
Change in Assessed Value of Commercial/Industrial Real Estate	9.9%	11.6%	9.8%	11.0%	6.1%	5.2%	0.2%
Median Household Income	\$58,545	\$61,333	\$61,462	\$65,776	\$59,298	\$64,212	Data NA
Per Capita Income	\$39,446	\$42,229	\$44,369	\$45,787	\$44,000	\$44,857	Data NA
Unemployment Rate	3.3%	2.9%	2.7%	3.7%	6.1%	6.4%	6.0%
Percent of the Labor Force in the Armed Forces	8.4%	8.9%	7.3%	9.1%	7.3%	5.0%	Data NA
Economic Impact of Agriculture (in millions)	\$88.1	\$87.7	\$102.7	\$139.1	\$119.1	\$122.1	\$120.6
Tourists Who are Repeat Visitors	75.3%	80.9%	79.3%	78.7%	77.0%	75.2%	72.5%
Commercial Real Estate as a Percent of Total Assessments	16.8%	15.6%	14.3%	13.0%	13.7%	15.0%	15.4%
Direct Tax Revenue Generated from Tourism (in millions)	\$65.3	\$70.7	\$74.2	\$76.7	\$76.7	\$76.5	Data NA

¹This data does not show the assessment decline experienced in 2012 which was 3.3% and 2013 is projected to be an additional 5.29%

Community Indicator Comparison

The City's annual unemployment rate of 6.0% for 2011 was significantly lower than the other Cities in Hampton Roads. Chesapeake had the second lowest rate, which was half a percent higher for the year, while three cities experienced rates of over 8%. While per capita income declined in Virginia Beach from 2008 to 2009, it remained the highest in Hampton Roads and exceeded Chesapeake's (second highest) per capita income by over \$5,000. 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 2011	6.0%	6.5%	8.7%	8.6%	7.3%	8.3%	7.5%
Per Capita Income	CY 2010	\$44,857	\$40,812	\$35,816	\$36,762	\$36,828	\$38,678	\$32,921
Labor Force in the Armed Forces	CY 2010	5.0%	3.8%	6.8%	2.1%	3.1%	4.0%	10.6%

Key Business Area Performance Measures

	Actual			Estimated	Projected
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Existing Target Industries Expanded	54	37	46	39	39
New Target Industries Located	24	9	17	15	15
Number of Acres in the ARP	7,919	8,092	8,818	8,879	9,379
Graffiti Cases	214	120	130	120	120
Homes Improved or Provided Rehab/Emergency Repair	33	28	40	40	37
Year Round Hotel Occupancy Rate	57.9%	57.7%	59.7%	60.9%	62.1%

Family and Youth Opportunities

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

Community Indicators

After four indicators improved in the Family and Youth Opportunities business area in the FY 2011-12 budget, only two indicators showed improvement when looking at the most recent data available. The rate of teenage (15 to 17 years of age) pregnancy declined for the second straight year, while the percentage of students receiving free or reduced cost lunch broke its streak of two years of increase.

With the lag time for the release of much of this data, it is possible that the decline in performance of some of these indicators may be related to weakening of the economy that occurred in 2008 and 2009, while others can be directly linked to the impacts of the recession. The four most significant increases in the past year occurred in the percentage of low birth weight babies, the percentage of children living in poverty, the utilization of the Supplemental Nutrition Assistance Program (SNAP) by residents, and the percentage of renters who spend in excess of 30% of their household income on rent. Of these four, only the number of SNAP recipients and the percentage of renters who have seen in excess of 30% of their household income go toward paying their rent are the continuation of long term trends. The continuation of the slow economic emergence has placed extra service demands on the City's Health and Human Services departments.

	2005	2006	2007	2008	2009	2010	2011
Teen Pregnancy Rate	21.7	22.0	21.2	24.4	21.1	17.9	Data NA
Low Birth Weight Babies as a Percent of Total Births	8.4%	8.4%	8.5%	8.0%	6.9%	7.9%	Data NA
Residents Receiving Supplemental Nutrition Assistance Program (SNAP) Benefits	16,574	16,757	16,363	17,350	20,289	27,156	31,163
Percent of Individuals Living in Poverty	7.4%	7.2%	6.4%	6.5%	6.4%	7.5%	Data NA
Percent of Children Living in Poverty	11.7%	10.0%	10.0%	9.5%	9.6%	10.5%	Data NA
Percent of the Elderly Living in Poverty	6.7%	2.6%	5.4%	4.4%	4.9%	5.0%	Data NA
Cases of Child Abuse per 1,000 Children	10.2	8.5	5.9	4.5	5.0	5.1	Data NA
Infant Mortality Rate	7.8	10.4	7.4	5.8	5.5	7.0	Data NA
Students Receiving Free or Reduced Lunch	29.0%	26.4%	30.8%	27.2%	29.1%	31.1%	30.5%
Renters Whose Housing Expenses Exceed 30% of Household Income	47.0%	47.8%	47.8%	48.3%	49.5%	53.5%	Data NA

Community Indicator Comparison

For calendar year 2010, the City of Virginia Beach had the lowest percentage of low birth weight babies as a percentage of total births and the lowest teen pregnancy rate. Virginia Beach also had the second lowest percentage of individuals living in poverty and the second lowest infant mortality rate in Hampton Roads. Only the City's infant mortality rate declined when compared to the other Hampton Roads City's falling from first to second.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Teen Pregnancy Rate	CY 2010	17.9	18.0	43.0	47.7	22.2	32.1	30.0
Low Birth Weight Babies as a Percent of Total Births	CY 2010	7.9%	8.1%	10.0%	10.3%	11.8%	10.1%	9.2%
Infant Mortality Rate	CY 2010	7.0	5.7	12.4	13.8	7.2	6.1	10.0
Percent of Individuals Living in Poverty	CY 2010	7.5%	7.0%	16.4%	18.1%	11.3%	11.8%	14.6%

Key Business Area Performance Measures

	Actual			Estimated	Projected
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Average Temporary Assistance to Needy Families (TANF) Cases per Month	1,096	1,241	1,210	1,180	1,175
Child Protective Services Complaints Investigated	2,591	2,459	2,040	2,250	2,300
Children Receiving Dental Services	1,452	1,389	1,318	1,400	1,400
Cost per Contact with Senior Services Patients	\$11	\$10	\$11	\$12	\$12
Cost per Restaurant Inspection	\$5	\$4	\$4	\$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 that was recycled rebounded to 34% with the resumption of the yard waste mulching and composting program. The City also experienced improvement in two roadway indicators as the percentage of the City's street system meeting the minimum physical condition rating increased to 79% and the percentage of roads in the two lowest grades for transportation efficiency fell to 17%. Both figures represent the highest level achieved since the City began tracking these indicators in 2006.

In terms of commuting, City residents commute times increased for the second straight year and more residents used public transportation as compared to 2009.

	2005	2006	2007	2008	2009	2010	2011
Open Space Acreage Per 1,000 Population	13.73	14.14	15.54	14.85	15.85	16.10	16.68
Percent of Residential Waste Stream Recycled ²	31.0%	32.0%	33.0%	17.0%	17.0%	17.0%	34.0%
Percent of Street System Meeting Minimum Physical Condition Rating	Data NA	79.0%	74.0%	73.0%	74.5%	76.0%	79.0%
Percent of Roads in the Two Lowest Grades for Transportation Efficiency	Data NA	18.0%	18.2%	18.8%	18.8%	18.4%	17.9%
Citizen Satisfaction with the City's Appearance	91.4%	Data NA ¹	95.6%	Data NA ¹	94.0%	Data NA ¹	94.0%
Citizen Satisfaction with the Flow of Traffic in Virginia Beach	32.8%	Data NA ¹	36.0%	Data NA ¹	39.6%	Data NA ¹	40.2%
Average Commute Time (in minutes)	22.9	22.2	23.0	22.5	22.9	23.4	Data NA
Commute to Work Using Public Transportation	0.5%	0.9%	0.7%	1.4%	0.5%	0.8%	Data NA

¹ Based on responses to Citizen Satisfaction Survey conducted biennially

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

Community Indicator Comparison

For 2010, the City of Virginia Beach fell in the middle of all seven cities in Hampton Roads with an average commute time of 23.4 minutes. The City also 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 2010	23.4	24.8	21.0	27.4	28.7	21.6	21.1
Commute to Work Using Public Transportation	CY 2010	0.8%	1.0%	4.1%	1.6%	0.5%	3.4%	4.0%

Key Business Area Performance Measures

	Actual			Estimated	Projected
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Waste Collections Made to Residential Customers (in millions)	6.5	6.5	6.5	6.5	6.5
Roadway Resurfacing Cycle (in years)	28.0	19.0	18.0	24.0	25.0
Completed Storm Water Maintenance Work Orders	5,391	6,955	5,071	6,000	6,000
Linear Feet of Sanitary Sewer Inspected via Closed Circuit TV	172,570	111,983	283,894	185,000	185,000
Sanitary Sewer Main Cleaned (in millions of feet)	1.1	1.2	1.0	1.3	1.0
Water Main Breaks per 1,000 Miles	158	116	167	133	150
Sanitary Sewer Overflows Reported Per 100 Miles of Main	2.5	2.3	0.8	1.8	1.1
Water Meters Replaced	6,848	7,234	7,089	7,300	9,500
Zoning Inspections Performed	35,446	40,543	40,484	43,488	43,488

Cultural and Recreational Opportunities

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

Community Indicators

In 2011, the percentage of the City's population with a membership to a City recreation center declined from 2010, but remained above 10%. There was a significant increase in the number of residents receiving free or reduced cost access to City recreational programs and facilities. This is due to a decision to provide this benefit to students at all 15 Title I Schools; previously, the benefit was only extended to students at the three Title I Schools at the tri-campus.

The City also continues to add to its inventory of multi-use trails and on street bike facilities.

	2005	2006	2007	2008	2009	2010	2011
Percent of Population with City Recreation Facility Membership	9.9%	9.9%	9.7%	9.5%	9.7%	10.9%	10.5%
Residents Receiving Access at a Reduced Cost to City Recreational Programs and Facilities	452	560	512	606	573	706	1,370
Miles of City Multi-Use Trails	53.44	57.44	60.44	61.14	61.84	73.74	74.7
City Roadway Miles with On Road Bikeways ¹	9.65	9.65	9.65	9.65	9.65	21.99	25.4

¹This total includes paved shoulders as well as delineated bike lanes.

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	Projected
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
IMAX Theater Attendance	149,744	130,371	100,124	100,000	110,000
Visitors to the Aquarium	598,119	635,212	620,590	615,000	610,000
Event Days at the Sandler Center	204	404	744	724	724
Average Mowing Frequency for Divided Highways	18.0	19.6	25.2	22.0	20.5
Citizen Satisfaction with Parks	93.2%	93.2%	93.0%	93.6%	93.6%
Park Visits (in thousands)	2,631	2,448	2,454	2,461	2,461
Citizen Satisfaction with Recreation Centers, Classes, and Programs	95.2%	95.2%	95.0%	93.5%	95.0%
Recreation Center Memberships	42,559	47,849	46,451	38,704	40,639

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 2011. In 2010, the percentage of adults with graduate degrees grew for the first time since 2006, while the percentage of adults with undergraduate degrees grew for the second straight year. The City has also experienced six straight years of decline in the percentage of children entering kindergarten lacking basic reading skills.

	2005	2006	2007	2008	2009	2010	2011
High School Graduation Rate	Data NA ¹	Data NA ¹	Data NA ¹	84.2%	85.3%	85.5%	86.7%
Residents Over the Age of 25 Who Have a Graduate or Professional Degree	10.0%	11.0%	11.0%	10.6%	10.0%	10.9%	Data NA
Residents Over the Age of 25 Who Have an Undergraduate Degree	31.0%	31.0%	32.4%	30.9%	31.1%	31.6%	Data NA
Percentage of Public Schools that are Fully Accredited	100.0%	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%
Kindergarten Children Needing Reading Remediation	18.6%	13.8%	13.0%	12.0%	11.5%	11.2%	10.0%
Dropout Rate – Grades 9 through 12	Data NA ¹	Data NA ¹	Data NA ¹	5.5%	6.1%	6.8%	6.3%

¹ In order to more accurately calculate graduation rates, the State has developed the “Virginia On-Time Graduation Rate”. The graduating class of 2008 is the first high school cohort for which there are four years of longitudinal data. The records of students who entered the ninth-grade for the first time in 2004 were linked to their records four years later to determine their graduation or completion status and calculate the 2008 Virginia On-Time Graduation Rate for school divisions. Along with the graduation rate, the dropout rate for these students was also calculated. This represents a different methodology for calculating the dropout rate similar to the new methodology for calculating the graduation rate. Therefore this data differs from previous reports of this data.

Community Indicator Comparison

Virginia Beach maintained the second highest graduation rate for the 2011 school year and the third lowest dropout rate in Hampton Roads. The City also maintained its rank for the third straight year 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 third year in a row.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
High School Graduation Rate	SY 2011	86.7%	90.3%	73.6%	77.3%	81.2%	84.8%	80.9%
Dropout Rate - Grades 9 through 12	SY 2011	6.3%	5.6%	15.7%	13.6%	10.8%	4.8%	6.9%
Residents Over the Age of 25 Who Have a Graduate or Professional Degree	CY 2010	10.9%	11.3%	9.3%	6.5%	10.1%	8.0%	9.3%
Residents Over the Age of 25 Who Have an Undergraduate Degree	CY 2010	31.6%	29.3%	24.8%	18.8%	26.0%	24.1%	24.9%

Key Business Area Performance Measures

	Actual			Estimated	Projected
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Library Program Attendance	86,288	112,073	112,070	95,390	95,000
Library Materials Circulated (in thousands)	3,344	3,498	3,636	3,688	3,700
Turnover Rate of Library Material	3.7	3.4	4.2	4.2	4.1
Library Virtual Visitation (in thousands)	1,321	1,453	1,596	1,677	1,761

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 fifth straight year and the property crime rate also fell for the second straight year in 2011. The number of juvenile arrests declined for the fifth straight year in 2011. In terms of the perception of safety in the City's public schools, the perception of safety fell among 5th grade students, while the perception for 8th and 12th graders improved.

	2005	2006	2007	2008	2009	2010	2011
5th Graders Perception of Safety in Public Schools	81.8%	83.2%	92.8%	93.5%	94.2%	Data NA ¹	92.8%
8th Graders Perception of Safety in Public Schools	52.8%	50.8%	67.1%	68.7%	66.0%	Data NA ¹	70.2%
12th Graders Perception of Safety in Public Schools	65.8%	68.9%	87.4%	82.1%	82.2%	Data NA ¹	83.6%
Violent Crime Rate	2.6	2.9	2.5	2.4	2.1	1.9	1.8
Property Crime Rate	30.9	30.0	30.4	29.2	30.9	30.4	27.7
Residents Who Believe Their Neighborhood is Safe	94.8%	Data NA ²	92.8%	Data NA ²	93.6%	Data NA ²	92.0%
Number of Structural Fires	415	455	470	471	486	463	425
Number of Juvenile Arrests	3,974	4,558	4,393	4,191	3,205	2,812	2,651

¹The 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.

²Based on responses to Citizen Satisfaction Survey conducted biennially.

Community Indicator Comparison

For 2011, Virginia Beach had the lowest property crime rate and the lowest violent crime rate in Hampton Roads. While the City has maintained the lowest violent crime rate in the area, the City had a higher property crime rate than Suffolk for many years. The City had the fourth highest percentage of juvenile arrests when compared to all arrests.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Violent Crime Rate	CY 2011	1.8	4.0	5.9	5.9	3.0	2.7	4.7
Property Crime Rate	CY 2011	27.7	32.7	50.4	55.8	28.3	38.8	34.1
Juvenile Arrests as a Percentage of Total Arrests	CY 2011	10.2%	3.9%	10.6%	3.9%	3.2%	12.4%	10.7%

Key Business Area Performance Measures

	Actual			Estimated	Projected
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Arson Cases Cleared	24.0%	19.0%	40.8%	40.8%	40.8%
Conviction Rate for Domestic Violence	78.0%	78.0%	87.0%	75.0%	75.0%
Conviction Rate for Violent Felonies	96.0%	94.0%	96.0%	94.0%	94.0%
Bail Hearings Conducted	42,955	39,368	39,000	39,000	39,000
911 Calls Received	232,599	236,162	230,300	237,824	235,000
Priority 1 EMS Calls Processed in Under 2 Minutes	85.2%	86.4%	86.4%	83.0%	83.0%
Time that 9 Ambulances are Continuously Staffed	86.0%	85.0%	92.0%	100.0%	100.0%
Clearance Rate - Violent Crime	59.7%	62.2%	62.9%	62.0%	60.0%
Average Police Response Time to Emergency Calls (in minutes)	6.6	6.7	6.6	6.7	6.7

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 City Auditor's Office.

Community Indicators

After growing by half a percent from 2008 to 2009, average real estate taxes as a percentage of median household income declined back to the 2008 level. This is due to the decline in the average home value as well as a significant rebound in median household income in 2010. The percentage of residents who report that they are satisfied with City services remained above 90% with the most recent Citizen Satisfaction Survey conducted in late 2011. The value of volunteer services also grew for the third consecutive year.

	2005	2006	2007	2008	2009	2010	2011
Average Real Estate Taxes as a Percentage of Median Household Income	3.4%	2.7%	3.3%	3.4%	3.9%	3.4%	Data NA
Percent of Citizens Who are Satisfied with City Services	92.6%	Data NA ¹	93.4%	Data NA ¹	91.4%	Data NA ¹	91.0%
Value of Volunteer Service (in millions)	\$16.4	\$14.1	\$14.5	\$13.2	\$18.6	\$19.0	\$19.2
Voter Turnout Rate	37.7%	47.3%	17.1%	70.2%	36.0%	42.0%	17.7

¹ Based on responses to Citizen Satisfaction Survey conducted biannually

Community Indicator Comparison

Virginia Beach ranked in the middle of all seven cities in Hampton Roads in voter turnout for the November 2011 General Assembly elections. Newport News had the highest turnout rate, while Chesapeake had the lowest.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Voter Turnout Rate	Nov. 2011	17.7%	11.2%	11.8%	21.5%	13.2%	23.4%	26.1%

Key Business Area Performance Measures

	Actual			Estimated	Projected
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Effective Rate of All Legal Services per Hour	\$118	\$103	\$99	\$99	\$101
Hours of Direct Audit Services Provided	7,000	7,000	7,206	7,326	7,326
Value of Volunteer Service (in millions)	\$18.6	\$19.0	\$19.2	\$19.0	\$19.0
Yield on City Investments	2.0%	0.6%	0.4%	0.3%	0.4%
Business Licenses Assessed	31,795	30,771	30,390	31,000	32,500
Voter Registration Adds or Changes Made	26,852	27,000	27,000	21,362	28,500
Qualified Applicants Recruited and Hired within 60 Days	65.0%	64.0%	64.0%	58.0%	58.0%
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

The City's financial indicators continue to perform well in spite of the economy:

- The City of Virginia Beach maintained its AAA bond rating from all three rating agencies for the second straight year; however, Moody's recently assigned Virginia Beach's AAA rating a negative outlook, instead of the previous stable outlook, due to the region's close ties to the Federal government, which was also assigned a negative outlook by Moody's
- In FY 2010-11, the City's operating expenditures per capita decreased 1.2% and declined to the lowest level since FY 2006-07
- The general fund balance grew to 10.5% of City revenue
- Due to the reallocation of funding for operating expenditures, the City reduced its cash commitment to the capital improvement program for the third consecutive year; however, it remained above 50% of the total program

In terms of the City's workforce:

- The turnover rate declined to 4.09% in 2011, the lowest rate since 2007
- The percentage of employees retained after two years declined from 90% to 85%
- The City continues to retain many long term employees as the average tenure of City employees rose to 12 years
- City employees also saw their average salary increase to \$48,165 in 2011
- The City's workforce per 1,000 residents declined for the second straight year
- The percent of residents reporting satisfaction with the courtesy of City employees grew to 91.3%

Workplace Safety:

- Worker's compensation claims per 1,000 employees increase for the second straight year
- The number of workdays lost per claim also increased to over two days for the first time since 2005
- The City experienced its fourth straight year of decline in the number of liability claims per 1,000 residents

	2005	2006	2007	2008	2009	2010	2011
Operating Expenditures Per Capita	\$2,583	\$2,728	\$3,029	\$3,130	\$3,187	\$3,111	\$3,073
Per Capita Operating Expenditures as a % of Per Capita Income	6.5%	6.5%	6.8%	6.8%	7.2%	6.9%	Data NA
Bond Rating - Standard and Poor's	AA+	AA+	AAA	AAA	AAA	AAA	AAA
Bond Rating - Fitch	AA+	AA+	AA+	AA+	AA+	AAA	AAA
Bond Rating - Moody's	Aa1	Aa1	Aa1	Aa1	Aa1	AAA	AAA
Fund Balance as a % of Revenue	8.9%	11.2%	12.9%	10.1%	11.2%	8.9%	10.5%
Percentage of Capital Program Funded by Cash	52.9%	53.3%	55.5%	59.6%	62.1%	61.2%	56.6%
Turnover Rate (Excluding Retirements and Deaths)	4.78%	4.25%	4.02%	4.54%	4.54%	4.24%	4.09%
Work Days Lost per Worker's Compensation Claim	3.7	1.6	1.5	1.7	1.9	1.8	2.2
Workers Compensation Claims per 1,000 FTE's	127.05	202.43	205.10	173.17	165.98	170.31	172.51
Liability Claims per 1,000 Population Served	1.67	1.43	1.53	1.33	0.97	0.95	0.83
Vacancy Rate	Data NA	Data NA	Data NA	Data NA	4.0%	4.0%	4.0%
Employees Retained after 2 Years	Data NA	Data NA	Data NA	Data NA	87.0%	90.0%	85.0%
Average Salary (excluding benefits)	Data NA	Data NA	Data NA	Data NA	\$48,079	\$47,310	\$48,165
Average Tenure of City Employees (in years)	Data NA	Data NA	Data NA	Data NA	14.0	11.0	12.0
FTE's per 1,000 Population Served	15.1	15.7	15.9	16.0	16.0	15.9	15.4
Citizen Satisfaction with the Courtesy of City Employees	91.2%	Data NA	94.2%	Data NA	90.4%	Data NA	91.3%

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

Organizational Indicators Comparison

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

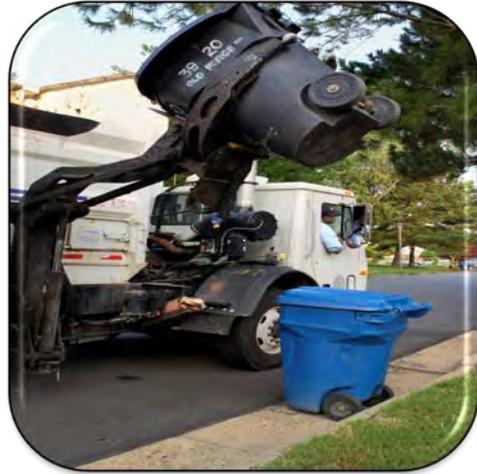
The most significant indicator when comparing the City of Virginia Beach to the other cities in Hampton Roads is the bond rating. Virginia Beach is the only City in Hampton Roads to achieve the highest rating from all three rating agencies. The City also maintained its position having the lowest operating expenditures per capita in Hampton Roads. The City also had the lowest operating expenditures per capita as a percentage of per capita income for 2010 (most recent per capita income figure available).

Of the three most populous cities in Hampton Roads (Virginia Beach, Norfolk, and Chesapeake), Virginia Beach had the highest general fund balance as a percentage of the following fiscal year's revenue. The City also had the highest proportion of its capital program funded by cash when comparing the same cities.

By reducing its workforce for the third consecutive year in FY 2010-11, the City now trails only Hampton and Suffolk for fewest employees per 1,000 residents.

	Year	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Operating Expenditures Per Capita	FY 2011	\$3,073	\$3,194	\$3,370	\$3,589	\$3,478	\$3,532	\$3,519
Operating Expenditures Per Capita as a % of Per Capita Income	FY 2010	6.9%	7.9%	9.9%	10.3%	9.2%	9.4%	10.9%
Bond Rating - Standard and Poor's	FY 2011	AAA	Data NA	AA	AA	AA+	AA+	Aa2
Bond Rating - Fitch	FY 2011	AAA	AAA	AA+	AA	AA+	AA	Data NA
Bond Rating - Moody's	FY 2011	AAA	Data NA	Aa2	Aa2	Aa2	Aa2	Aa1
Fund Balance as a % of Revenue ¹	FY 2012	11.8%	8.1%	7.0%	18.3%	21.0%	11.7%	10.0%
Percentage of Capital Program Funded by Cash	FY 2012	51.6%	18.5%	50.8%	21.1%	12.5%	79.1%	32.2%
FTE's per 1,000 Population Served	FY 2011	15.4	15.5	16.8	23.2	14.1	13.4	18.6

¹This figure represents the June 30, 2011 General Fund Balance as a percentage of total City revenue for July 1, 2011 (FY 2011-12).



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 ensure 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

- Ensure the City maintains adequate funding to address emergency needs; 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, 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, except in times of economic downturn where use of fund balances are needed to prevent draconian service cuts.

- 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 rescinded in the FY 2012-13 budget process.
 - **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 Investment Program (TIP)** – provided funding 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.
 - **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 ensure 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.

Estimated General Fund Balance

The City's fund balance projection for FY 2011-12 indicates that the City will have approximately 9.56% of Undesignated Fund Balance as compared to FY 2012-13 revenues. The City's policy is 8 to 12% of next year's revenue.

Beginning Fund Balance at July 1, 2011 (CAFR)		\$ 176,096,758
Add: Revenues		
FY 2011-12 General Fund Revenues-Revised Estimate	\$ 952,924,588	
Surplus from Sandbridge TIF	7,000,000	959,924,588
Total Fund Balance and Revenues		\$ 1,136,021,346
Less: Anticipated FY 2011-12 Expenditures:		
Operating Expenditures	\$ 556,799,555	
School Operations *	369,741,852	
Other Transfers	55,317,456	981,858,863
Total Projected Fund Balance at June 30, 2012		\$ 154,162,483
Less: Anticipated Uses of Fund Balance:		
Loans, Advances, and Prepaids	\$ 8,667,992	
Encumbrances	8,000,000	
General Fund Use for Future Programs	2,987,701	
For School Operations	11,200,000	
General Fund Operations	9,887,917	
Elbow Road Extended (in FY 2012)	2,500,000	
FY 2012-13 Capital Budget	18,202,054	61,445,664
Total Estimated Undesignated Fund Balance at June 30, 2012		\$ 92,716,819

Calculation of Undesignated General Fund Balance Reserve

Projected FY 2012-13 General Fund Revenues**	\$ 969,777,030
Undesignated Fund Balance as a percentage of FY 2012-13 Revenues	9.56%

Notes:

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

** Net of Fund Balance Usage

Changes in Undesignated Fund Balances

	General	Special Revenues	Schools	Enterprise and Utilities	Capital Projects	Internal Services	Total All Funds
Estimated Undesignated Fund Balances at June 30, 2012	92,716,819	24,819,116	22,705,915	111,050,151	-	8,839,930	260,131,931
Add: Estimated Reserved Fund Balances at June 30, 2012	61,445,664	27,303,356	29,823,228	22,289,155	-	-	140,861,403
Total Estimated Fund Balances at June 30, 2012	154,162,483	52,122,472	52,529,143	133,339,306	-	8,839,930	400,993,334
Add: Estimated FY 2012-13 Revenues	969,777,030	212,877,593	834,689,525	151,559,152	45,655,285	183,084,842	2,397,643,427
Less: Estimated FY 2012-13 Expenditures and Interfund Transfers	990,864,947	219,470,763	858,823,971	152,647,448	45,655,285	184,330,745	2,451,793,159
Total Estimated Fund Balances at June 30, 2013	133,074,566	45,529,302	28,394,697	132,251,010	-	7,594,027	346,843,602
Less: Estimated Reserved Fund Balances at June 30, 2013	47,743,610	24,181,813	18,068,395	22,289,155	-	-	112,282,973
Total Estimated Undesignated Fund Balances at June 30, 2013	85,330,956	21,347,489	10,326,302	109,961,855	-	7,594,027	234,560,629
Change in Undesignated Fund Balances	(7,385,863)	(3,471,627)	(12,379,613)	(1,088,296)	-	(1,245,903)	(25,571,302)

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 Gift Funds.
- (3) The "Total All Funds" includes Interfund transfers and excludes the use of fund balance in estimated revenues.
- (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.
Waste Management Special Revenue Fund	This fund accounts for the annual operating expenses for the waste related functions including: recycling activities, waste collection, and disposal at the landfill. This fund will account for the revenues from the monthly waste management fee instituted in FY 2011-12 to help fund waste management functions. The goal is transition this fund to an enterprise fund when waste operation becomes self-sustaining.	Fund balance will be used for replacement of capital and infrastructure needs.
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.

Fund Title	Purpose	Fund Balance Policy
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.
Tourism Investment Program Fund	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 to streamline accounting processes and meet the obligations of both programs long-term.	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.
Sandbridge Special Service District Fund	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.	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 two sand replenishments in the Sandbridge area.
Agriculture Reserve Program Special Revenue Fund	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 predominate. This is a voluntary purchase of development rights rather than regulatory, as established by City Council.	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.
Tourism Advertising Program Special Revenue Fund	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.	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.

Fund Title	Purpose	Fund Balance Policy
Proffer Impact Special Revenue Fund	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.	The revenues remain in this fund and are used for the construction of neighborhood capital projects per the proffer agreement.
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 two sand replenishments in the Sandbridge area.
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.
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.
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.
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.

Fund Title	Purpose	Fund Balance Policy
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.
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.
Old Donation Creek Area Dredging Special Revenue Fund	This fund supports the special service district in the Old Donation Creek area, which was established by City Council on September 13, 2011. Additional real estate taxes are assessed on residents of this special service district and collected to provide neighborhood channel dredging of creeks and rivers.	The level of fund balance is maintained to provide for dredging activities in the special service district.

Fund Title	Purpose	Fund Balance Policy
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 is used 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 (i.e. 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 budget to hold funds provided by the City. 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.
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.

Fund Title	Purpose	Fund Balance Policy
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.
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.

Fund Title	Purpose	Fund Balance Policy
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*

Fund Title	Reserved or Designated**	Undesignated	Total	Use***	Use in FY 2013	Remaining Undesignated
Governmental Funds						
002 General Fund****	\$ 63,093,004	\$ 113,003,754	\$ 176,096,758	U/D	\$ 39,289,971	\$ 92,716,819
130 Law Library	-	329,923	329,923	U	10,000	319,923
142 DEA Seized Property	200,000	2,601,919	2,801,919	U	200,000	2,401,919
147 Federal Section Eight Program	1,839,654	-	1,839,654	D	192,591	-
149 Sheriff's Department	970,921	851,612	1,822,533	U	1,255,833	566,700
150 Inmate Services	1,101,874	382,093	1,483,967	-	-	382,093
151 Parks and Recreation	-	7,484,885	7,484,885	U	526,082	6,958,803
152 Tourism Investment Program	-	5,508,573	5,508,573	U	2,650,633	2,857,940
157 Sandbridge Special Service District	631,522	1,934,566	2,566,088	D	631,522	1,934,566
161 Agriculture Reserve Program	8,084,608	-	8,084,608	-	-	-
163 Tourism Advertising Program	-	226,280	226,280	-	-	226,280
164 Proffer Impact	-	207,601	207,601	-	-	207,601
165 Lynnhaven Mall TIF	-	841,693	841,693	-	-	841,693
166 Sandbridge Tax Increment Financing	787,316	7,259,491	8,046,807	-	-	7,259,491
168 Public Investment Protection Strategy	-	72,321	72,321	-	-	72,321
169 Central Business District South TIF	1,666,382	-	1,666,382	D	259,099	1,407,283
172 Open Space	1,456,042	-	1,456,042	U	549,316	906,726
174 Town Center Special Tax District	1,439,204	-	1,439,204	D	318,094	1,121,110
176 Transition Area	-	9,501	9,501	-	-	9,501
183 Grants Consolidated	4,040,250	-	4,040,250	-	-	-
184 Housing and Neighborhood Preservation	3,015,607	-	3,015,607	-	-	-
189 Emergency FEMA	86,459	-	86,459	-	-	-
190 Wetlands Board Mitigation	-	152,867	152,867	-	-	152,867
Total Governmental Funds	\$ 88,412,843	\$ 140,867,079	\$ 229,279,922		\$ 45,883,141	\$ 120,343,636
Enterprise Funds						
241 Water and Sewer (Restricted)	\$ 17,267,825	\$ 83,143,867	\$ 100,411,692	U	\$ 6,088,296	\$ 77,055,571
253 Parking	2,666,451	-	2,666,451	-	-	-
255 Storm Water (Restricted)	2,354,879	27,906,284	30,261,163	-	-	27,906,284
Total Enterprise Funds	\$ 22,289,155	\$ 111,050,151	\$ 133,339,306		\$ 6,088,296	\$ 104,961,855
School Funds						
098 School Reserve Special Revenue	\$ 11,616,865	\$ -	\$ 11,616,865	D	\$ 11,000,000	\$ -
106 School Technology Category Special Revenue	-	4,855,209	4,855,209	-	-	4,855,209
107 School Equipment Replacement	-	1,805,204	1,805,204	U	902,602	902,602
108 School Instructional Technology	-	3,541,182	3,541,182	U	-	3,541,182
109 School Vending Operations	-	311,500	311,500	U	137,011	174,489
112 School Communication Tower Technology	-	1,970,846	1,970,846	U	340,000	1,630,846
114 School Cafeteria	3,363,913	-	3,363,913	U	327,306	-
115 School Operating	10,998,938	-	10,998,938	-	-	-
116 School Grants	903,582	-	903,582	-	-	-
117 School Textbooks	13,552,950	-	13,552,950	D	11,360,400	-
119 School Athletic Special Revenue	1,003,845	-	1,003,845	D	210,000	793,845
614 School Risk Management	-	919,881	919,881	U	-	919,881
615 School Health Insurance (City & School)	-	12,756,586	12,756,586	U	-	12,756,586
Total School Funds	\$ 41,440,093	\$ 26,160,408	\$ 67,600,501		\$ 24,277,319	\$ 25,574,640
Internal Service Funds						
604 Print Shop	\$ -	\$ 66,295	\$ 66,295	\$ -	\$ -	\$ 66,295
606 City Garage	-	2,084,379	2,084,379	-	-	2,084,379
607 Risk Management	-	(13,159,389)	(13,159,389)	U	-	(13,159,389)
613 School Site Landscaping	-	1,019,200	1,019,200	-	-	1,019,200
620 Telecommunications	-	1,711,488	1,711,488	-	-	1,711,488
621 Subscriptions	-	3,441,490	3,441,490	U	1,112,972	2,328,518
Total Internal Service Funds	\$ -	\$ (4,836,537)	\$ (4,836,537)		\$ 1,112,972	\$ (5,949,509)
GRAND TOTAL	\$ 152,142,091	\$ 273,241,101	\$ 425,383,192		\$ 77,361,728	\$ 244,930,622

Notes:

* Fund Balances are as of June 30, 2011 unless otherwise noted

** Reserved or Designated amounts are for encumbrances, loans, special projects, future programs, capital projects, or debt service.

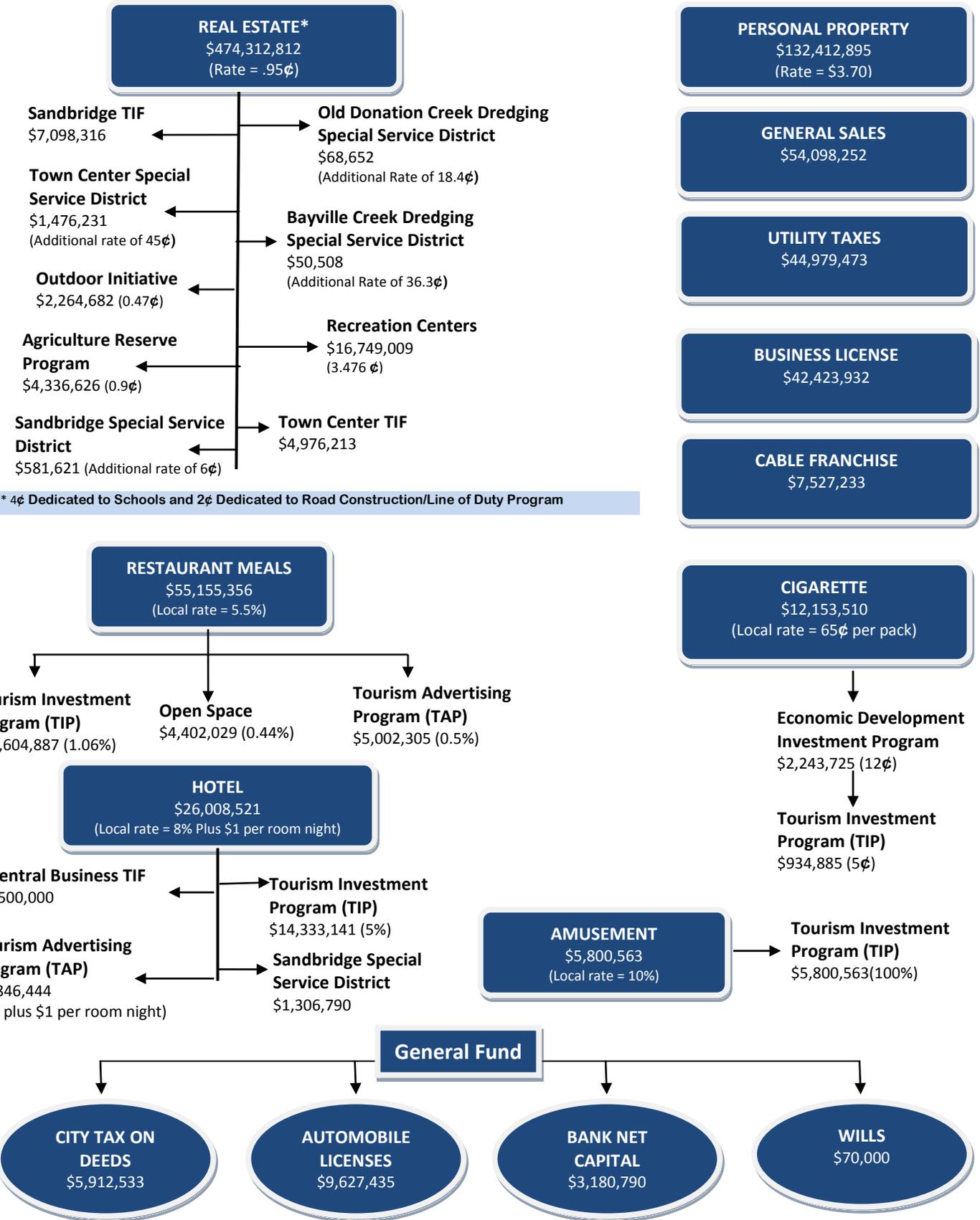
*** "D" indicates use of designated funds; "U" indicates use of undesignated funds

****See Estimated General Fund Balance for a projection as of June 30, 2012

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

	FY 2011 Actual	FY 2012 Adjusted Budget	FY 2013 Adopted Budget	%
				Change
<u>Revenue Source Summary</u>				
Revenue from Local Sources				
General Property Taxes				
Real Estate	473,224,310	460,295,808	474,312,812	3.05
Personal Property	118,736,185	123,689,318	132,412,895	7.05
Total General Property Taxes	<u>591,960,495</u>	<u>583,985,126</u>	<u>606,725,707</u>	<u>3.89</u>
Other Local Taxes				
General Sales Tax	51,743,905	52,958,340	54,098,252	2.15
Utility Tax	46,129,301	45,661,307	44,979,473	-1.49
Business License	41,092,975	41,342,542	42,423,932	2.62
Automobile License	9,017,872	9,275,877	9,627,435	3.79
Cigarette Tax	12,063,516	11,778,927	12,153,510	3.18
Amusement Tax	5,314,873	5,579,451	5,800,563	3.96
Hotel Room Tax	25,299,535	26,051,968	26,608,521	2.14
Restaurant Meal Tax	50,594,181	51,752,268	55,155,356	6.58
Other Taxes	15,720,969	14,677,555	16,690,556	13.71
Total Other Local Taxes	<u>256,977,127</u>	<u>259,078,235</u>	<u>267,537,598</u>	<u>3.27</u>
Other Local Revenue				
Permits, Privilege Fees, and Regulatory Licenses	3,981,558	4,079,791	4,741,943	16.23
From the Use of Money and Property	9,058,434	9,804,051	8,983,942	-8.37
Charges for Services	204,810,793	224,256,934	239,243,046	6.68
Miscellaneous Revenue	16,633,535	20,587,660	14,889,436	-27.68
Fines and Forfeitures	7,454,735	6,872,815	6,819,373	-0.78
Total Other Local Revenue	<u>241,939,055</u>	<u>265,601,251</u>	<u>274,677,740</u>	<u>3.42</u>
Revenue from the Commonwealth				
State Shared Sales Tax	70,058,126	72,311,348	69,064,589	-4.49
Other Sources from the Commonwealth	358,066,289	362,984,547	373,045,167	2.77
Total Revenue from the Commonwealth	<u>428,124,415</u>	<u>435,295,895</u>	<u>442,109,756</u>	<u>1.57</u>
Revenue from the Federal Government				
Non-Revenue Receipts	114,293,560	152,962,388	120,604,286	-21.15
Non-Revenue Receipts	12,005,778	3,006,130	2,835,095	-5.69
Total Revenues	<u><u>1,645,300,430</u></u>	<u><u>1,699,929,025</u></u>	<u><u>1,714,490,182</u></u>	<u><u>0.86</u></u>
<u>Fund Reserves Summary</u>				
Specific Fund Reserves	0	56,944,506	52,903,829	-7.10
Total Fund Reserves	<u>0</u>	<u>56,944,506</u>	<u>52,903,829</u>	<u>-7.10</u>
TOTAL FINANCING REQUIRED	<u><u>1,645,300,430</u></u>	<u><u>1,756,873,531</u></u>	<u><u>1,767,394,011</u></u>	<u><u>0.60</u></u>

Dedication of Local Revenues



* 4¢ Dedicated to Schools and 2¢ Dedicated to Road Construction/Line of Duty Program

Summary of Proposed Fee and Tax Adjustments

Department	Old Fee	New Fee	Notes
Citywide			
● Real Estate Tax	.89 cents	.95 cents	
Parks and Recreation			
● Recreation Center Memberships			
● Adult - Annual	\$79	\$81	
● Adult - 6 Months	\$48	Discontinued	
● Adult – Month to Month	Not Offered	\$11 a month	
● Child – 6 Months	\$18	Discontinued	
● Youth – 6 Months	\$22	Discontinued	
● Senior – Annual	\$64	\$65	
● Senior - 6 Months	\$38	Discontinued	
● Senior – Month to Month	Not Offered	\$9 a month	
● Non-Residential Annual	\$308	\$317	
● Non-Residential 6 Months	\$185	Discontinued	
● Non-Residential 3 Months	\$185	Discontinued	
● Non-Residential Month to Month	Not Offered	\$31 a month	
● Adult Day Passes	\$7	\$8	
● Adult Fun Pack	\$50	\$59	
● Therapeutic Recreation			
● Around Town Program	\$35/\$65	\$40/\$70	
● Swim Lessons	\$43-\$52	\$46-\$55	
● Aquatics Class			
● Learn to Swim	\$43- \$52	\$46-\$55	
● Pre-school Paddlers	\$45-\$56	\$48-\$59	
● Lifeguard Training	\$125-\$140	\$135-\$150	
● Lifeguard Training Instructor	\$150	\$175	
● Water Safety Instructor	\$150	\$175	
● Owl Creek Tennis Center			
● 1 Hour Indoor Court Rental	\$25 per hour	\$28 per hour	
● 1 Hour Ball Machine Rental	\$19.15 per hour	\$20 per hour	
● Pottery and Ceramics Classes	Various	\$20 Class	Each class will be increased by \$10
Planning Department			
● Technology Fee	Not Imposed	\$5 per transaction	New fee to support Accela Automation System, which improves customer access
Public Works			
● Storm Water ERU Rate	31.6 cents per day	36.6 cents per day	Adopted in FY 2011-12 Budget
Public Utilities			
● Monthly Sewer Charge (Single Family Residence, 5/8" meter)	\$22.12	\$24.86	Adopted in FY 2010-11 Budget

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

Department Name	FY 2011 Actual	FY 2012 Adjusted Budget	FY 2013 Adopted Budget	% Change
Agriculture	4,794,631	4,250,283	5,093,850	19.85
City Attorney	3,577,826	3,670,409	3,819,468	4.06
City Auditor	574,241	601,776	623,735	3.65
City Clerk	587,781	561,355	576,749	2.74
City Manager	2,481,839	2,630,334	2,658,037	1.05
City Real Estate Assessor	2,779,520	3,000,132	3,191,126	6.37
City Treasurer	4,756,509	5,069,587	5,111,193	0.82
Commissioner of the Revenue	3,668,500	3,947,309	4,035,389	2.23
Commonwealth's Attorney	7,226,208	7,643,822	8,024,828	4.98
Communications and Information Technology	19,290,942	22,543,681	22,842,774	1.33
Convention and Visitors Bureau	42,871,897	45,103,293	45,276,980	0.39
Courts and Courts' Support	6,267,294	6,473,085	6,449,852	-0.36
Cultural Affairs	2,459,085	2,449,097	2,409,424	-1.62
Debt Service	44,609,831	44,862,754	48,083,117	7.18
Economic Development	8,744,001	9,491,556	9,729,999	2.51
Emergency Communications and Citizen Services	8,317,591	10,363,077	10,453,477	0.87
Emergency Medical Services	6,939,856	7,643,031	8,101,688	6.00
Finance	4,599,474	4,762,402	4,939,761	3.72
Fire	41,057,293	43,483,909	45,345,334	4.28
Future C.I.P. Commitments	0	8,511,788	7,113,616	-16.43
FY 2011 Outstanding Encumbrances	10,353,596	0	0	0.00
General Registrar	1,036,814	1,127,977	1,378,340	22.20
Health	2,934,899	2,868,109	2,991,428	4.30
Housing and Neighborhood Preservation	21,519,402	24,551,504	24,000,181	-2.25
Human Resources	3,745,573	4,270,234	4,291,809	0.51
Human Services	106,599,248	111,880,229	107,708,747	-3.73
Library	15,185,847	15,778,331	17,626,407	11.71
Management Services	1,484,154	1,506,753	1,514,382	0.51
Municipal Council	516,811	542,671	545,118	0.45
Museums	8,783,734	9,582,098	10,039,310	4.77
Non-Departmental	29,607,321	31,563,053	31,244,950	-1.01
Parks and Recreation	40,719,359	47,487,370	48,440,991	2.01
Pay-As-You-Go Capital Projects	33,746,430	41,319,475	45,655,285	10.49
Planning	13,413,910	13,859,536	15,032,270	8.46
Police	84,489,219	88,622,956	92,076,002	3.90
Public Education	748,674,661	853,100,598	847,516,620	-0.65
Public Utilities	77,841,836	95,284,623	96,797,738	1.59
Public Works	116,261,433	128,739,835	127,576,361	-0.90
Reserve for Contingencies	0	3,844,804	3,027,122	-21.27
Sheriff and Corrections	34,823,166	36,570,384	38,935,820	6.47
Strategic Growth Area	6,188,441	7,310,311	7,114,733	-2.68
TOTAL EXPENDITURES	<u><u>1,573,530,173</u></u>	<u><u>1,756,873,531</u></u>	<u><u>1,767,394,011</u></u>	<u><u>0.60</u></u>

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

Department Name	FY 2011 Actual	FY 2012 Adjusted Budget	FY 2013 Adopted Budget	% Change
Agriculture	12.00	12.00	12.00	0.00
City Attorney	39.96	39.61	39.61	0.00
City Auditor	6.00	6.00	6.00	0.00
City Clerk	6.00	6.00	6.00	0.00
City Manager	20.50	21.50	19.50	-9.30
City Real Estate Assessor	34.30	34.30	36.30	5.83
City Treasurer	72.83	72.83	71.83	-1.37
Commissioner of the Revenue	57.93	60.93	60.93	0.00
Commonwealth's Attorney	86.40	85.25	85.25	0.00
Communications and Information Technology	182.50	183.50	178.50	-2.72
Convention and Visitors Bureau	113.52	113.52	113.52	0.00
Courts and Courts' Support	75.00	75.00	75.00	0.00
Cultural Affairs	3.00	3.00	3.00	0.00
Economic Development	16.00	16.00	16.00	0.00
Emergency Communications and Citizen Services	125.00	123.50	122.75	-0.61
Emergency Medical Services	62.55	65.30	65.30	0.00
Finance	54.00	55.00	56.00	1.82
Fire	466.71	466.71	478.71	2.57
General Registrar	12.03	12.03	12.03	0.00
Health	10.75	10.75	9.13	-15.07
Housing and Neighborhood Preservation	67.00	66.00	64.00	-3.03
Human Resources	47.00	47.00	47.00	0.00
Human Services	1,045.68	1,066.40	1,061.40	-0.47
Library	226.50	227.50	265.50	16.70
Management Services	15.00	15.00	15.00	0.00
Municipal Council	11.00	11.00	11.00	0.00
Museums	152.30	153.47	155.47	1.30
Parks and Recreation	855.37	843.38	846.89	0.42
Planning	113.00	110.00	110.00	0.00
Police	996.66	1,007.36	1,007.36	0.00
Public Utilities	404.50	412.00	411.00	-0.24
Public Works	867.28	883.38	890.38	0.79
Sheriff and Corrections	530.61	519.61	516.44	-0.61
Strategic Growth Area	15.00	15.00	15.00	0.00
Total City Positions	<u>6,803.88</u>	<u>6,839.83</u>	<u>6,883.80</u>	<u>0.64</u>
Education	<u>10,516.77</u>	<u>10,387.27</u>	<u>10,322.52</u>	<u>-0.62</u>
Totals				
Total City Full Time Positions	6,151.00	6,215.00	6,250.00	0.56
Total City Part Time Positions	641.88	613.83	622.80	1.46
Total City Council Members	11.00	11.00	11.00	0.00
Total School Positions	10,516.77	10,387.27	10,322.52	-0.62
Total Positions	<u><u>17,320.65</u></u>	<u><u>17,227.10</u></u>	<u><u>17,206.32</u></u>	<u><u>-0.12</u></u>

Summary of Positions by Department

From FY 2008-09 through FY 2012-13

	Adopted Budget FY 2008-09 FTE	Adopted Budget FY 2009-10 FTE	Adopted Budget FY 2010-11 FTE	Adopted Budget FY 2011-12 FTE	Adjusted Budget FY 2011-12 FTE	Adopted Budget FY 2012-2013 FTE	Change in FTEs from Adjusted FY 2012 to FY 2013	Change in FTEs from FY 2009 to FY 2013
Agriculture	14.00	13.00	12.00	12.00	12.00	12.00	0.00	(2.00)
Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Attorney	43.00	43.00	40.35	39.61	39.61	39.61	0.00	(3.39)
City Auditor	6.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00
City Clerk	7.00	7.00	6.00	6.00	6.00	6.00	0.00	(1.00)
City Manager	29.70	26.20	23.00	20.50	21.50	19.50	(2.00)	(10.20)
City Real Estate Assessor	38.35	38.35	34.30	34.30	34.30	36.30	2.00	(2.05)
City Treasurer	75.68	76.68	72.23	72.83	72.83	71.83	(1.00)	(3.85)
Commissioner of the Revenue	63.61	64.05	57.93	60.93	60.93	60.93	0.00	(2.68)
Commonwealth's Attorney	91.40	91.40	87.40	85.25	85.25	85.25	0.00	(6.15)
Communications and Information Technology	181.80	187.80	179.80	183.50	183.50	178.50	(5.00)	(3.30)
Convention and Visitor Bureau	135.73	130.91	113.52	113.52	113.52	113.52	0.00	(22.21)
Courts and Courts' Support	76.00	76.00	76.00	75.00	75.00	75.00	0.00	(1.00)
Cultural Affairs	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	17.00	16.00	15.00	16.00	16.00	16.00	0.00	(1.00)
Education	10,519.47	10,391.87	10,476.27	10,387.27	10,387.27	10,322.52	(64.75)	(196.95)
Emergency Communications and Citizen Services	132.00	127.00	122.00	123.50	123.50	122.75	(0.75)	(9.25)
Emergency Medical Services	56.50	56.50	62.55	63.95	65.30	65.30	0.00	8.80
Finance	57.00	58.00	54.00	55.00	55.00	56.00	1.00	(1.00)
Fire	469.84	467.84	466.71	466.71	466.71	478.71	12.00	8.87
Future C.I.P. Commitments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Registrar	12.03	12.03	12.03	12.03	12.03	12.03	0.00	0.00
Health	11.07	11.07	10.75	10.75	10.75	9.13	(1.62)	(1.94)
Housing and Neighborhood Preservation	69.00	68.00	67.00	66.00	66.00	64.00	(2.00)	(5.00)
Human Resources	54.13	53.13	47.00	47.00	47.00	47.00	0.00	(7.13)
Human Services	1,079.09	1,073.91	1,045.68	1,066.40	1,066.40	1,061.40	(5.00)	(17.69)
Library	262.85	260.85	227.50	227.50	227.50	265.50	38.00	2.65
Management Services	21.00	20.00	15.00	15.00	15.00	15.00	0.00	(6.00)
Municipal Council	11.00	11.00	11.00	11.00	11.00	11.00	0.00	0.00
Museums	151.43	151.43	151.45	148.47	153.47	155.47	2.00	4.04
Non-Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Parks and Recreation	877.25	872.16	855.37	843.38	843.38	846.89	3.51	(30.36)
Planning	125.00	123.00	113.00	110.00	110.00	110.00	0.00	(15.00)
Police	1,005.86	1,005.86	995.66	1,006.66	1,007.36	1,007.36	0.00	1.50
Public Utilities	401.50	404.50	404.50	412.00	412.00	411.00	(1.00)	9.50
Public Works	877.38	871.38	866.38	883.38	883.38	890.38	7.00	13.00
Reserve for Contingencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sheriff and Corrections	524.37	524.37	524.37	519.61	519.61	516.44	(3.17)	(7.93)
Strategic Growth Area	0.00	2.00	15.00	15.00	15.00	15.00	0.00	15.00
Total	17,500.04	17,345.29	17,269.75	17,219.05	17,227.10	17,206.32	(20.78)	(293.72)

Additions and Reductions of City Positions for FY 2012-13

The chart below indicates the overall change in City positions (both additions and reductions) in FY 2011-12. The first column represents the FTE changes that occurred from the adoption of the original FY 2011-12 to the Adjusted FY 2011-12 Budget. The second column represents the FTE changes that will occur as a result of the Adopted FY 2012-13 Budget. The third column represents the net departmental change. The majority of the additional FTE's are related to the opening of the Town Center Fire and Rescue Station, the Joint Use Library, and improvements to the storm water system maintenance.

Department Name	FTE Changes Between Adopted FY 2011-12 Budget and Adjusted FY 2011-12 Budget	# FTE	FTE Changes Between Adjusted FY 2011-12 Budget and Adopted FY 2012-13 Budget	# FTE	Department FTE Variance
City Manager	● Neighborhood Services Coordinator	1.00	● Administrative Assistant ● Organizational Development Coordinator	(1.00) (1.00)	(2.00)
City Real Estate Assessor			● Account Clerk I	2.00	2.00
City Treasurer			● Account Clerk II	(1.00)	(1.00)
Communications & Information Technology			● Computer Electronic Technician I ● Microsystems Systems Analyst II ● Printer I ● Printer II ● Printing and Distribution Administrator ● Systems Analyst I ● Systems Engineer II	(1.00) (2.00) (1.00) (2.00) (1.00) 1.00 1.00	(5.00)
Emergency Communications and Citizen Services			● Public Safety Analyst ● Business Application Specialist II ● Executive Assistant II ● Call Taker I	0.75 1.00 (1.00) (1.50)	(0.75)
Emergency Medical Services	● EMS Instruction Supervisor ● Beach Lifeguard Supervisor ● Beach Lifeguard	0.50 (0.40) 1.25			
Finance			● Accountant III	1.00	1.00
Fire			● Firefighter Recruit	12.00	12.00
Health			● Social Work Assistant	(1.62)	(1.62)
Housing and Neighborhood Preservation			● Office Assistant ● Construction Specialist	(1.00) (1.00)	(2.00)
Human Services			● MH/MR Clinician ● Juvenile Detention Counselor	(4.00) (1.00)	(5.00)
Library			● Clerk I ● Librarian II ● Librarian III ● Library Information Specialist I ● Library Information Specialist II ● Library Technician ● Office Assistant II	7.00 4.00 1.00 10.50 6.00 8.50 1.00	38.00
Museums	● Senior Curator ● Exhibits Technician II ● Exhibits Technician III	1.00 3.00 1.00	● Museum Educator II ● Support Specialist II	1.00 1.00	2.00

Department Name	FTE Changes Between Adopted FY 2011-12 Budget and Adjusted FY 2011-12 Budget	# FTE	FTE Changes Between Adjusted FY 2011-12 Budget and Adopted FY 2012-13 Budget	# FTE	Department FTE Variance
Parks and Recreation			<ul style="list-style-type: none"> ● Account Clerk I (1.00) ● Activity Center Assistant Leader 2.40 ● Activity Center Leader (0.26) ● Aquatics Fitness Instructor .21 ● Customer Service Aide (3.76) ● Facility Customer Assistant (.11) ● Fitness Instructor .73 ● Groundskeeper I (6.00) ● Groundskeeper II (1.00) ● Lifeguard 6.41 ● Park Assistant 1.00 ● Park Supervisor II 1.00 ● Parks and Recreation Aide I 1.15 ● Parks and Recreation Aide II .23 ● Parks and Recreation Aide III .97 ● Parks and Recreation IV (.11) ● Recreation Class Instructor .65 		3.51
Parks and Recreation			● Recreation Specialist I	1.00	
Police	● Community Service Officer	.70			
Public Utilities			● Laboratory Technician I	(1.00)	(1.00)
Public Works			<ul style="list-style-type: none"> ● Waste Management Operator II (2.00) ● Engineer II 1.00 ● Engineer III 1.00 ● Motor Equipment Operators II 2.00 ● Motor Equipment Operators III 2.00 ● Assistant Supervisor 1.00 ● Maintenance Supervisor 1.00 ● Energy Management Administrator 1.00 		7.00
Sheriff and Corrections			<ul style="list-style-type: none"> ● Account Clerk I 1.43 ● Professional Standards Manager 0.80 ● Public Safety Analyst 1.00 ● Public Safety Investigator 0.60 ● Sheriff Deputy (State) (7.00) 		(3.17)
Total Net City Positions		8.05		48.97	48.97

Total Position Reductions	(43.36)
Total Position Additions	87.33
Net Change	43.97

Additions and Reductions of School Positions for FY 2012-13

Instruction	Adopted FY 2011-12 Budget	Adopted FY 2012-13 Budget	Change Between FY 2011-12 Budget and FY 2012-13 Adopted Budget
Elementary Classroom	2,065.40	2,115.10	49.70
Senior High Classroom	1,007.60	1,022.20	14.60
Technical and Career Education	254.90	225.40	(29.50)
Gifted Education and Academy Programs	156.00	156.00	0.00
Special Education	1,178.00	1,178.00	0.00
Summer School	0.00	0.00	0.00
General Adult Education	22.00	20.00	(2.00)
Alternative Education - Renaissance	96.60	96.60	0.00
Student Activities	30.50	30.50	0.00
Principal - Elementary	343.00	337.00	(6.00)
Principal - High School	127.50	124.00	(3.50)
Principal - Technical and Career Education	7.00	7.00	0.00
Guidance Services	215.40	209.40	(6.00)
Social Work Services	31.25	31.00	(0.25)
Media and Communications	15.00	15.00	0.00
Instructional Technology	0.00	0.00	0.00
Instructional Support	57.00	51.00	(6.00)
Instructional Center for Teacher Leadership	7.00	8.00	1.00
Special Education Support	32.00	32.00	0.00
Gifted Education & Academy Programs Support	19.00	19.50	0.50
Media Services Support	199.50	200.50	1.00
Educational Leadership and Assessment	19.00	19.00	0.00
Middle School Classroom	746.40	761.40	15.00
Remedial Education	104.50	104.50	0.00
Principal- Middle School	115.00	115.00	0.00
Homebound Services	1.00	1.00	0.00
Technical and Career Education Support	8.40	8.60	0.20
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	8.00	(1.00)
Alternative Education	15.00	15.00	0.00
Instructional Total	6,931.95	6,958.20	27.75
Administration, Attendance, & Health			
Board, Legal, and Governmental Services	13.00	12.00	(1.00)
Superintendent	7.00	7.00	0.00
Budget and Finance	43.00	43.00	0.00
Human Resources	47.30	47.30	0.00
Internal Audit	4.00	4.00	0.00
Purchasing Services	13.00	13.00	0.00
Center for Teacher Leadership	8.00	6.00	(2.00)
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	281.30	278.30	(3.00)
Pupil Transportation			
Management	26.00	27.00	1.00
Vehicle Operation	354.69	354.69	0.00
Vehicle Operation-Special Education	122.56	122.56	0.00
Vehicle Maintenance	57.00	56.00	(1.00)
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	709.00	(17.00)
Environmental Services	0.00	0.00	0.00

Instruction	Adopted FY 2011-12 Budget	Adopted FY 2012-13 Budget	Change Between FY 2011-12 Budget and FY 2012-13 Adopted Budget
Safety and Loss Control	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	1,139.50	(17.00)
Operating Budget Total	9,036.88	9,043.13	6.25
Categorical Grants and Other Funds			
State Grants	13.00	14.00	1.00
Federal Grants	646.50	547.50	(72.00)
Food Services Fund	492.89	492.89	0.00
Risk Management Fund	5.00	5.00	0.00
Health Insurance Fund	4.50	4.50	0.00
Technology Category Fund	187.00	187.00	0.00
Textbook Fund	1.50	1.50	0.00
Categorical Grants and Other Funds Total	1,350.39	1,279.39	(71.00)
All Funds Total	10,387.27	10,322.52	(63.25)

Demographic Information

The table below highlights available information from the last four decennial Censuses for Virginia Beach as well as the Census' 2010 American Community Survey (for certain demographic information no longer included in the decennial):

Demographic Characteristic		1980	1990	2000	2010
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%	24.0%
65+		4.5%	5.9%	8.4%	10.6%
Peak Earning Years (Age 35 to 54)		23.1%	24.9%	30.5%	28.4%
Median Age		26.9	28.9	32.7	34.9
Dependency Population (Under 18 and 65+)		35.2%	33.9%	35.9%	34.6%
Race:					
White		86.5%	80.5%	71.4%	67.7%
Black/African American		10.0%	13.9%	19.0%	19.6%
American Indian/Alaskan		.2%	.4%	.4%	0.4%
Asian/Hawaiian/Pacific		2.5%	4.3%	5.0%	6.3%
Other Race		.7%	.9%	1.5%	2.0%
Two or More Races*		N/A	N/A	2.7%	4.0%
Hispanic**		2.0%	3.1%	4.2%	6.6%
Households:					
Family Household		79.2%	75.4%	71.8%	69.1%
Married Couple Family		66.6%	62.9%	55.7%	50.7%
Female Householder		10.3%	9.5%	12.4%	13.9%
Non-Family Household		20.9%	24.6%	28.2%	30.9%
Households with Children Under 18		N/A	44.8%	42.1%	32.3%
Housing Occupancy: Owner		64.2%	62.5%	65.6%	65.3%
Renter		35.8%	37.5%	34.4%	34.7%
Average Household Size		2.97	2.82	2.70	2.60
Average Family Size		3.35	3.21	3.21	3.08
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%	28.3%
Married		61.0%	58.4%	57.1%	53.5%
Separated		3.0%	5.4%	3.2%	2.9%
Widowed		4.0%	4.0%	4.7%	4.7%
Divorced		5.5%	7.6%	9.5%	10.5%
Median Household Income:					
		\$20,203	\$36,271	\$48,705	\$64,212
Median Family Income:					
		\$21,809	\$39,112	\$53,242	\$75,757

Demographic Characteristic	1980	1990	2000	2010
Poverty:				
Persons	8.9%	5.9%	6.5%	7.5%
Families	7.7%	4.3%	5.1%	5.5%
Children under 18	13.0%	7.6%	8.6%	10.5%
65+	10.3%	8.0%	4.7%	5.0%
Female Householder	38.9%	20.2%	18.9%	18.9%
With Children	45.8%	26.5%	23.1%	24.2%
Housing Expenses:				
Owner Expenses Exceeding 30% of Income	26.3%	30.7%	27.4%	37.6%
Renter Expenses Exceeding 30% of Income	37.8%	39.0%	37.9%	53.5%
Percent of Homeowners Mortgage Free	11.1%	11.4%	13.9%	19.7%
Education Attainment:				
High School Graduate	80.0%	88.0%	90.4%	93.1%
College Graduate	22.4%	25.5%	28.1%	31.6%
Labor Force:				
Civilian Labor Force Population Rate	58.3%	62.5%	63.2%	66.0%
Civilian Female Participation Rate	54.6%	63.5%	62.9%	63.7%
% of Labor Force in Armed Forces	18.2%	18.6%	13.3%	5.0%
% Unemployed	5.3%	4.7%	4.1%	6.6%
Percent Who Drive Alone:				
	67.5%	78.4%	82.0%	82.5%
Percent Who Car Pool:				
	21.2%	12.0%	10.8%	9.4%
Percent Who Use Public Transportation:				
	1.7%	0.8%	0.7%	0.8%
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.	23.4 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				
Sandler Center Operating Contract	This request is to restore funding for two public performances as part of the Great Performance Series Program. The funds will cover costs for production and marketing, estimated at \$50,000. The lack of funding would limit the ability of the Sandler Center to secure nationally and internationally known performers for the Center's Great Performance Series, since funds would be inadequate to pay artists' fees. An additional \$4,226 is requested to provide 497 hours of maintenance and repair costs for the Sandler Center.	Current	54,226	0.00
Cultural Plan, Arts & Cultural Districts	Request for the creation of a citywide identity and plan for the arts to benefit all cultural organizations. A cultural plan is a community decision making process that seeks ways to better support and utilize creative work. Cultural plans explore residents' preference, the adequacy of public and private facilities that support creativity and innovation, and identify specific action steps that can make the community's creative portfolio stronger, more accessible, more sustainable, and more diverse. The cultural plan would explore: Virginia Beach's vision for its arts and cultural future; whether the City is making best use of public and private facilities; the structures and resources necessary to strengthen and sustain the City's creative community.	Above Current	77,247	1.00
Museums				
Revitalization and Program Expansion of Historic Homes	The original request for four positions was partially funded. This request for two positions (Museum Special Projects Coordinator, and part-time FTE's of 1.0) will further increase educational programming, rebuild the volunteer program, maximize rentals for meetings or receptions, initiate social media technologies, improve the web site, and to make the historic houses more active and visible. This would address declining visitation.	Above Current	156,692	2.00
Conservation of Historic Collections and Archeological Assessment of Properties	The request for three positions (Architectural Historian, Archaeologist, Office Assistant I) will provide support to Historic Preservation Commission, coordinate Virginia Historic Registrar, provide general support for City issues involving historic buildings, advise Commission on Archeological issues, work closely with Public Works and other City departments in reviewing plans for development and roadways as it relates to archaeological issues, and provide support staff for these two professional positions. This would fund an enhanced level of conservation collections at the City's historic homes and fund an archeological assessment of properties to identify the problems and correct environmental problems.	Above Current	207,263	3.00
Parks and Recreation				
Reduction in Support to Athletic Leagues	Reduce boys and girls basketball games at Middle Schools that require contracted services in custodial and Police. Currently, 215 teams play 8 or 9 games per season. This reduction in funding will result in shortening the number of games per team to 7 or 8. Also staffing will be reduced for school gymnasiums and clerical assistance.	Current	23,406	1.01
Reduced Administrative Support	Because of improved office efficiencies, this position can be eliminated with minimal impact.	Current	35,110	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
Extension of Mowing Cycle and Reduction in Athletic Field/School Maintenance	The mowing cycle will be extended to 16-18 days from the current cycle of 12-14 days. Litter pickup and planting bed maintenance will also be performed on a 16-18 day cycle rather than the normal 12-14 days. Landscape maintenance, including winter over-seeding of all irrigated athletics fields at high schools and replenishment of infield clay on middle and high school baseball fields, will be reduced. The impacts will be an overall degradation of appearance to School sites citywide and lower quality athletic facilities, mostly at high schools.	Current	325,426	7.00
Departmental Customer Service Delivery and Innovative/Strategic Initiatives	Training to enhance departmental customer service delivery and/or Innovative and Strategic Initiatives.	Current	15,481	0.00
Reduction in Funding for Sign Language Interpreters	This represents an 18.8% reduction in funding for sign language interpreters. The American Disabilities Act mandates that this service be available when requested by a citizen using the department's programs. The demand and expenditures for this service vary significantly each year. If the demand for interpreters exceeds the budgeted amount, the department will try to absorb these additional expenditures within the existing budget.	Current	11,799	0.00
Reduction in Out of School Time Summer Camp Field Trips	A reduction in approximately 108 (33%) field trips for approximately 600 children in the school-based KidzQuest summer camps. This reduction will eliminate all trips to Busch Gardens and Water Country USA. Although there are private sector alternatives in the marketplace, the KidzQuest summer camps are approximately 30% less expensive than the most affordable alternative. KidzQuest programs are targeted to serve working families that rely on quality, consistent, and affordable care for their children.	Current	44,198	0.00
Reduction in Out-of-School Time Program Supplies and Training	This reduction in recreational supplies will result in the inability to replace many resources that are at the end of their life cycle or purchase necessary educational games and supplies that allow staff to develop distinct environments within a gymnasium or cafeteria for over 3,500 children.	Current	20,640	0.00
Elimination of Animal Exhibits in Outdoor Program Teams	The Out-of-School Time, Therapeutic Recreation, and Senior programs had included live animal exhibits (owls, hawks, and turtles) as part of the environmental educational experience for the program participants. This will be eliminated, and the City is pursuing several opportunities to find suitable homes for these animals.	Current	15,096	0.49
Landscape Maintenance of Newly Renovated School Sites	This funding would provide landscape maintenance for new School infrastructure such as contractual weed control maintenance of the green roofs at: College Park Elementary, the Pupil Transportation Facility, Great Neck Middle School, and the Renaissance Academy, and provide contractual maintenance and weed control for new planting beds at Virginia Beach Middle School. This will lengthen the maintenance cycles at these sites.	Above Current	50,955	0.00
Elimination of All Stars After School Program	All Stars Therapeutic Recreation after school program for elementary school age children will be eliminated due to minimal participation (three).	Current	18,872	0.86

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
Best All Around Awards	The Best All Around Awards program provides special recognition to outstanding youth and staff in their Before and After School programs.	Above Current	8,100	0.00
Reduction in Funding for Playing Field & Tennis Court Lighting Repairs	Supplies to repair lights at playing fields and tennis courts, including those at schools, were reduced by 16%. The department will be able address the most pressing/safety related repairs and delay minor ones until the following year. It is possible that delays to repairing playing surfaces could result in the cancellation and/or rescheduling of games and practices.	Current	10,000	0.00
Reduction in Maintenance for Princess Anne Athletic Complex	Reduction in contracted temporary staff to assist with general facility upkeep and maintenance such as cleaning of the two sets of public restrooms, field maintenance (irrigation and marker lining) to fifteen tier I playing fields, and litter control throughout the athletic complex and the parking lots. This will mean that cleaning of restrooms and collection and disposal of litter will occur once rather than twice a day. Marking and lining of fields will be accomplished one or two times a week rather than two or three times.	Current	19,049	0.00
Reduction in Supplies for Programming and Operations	Various supply accounts were reduced in programming and operations, which means less flexibility to maintain various operations.	Current	21,200	0.00
Elimination of Building Maintenance & Repair at Citywide Satellite Office	Elimination of general maintenance and repair budget for Citywide satellite office. This is an old building in need of repairs. To the extent possible minor maintenance issues will be absorbed within the existing budget.	Current	19,000	0.00
Urban Forestry Management Program	This expansion of the Urban Forest Management Program would provide for contractual maintenance of neighborhood street trees to reduce conflicts with infrastructure, such as street signs and street lights, to minimize view obstructions, and to provide proper clearances for pedestrians and bicyclists. It would also fund the replanting of more appropriately sized trees.	Above Current	400,000	0.00
Out-of-School Time Remote Site Technology and Remote Site Entrance Security	Purchase laptop computers and air-cards for 56 elementary school based after school sites to improve storing important information such as allergies about students participating in the program and authorized pick-up lists. Additional security measures would be implemented such as installing windows in gymnasium doors at three elementary schools (the other 53 school have windows) and high performing doorbells at 55 elementary schools (one school has a doorbell). Because various recreational activities are loud, it is difficult to hear knocks on doors. As such, the practice is to leave the doors unlocked and greet visitors that come inside. Although this practice has worked well, there are concerns.	Above Current	226,836	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				
Biometrics Card Less Check In System	Biometrics is a member check-in system for member validation and attendance tracking. Members would no longer need to carry a physical card for each visit, which eliminates lost cards, capability to use another member's card, and the sale of replacement cards. In FY 2010-11, there were 13,640 lookups for members that did not have their card, 1,977 replacement cards sold, and 12,749 courtesy passes sold. This system would improve customer service at the front desk by significantly eliminating these issues.	Above Current	133,216	0.00
WiFi at Recreation Centers	Provides wireless technology initially at three recreation centers to track member check-in and attendance for classes rather than through manual sign in sheets.	Above Current	59,632	0.00
Class Point of Sale Touch Screen Technology	This technology provides more efficient operations for financial transactions at the front desk due to the use of graphics versus text, which will reduce entry errors.	Above Current	33,300	0.00
Class Facility Reservation Module	Software for reserving room use at the recreation centers. Currently, each site manually records reservations in a master schedule book. This module will provide accessibility, connectivity, and tracking through the department's existing database for all recreation centers.	Above Current	23,625	0.00
Total Cultural and Recreational Opportunities			2,010,369	16.36

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

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Convention and Visitors Bureau				
Office Assistant II - Sports Marketing	Would provide one full-time Office Assistant to Convention and Visitor Development's Sports Marketing Unit to perform routine office tasks, such as data entry, preparing in-house marketing materials and bids, and helping the sales team with lead follow-up and event planning. The addition of this position will increase the capacity of the sales staff to explore greater sales opportunities and gains to be sustained through establishing new markets and their repeat business.	Above Current	41,433	1.00
Convention Center Deferred Maintenance	Would provide funding for deferred maintenance to include: HVAC pumps and motors, chillers, boilers; door maintenance and repair to meet the fire code; fire control systems (fire panels/hood systems) to improve reliability; electrical maintenance and repair; second window cleaning; and audio visual maintenance and repair (video wall and marquees).	Current	103,160	0.00
Economic Development				
Green Business Certification Program	Would provide \$100,000 to create a new web-based Virginia Beach Green Business Certification Program to highlight the achievements of the "green" businesses in the City to attract college graduates and new businesses to the City, and \$45,000 to target Green Businesses to expand or relocate to the City. This initiative would allow the City to gain significant market share in the green job sector by an increase of \$5 million in capital investment by 16 existing companies and four new companies, and 200 full-time jobs, thus producing significant revenues to the City long term. Without adequate resources, this ambitious strategy will not be successful.	Above Current	145,000	0.00
Virginia Beach Technology Incubator Funding	Would provide annual funding (amount fixed for three years) or 43% of an annual operating budget of \$475,000 to relocate and rename Technology Hampton's Hampton Roads Technology Incubator from the City of Hampton to Virginia Beach to accelerate the development of entrepreneurial firms (especially in these fields: biotech and life sciences, alternative energy, advanced manufacturing) that "graduate" as financially viable companies. Projected results include increased capital investment by \$12 million from ten new companies and one new small, women and minority owned company, \$800,000 in direct tax revenues to the City, and an increase of 30 new full-time jobs.	Above Current	205,000	0.00
Retail Recruitment	Would provide funding for a contractual employee to recruit national retailers to Virginia Beach, and to work with existing retail areas to recruit and retain quality retailers. This initiative is anticipated to increase capital investment by \$20 million from five new companies and five existing companies, and create 700 full-time jobs in the City.	Above Current	100,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Economic Development				
New Business Development Representative I	Would add a full-time Business Development Representative I to provide research and marketing support to improve the efficiency and capability of existing staff for the City's business attraction and retention programs resulting in increased capital investment of \$20 million from five new companies and ten existing companies, and create 250 full-time jobs in the City.	Above Current	71,849	1.00
Business Development Rep. II APZ1	A Business Development Representative II position is currently funded by capital project 9-060, Oceana and Interfacility Traffic Area Conformity and Acquisition. This request would replace the capital project funding with funding from the General Fund. The position will continue to manage the Oceana and Interfacility Traffic Area Conformity and Acquisition program as well as the high performance manufacturing target sector to increase capital investment by \$30 million by 15 new companies and five existing companies, and create 225 full-time jobs in the City.	Above Current	86,973	1.00
Biomedical/Healthcare Consultant	Would provide funding for a biomedical healthcare consultant to identify investment opportunities for the City as well as assisting existing Virginia Beach companies to expand. This initiative is anticipated to increase capital investment by \$20 million from seven new companies and create 125 full-time jobs in the City.	Above Current	100,000	0.00
International Economic Development Office	Would provide funding to establish a European marketing office to increase the City's legitimacy as a true global business location, and enhance its ability to successfully compete against other large U.S. cities, which currently have European offices. This would entail hiring a European based consultant to represent the City through marketing and public relations services to promote and identify companies, specifically IT and high performance manufacturing, interested in growing their operations in the U.S. This new initiative is projected to increase capital investment by \$30 million from five new companies and create 200 full-time in the City.	Above Current	100,000	0.00
Strategic Growth Area				
Staffing Request	A request for four additional FTEs to support the Strategic Growth Area Office mission. As strategic growth areas transition from broadly scoped plans to specific redevelopment projects, tactical planning will necessitate additional staff to support economic development, transportation, utility, stormwater retention, and landscape redevelopment efforts.	Above Current	302,031	4.00
Total Economic Vitality			1,255,446	7.00

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

Title	Description	Service Level	Amount	FTE
Family and Youth Opportunities				
Human Services				
Planner/Consultant	This would provide funds for a consultant to review the multitude of plans and data collected by the participating departments and outside partners. To improve the delivery of services to families in the City and to improve the efficiency of the various stakeholders working together in delivering these services. Each department in the team has data to share and the consultant would work with each department's data to identify how recent economic changes will affect our City and its residents.	Above Current	100,000	0.00
Child and Youth MHSA Day Treatment Services	Three mental health clinicians provide Day Treatment services for the Child and Youth program at the Birdneck Elementary School site. They provide after school therapeutic services for children with disabilities. These day treatment staff members have all been utilized since July as the primary resource for completing the newly required VICAP (Virginia Independent Clinical Assessments Program). These three positions have become unfunded due to changes in CSA rules in reimbursing day treatment service.	Current	216,346	3.00
Total Family and Youth Opportunities			<u>316,346</u>	<u>3.00</u>

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

Title	Description	Service Level	Amount	FTE
Quality Education and Lifelong Learning				
Library				
Efficiency Improvement Savings	Libraries streamlined and simplified the collection management and cataloging services, eliminating one Librarian IV position at a savings of \$73,700.	Current	76,585	1.00
Total Quality Education and Lifelong Learning			<u>76,585</u>	<u>1.00</u>

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

Title	Description	Service Level	Amount	FTE
Quality Organization				
City Clerk				
Sister Cities	Would restore funding to the FY 2011-12 level totaling \$13,260 for the Sister Cities program to support the Sister Cities Association of Virginia Beach, which advises the Mayor and assists in coordinating the activities of the Sister City member affiliates. Sister Cities brings national and international recognition to Virginia Beach and revenue from delegate spending. The City has three established relationships: North Down, Co. Bangor, Northern Ireland, Moss, Norway, and Miyazaki, Japan.	Current	3,845	0.00
City Manager				
Eliminate Organization Development Coordinator Position	Over the last several years, the three person Organization Development Office (ODO) has provided an increased level of support to City Council appointed groups, such as Envision Virginia Beach 2040, and departmental community input sessions. The elimination of one position will significantly reduce this office's ability to assist departments in assessing processes/workflow, implementing reorganizations, improving performance outcome measures, and an increased number of service requests that required a longer term commitment. An alternative might be to use a contract position.	Current	80,151	1.00
Elimination of Media and Communications Group Administrative Assistant Position	New technology has simplified many of the responsibilities of this position allowing the remaining Media and Communications Group (MCG) staff to absorb some of the duties such as press release distribution and the after hours contact list. The remainder of the duties, including answering the telephone calls that do not go directly to staff, paying bills, ordering supplies and other administrative tasks will need to be absorbed by existing support staff in the City Manager's Office. Two support staff FTE's have been eliminated in the City Manager's Office in the past several years which has significantly impacted the workload of each remaining position.	Current	47,293	1.00
Commissioner of the Revenue				
Addition of New Vehicle	This budget issue request is for the Commissioner of the Revenue (COR) to have a vehicle in order to do field audits, inspections and on site tax preparation. Currently, a motor pool vehicle is used when available. This hinders work efforts since there may not be a vehicle available from the motor pool for weeks at a time. In FY 2010-11, the department paid over \$4,000 to use a motor pool vehicle when they were available. Thus far in FY 2011-12, the department has already spent close to \$2,000 on motor pool charges again when there was a vehicle available. By allowing the COR to have its own vehicle, as it did prior to FY 2007-08, the COR could increase discovery, audit and compliance of businesses which would speed up and increase revenue to the City.	Above Current	19,401	0.00
Full time position for DMV Select	The Commissioner of the Revenue requests a position to manage the DMV Select program thereby freeing up existing staff to address other workload increases.	Above Current	35,237	1.00
Communications and Information Technology				

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 Repair and Operate	This maintains the capability to operate and repair business service, information services, information systems, and information security services. It restores MMS Freelance capacity, CGIS, TPMO, Network, Applications contractor provided service capacity for operations and projects, and software support for TeamTrack.	Current	253,621	0.00
Communications and Information Technology Lifecycle Maintenance/Expansion	This maintains technology lifecycle needs. It restores staff and service capacity to keep existing systems, services and applications up-to-date and viable for the continued delivery of service into the future; the activity includes reductions in software support, the computer replacement program, and contracted system maintenance.	Current	344,700	2.00
Planning Business System Integ CIP Operating Expenses	Operating support for this project include one Systems Analyst II and \$10,000 in Software Licensing.	Above Current	123,897	1.00
eGIS Advance Routing CIT Operating Expenses	Operating expenses for this project include \$28,000 in annual software licensing/maintenance, the purchase of two computer tablets and on-going funding for two aircards.	Above Current	31,300	0.00
eGIS Smart Client CIP Operating Expenses	Operating expenses in ComIT include \$5,000 in training, \$3,000 annual hardware replacement subscription and \$50,000 in annual software licensing/maintenance.	Above Current	58,000	0.00
ALI DB Mgmt and Sel Routing CIP Operating Expenses	ComIT operating expenses for this project include one Systems Engineer II, computer, and support totaling \$86,107 annually.	Above Current	89,393	1.00
ECCS Customer Relationship Mgmt CIP Operating Expenses	Operating expenses in ComIT consist of one Systems Engineer II with computer expenses (\$86,107). Additional operating expenses in ECCS are a \$5,000 hardware replacement subscription and \$6,650 in software licensing/maintenance.	Above Current	89,393	1.00
eGIS Base Map Updates CIP Operating Expenses	Operating expenses in ComIT consist of an \$11,250 subscription for hardware replacement and \$14,375 for annual software licensing/maintenance.	Above Current	25,625	0.00
Standby Support for Public Safety System	During the past year, since there has been an increasing need to provide extended support (beyond normal work hours of 8 am-5 pm) of mission critical public safety systems. This opportunity will provide for stand-by support of mission critical public safety systems by Applications Support Database Engineers and the Applications Support Analysts. These resources, along with the other ComIT resources already on standby, will reduce a significant gap in support after hours of mission critical public safety systems that support Police, Fire, EMS and ECCS.	Above Current	167,948	0.00

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

Title	Description	Service Level	Amount	FTE
Quality Organization				
Communications and Information Technology				
VBgov Enterprise Content Management	VBgov.com was redesigned in FY 2011-12 to allow content to be easily found by site visitors without requiring them to know which department or agency owns the service. This was done by adding enterprise content areas to the web site that are managed by ComIT/Multimedia Services (MMS). In order to appropriately manage the content, and to provide assistance and direction to departments and agencies on the appropriateness of their content and the navigation needed to effectively place and offer the content; it is recommended to add a full time staff member to own and manage the enterprise content of VBgov.com.	Above Current	81,253	1.00
Technology Support Center Conversion of Contract Staff to City Employee	Convert one member of the Technology Support Center from a full time contracted position (FTC) to a full time City position (FTE). Currently the City pays for three FTCs at a cost of \$79,409 per person per year. The objective in converting from FTC to FTE is to build capacity using in-house staff versus contracted resources for future sustainability and to retain institutional knowledge. This would save \$18,823 the first year.	Above Current	-18,823	1.00
Information Security Service Requests	Information Security is experiencing an increase in requests for investigations particularly from the City Attorney, City Auditor Office, and the Police Department. FY 2010-11 experienced a 200% increase in requests and based on year to date requests for FY 2011-12, another 100% increase is anticipated. The office also anticipates an increase in monitoring requirements for Payment Card Industry (PCI) security requirements.	Above Current	105,891	1.00
Master Address Repository Operating	This project is to develop and implement an enterprise Master Address Repository (MAR). The MAR is a GIS database repository and collection of addresses gathered from City business systems and the address issuing office. The primary goals are to improve the address distribution process, modify existing business procedures, improve address communication, and develop addressing web services	Above Current	119,203	1.00
Finance				
Accountants for IRS Reporting Compliance	New higher penalties have been assessed with the Federal Small Business Jobs and Credit Act of 2010. Increase in Information Return Penalties (IRC Section 6721) affects missing or incorrect names and taxpayer identification for all vendors and incorrectly filed or late filing of 1099 forms. Two accountants are requested for this effort. The first accountant will be responsible for establishing the City policy and procedures to assure compliance with the various vendor tax laws. The second accountant will be responsible for performing the withholding and administrative tasks associated with reporting and remitting correct amounts to the IRS. These accountants will be responsible for managing accounts payable testing and user acceptance relating to INSITE upgrades and software patches, providing support to departments and vendors for interfaces, expanding high volume vendor interfaces, and working with Purchasing to strengthen vendor requirements for payables.	Above Current	131,091	2.00

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

Title	Description	Service Level	Amount	FTE
Quality Organization				
Finance				
Human Resources				
Professional Health Services	In meeting the proposed reduction of \$21,924 in professional health services, Occupational Health will need to decrease the hours of availability of professional health services provided by the contracted physician and physician assistant while maintaining the availability for federally mandated physicals and pre-placement exams.	Current	21,924	0.00
E-Learning	This program provides training through the use of technology. Distance education/e-learning offers a cost savings approach to traditional learning and allows for just in time training and access from any computer workstation. With the proposed reduction in this program the organization will experience: elimination of ten safety related courses, limit departments to instructor lead OSHA/Safety training, and limit delivery of safety training to the availability of instructors or attending outside training.	Current	16,720	0.00
Total Quality Organization			1,827,063	14.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Planning				
eGIS Master Address Repository Operating Expenses	This is staffing to add new activities to the street addressing function. These activities include research and resolution (when required) of addressing discrepancies; enforcement and tracking of new official addresses; addressing of vacant lots, as requested by the Commissioner of Revenues' Office; and, assignment and tracking of suite and unit numbers.	Above Current	94,133	2.00
Planning Customer Service	This position will enable the department to provide a higher level of customer service by assigning a well qualified, professional Planner, to the role of customer assistant. More in-depth information concerning Planning activities will be provided by a well-trained, entry level, Planning professional.	Above Current	62,676	1.00
Public Works				
Curbside Value Partnership	Education effort with the Curbside Value Partnership and Tidewater Fibre Recycling designed to create region wide awareness for each community's recycling program and to increase recycling tonnages within the various cities.	Above Current	80,000	0.00
Recycling Perks	Incentive based program based on recycling participation that implements radio frequency readers to collect participation data by household and Recycle Perks offers rewards to participating households. RFID Readers will cost \$160,389 per year for five years for a total of \$801,945. Recycle Perks is \$240,583 per year. Payback is currently projected at five years; however, the cost-benefit is not advantageous until the City pays full tipping fees in 2016.	Above Current	441,000	0.00
Electrician	One electrician position for new facilities including the Police Special Operations Property and Evidence Storage facility, the Chesapeake Beach and Town Center (Thaila) Fire Stations, the New Animal Care & Adoption Center and the Williams Farm Community Recreation Center. An additional position is requested to address the increased workload from the new facilities, maintain support for the backlog of aging infrastructure, and the ongoing efforts to retrofit facilities with energy reducing lighting and controls.	Above Current	73,364	1.00
Appliance Repair Technician	There are 540 appliances that require repair, maintenance and refurbishment within the City. This includes large commercial stoves and ovens, walk-in refrigerators and freezers, washers and dryers, icemakers, dishwashers, warmers, and other appliances that are essential to the operations of a facility or service. Currently one heating and air-conditioning technician services the most critical repairs of these appliances in addition to regular duties. It has become impossible maintain and repair many of the appliances in a timely manner due to lack of manpower. This is resulting in replacement verses repair in order to maintain basic needs in buildings that are operational on a 24-hour basis.	Above Current	75,650	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Night Time Paint Crew	Two painter positions for a night time crew to paint areas that cannot be addressed during normal operating hours. The current complaint of painters is the inability to address the outside infrastructure of City facilities and the oceanfront buildings. Building Maintenance attempts to alter schedule changes to paint after hours, but this results in a backlog buildup of the normal working hour painting operations. A night time crew would help to eliminate the overtime issue and allow for continuation of daily painting and would prevent disruption of services and maintain the employee work environment. The paint department has not grown in relation to the addition of City facilities and, with the aging infrastructure, are unable to keep up with the demand required for proper maintenance.	Above Current	101,517	2.00
Cleaning Supplies	Increase of cleaning supplies to keep up with custodial needs at new facilities.	Above Current	63,901	0.00
Equipment Replacements	Four replacement power washers are needed by the Resort Maintenance Crew to clean the board walk and sea walls daily and other areas which the public utilizes, these areas include the connector parks between Atlantic Avenue and the Boardwalk. They are also used for constant graffiti removal and bench cleaning. The current washers are in a constant state of repair having exceeded their life expectancy and usefulness due to the high volume and year round usage.	Current	40,000	0.00
Efficiency Improvement - Recreation Centers Natural Gas Reduction	Building Maintenance has taken steps to reduce natural gas costs through the installation of energy efficient systems with particular emphasis on heating pool water. The potential still exists, due to colder than normal winter weather conditions, for the recreation centers to require natural gas in excess of that budgeted.	Current	21,865	0.00
HVAC Position	One heating and air conditioning position to address the new Williams Farm Recreation Center. This position would also assist with the Building Maintenance system issues as they occur. Increased demand will also be seen with the addition of the Police Evidence and Storage facility, the Animal Care & Adoption Center, Chesapeake Beach and Town Center (Thalia) Fire Stations.	Above Current	75,650	1.00
Wireless Technology Expansion	Expansion of wireless technology to provide each shop technician with a laptop computer for projecting real costs associated with fleet repair, maintenance, and increase mechanic accountability. Fleet Management buildings have already been integrated for wireless technology.	Above Current	80,310	0.00
Beach Operations Quality Service	This request provides an assistant superintendent, maintenance supervisor and six additional contract positions during the height of the tourism season. In addition, equipment to provide a higher level of supervision coordination and services for the beach operations program.	Above Current	216,189	2.00

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

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Energy Management Program Functions	This request provides the technical support to the City's Energy Management Program. Currently the Energy Management program is supported by temporary staff paid for by grants. Grant funds will no longer provide support to this program after July 2012. In order to meet the demands of this function, this request includes an administrative analyst, intern, software implementation and support, and training/office needs.	Above Current	95,960	1.00
Staffing and Support for PW Facilities Management Office	Staff will include an administrative analyst, an engineering technician, an account clerk, and an intern. Currently, when field work, inspections, or investigations are required, staff is required to use personal vehicles, therefore, a mid-size vehicle which will be shared with all FMO staff is included. This program also provides necessary office equipment (computers, phones etc) and other administrative needs for the additional personnel. Work area for the staff has already been identified.	Above Current	144,893	2.00
Traffic Signal Construction Staff	Re-establish the traffic signal construction staff through the addition of five positions 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	509,550	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 six months. The typical mast arm installations are inspected every 16 months.	Above Current	750,000	0.00
Traffic Management Center Staffing	Engineering Technician position will have maintenance responsibility for the traffic signal system communications network and the Traffic Management Center LAN. Developing and modifying signal timings, and maintaining the fiber optic network mapping. Engineer III position will assist in managing the day-to-day operations of the City traffic control system and the Traffic Management Center. And assist in analyzing driver tendency data and the regular retiming of traffic signals.	Above Current	215,791	2.00
Total Quality Physical Environment			3,142,449	20.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Commonwealth's Attorney				
Additional Clerk II Position	This position will act as a front desk receptionist and be the first contact the public has with this office and allow for continuity at the front desk and on the switchboard. Other duties include handling, date stamping, and distribution of all office mail, case screening appointments, walk in visitors (probation officers, police, defense attorneys, and the public) and police case reports. This workforce need is currently met through contracted manpower employees funded through vacancy funds. An alternative would be to provide \$23,462 in contracted manpower funding.	Above Current	30,487	1.00
Request for Law Intern Program	Six interns would work ten 40 hour weeks and would assist attorneys in the prosecution of misdemeanor offenses as well as provide research and writing on more complex cases. Due to budget cuts, local funding for the law internship program was eliminated during the FY 2011-12 budget process.	Above Current	52,607	1.15
Courts and Courts' Support				
General District Court	Reduction in various operating accounts such as contracted manpower, office supplies, computer supplies, and print shop charges.	Current	7,058	0.00
Salary Supplement/Bonus for the Court Services Unit (Juvenile Probation)	This would provide salary supplements for this State agency based on annual performance standards being met.	Above Current	35,500	0.00
Emergency Communications and Citizen Services				
Reduction of 3-1-1 Citizen Services Positions	Request the restoration of two part-time Call Takers. These positions are responsible for being the initial call takers for the City's Citizen Services Communication system. Less staff will be available to answer online inquiries and fewer calls will be handled without the need of transferring the caller to the respective department of inquiry.	Current	39,842	1.50
Addition of Business Application Specialist I	Request funding to hire a Business Application Specialist I to support maintenance and research associated with the numerous applications in use by 3-1-1 and 9-1-1. Currently these job tasks are being fulfilled by contractual positions.	Above Current	50,163	1.00
Elimination of Executive Assistant	Request to restore the Executive Assistant position. This position is the first line of contact for the department Director and includes the responsibilities of completing clerical work, leading a team of staff volunteers in the creation, development, and distribution of the department newsletter, processing of department rewards, performs research, shares budget knowledge in the areas of CIPs, along with other unique tasks and responsibilities. Currently ECCS has a total of three positions or 2% of their workforce classified as clerical positions.	Current	71,633	1.00
Addition of Administrative Technician	Request for a full time Administrative Technician to provide FOIA support/liaison for ECCS. ECCS is a record holder of public safety FOIA documents and recordings. This position will be responsible for providing up-to-date information for FOIA inquiries, maintaining service level agreements between departments support for ECCS, as well as providing computer aided dispatch (CAD) maintenance. Currently these work responsibilities are being handled through the use of existing staff.	Above Current	40,534	1.00

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Emergency Communications and Citizen Services				
Operating Impact of the Customer Relationship Management Project (CRM)	Addition of an Administrative Technician position to address the anticipated workload increase associated with the CIP project. This position would act as ECCS's liaison to other departments during the implementation stage of this project as well as during the operational phase of the CRM. This project is not currently funded in the CIP.	Above Current	52,184	1.00
Operating Impact from Capital Project ECCS Automated Scheduling	Request for additional funding for operating budget impacts anticipated with the implementation of this project. Emergency Communications & Citizen Services current scheduling process is done manually and is time consuming and cumbersome. The need for an automated scheduling software solution to archive, track, distribute staff assignments, overtime, schedule changes, gaps, etc. needed in order to streamline a more efficient process. Currently two ECCS supervisors (911/311) spend time off the operations floor creating manual schedules to support a 24/7 operations, this reduces their ability for call taking oversight of call management. This project is not currently funded.	Above Current	16,200	0.00
Emergency Medical Services				
Ambulance Staffing Augmentation	Would provide eight 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 11, improve EMS unit hour utilization levels, and improve the response times to calls for service. This staffing will move EMS closer to achieving 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	511,318	8.00
Transfer EMS Training Division to Viking Drive	Would relocate EMS Training Division offices from the Fire and EMS Training Center to leased space and add leased training space (in addition to space to still be used at the Fire Training Center) to be co-located with EMS Administration on Viking Drive. This move will provide a central location for EMS volunteers to report to class and obtain other assistance, as well as various operational and office space efficiencies for EMS staff and instructors. In addition, this will provide additional office space to the Fire Department and reduce crowding at other the Fire Department offices. The cost is based on the existing five year lease that contains a 2.5% annual escalation rate and expires August 31, 2013.	Above Current	121,815	0.00
Volunteer Retention	Provides funding needed to enhance the volunteer appreciation program including: Family Night at the Aquarium, Family Day at Ocean Breeze, family matinees at the movies, tickets to concerts at the Sandler Center or the amphitheater. Recognition is very important to retain and reward the dedication of the volunteers who spend much time away from their families for training, events, meetings, and rescue duties. Tokens of appreciation have historically produced dividends in the form of goodwill and feelings of being appreciated beyond the monetary outlay.	Above Current	22,499	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Emergency Medical Services				
Medical Shelter Supplies and Storage	Will provide funds to continue outfitting the City's Medical Shelters with equipment and supplies, and provide short-term storage through a lease of commercial storage space for these items. The purpose of the Emergency Medical Shelters is to support citizens, who have special medical needs, with medical assistance and maintenance care during a natural or man-made disaster. The initial goal is to obtain enough equipment and supplies to support a 300 bed facility, 600 family members and 200 staff members with associated supplies and equipment for at least three to five days.	Above Current	82,000	0.00
Defibrillator Replacement Program	Would provide the fourth 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
Stryker Power Lift Stretchers	Would provide funding for the first year of a three year phase-in of battery powered stretchers (\$14,000 unit cost) that will replace existing manual stretchers. The use of power lift stretchers will reduce back injuries for EMS providers and risk management costs for the City.	Above Current	140,000	0.00
Electronic Medical Records Training Computers	Would provide five Electronic Medical Records (EMR) tablet computers at a one to six student ratio (30 students per class) to enhance the training now provided through Power Point slides in order to provide hands-on EMR training to new EMS providers as well as refresher/continuing education training. Currently the department's 34 tablet computers are located on the ambulances according to the terms of the grant under which they were purchased.	Above Current	25,000	0.00
Laerdal ALS Simulator Manikins	Would add two Advance Life Support simulator manikins (\$10,500 unit cost) to EMS' existing inventory of two manikins to provide for a class of up to 24 students to meet State instructor to student ratios of one to six, and to meet the increased demand for advanced cardiac life support and advanced life support certification, re-certification, and continuing education classes as well as new 2012 State mandates and American Heart Association guidelines.	Above Current	21,000	0.00
Fire				
Four Person Staffing	This request would provide funding for additional firefighters to begin implementing the Fire Departments four person staffing initiative. Funding would provide "up staffing" for one front line fire apparatus/unit for three shifts. Costs reflect hiring four firefighters (salary and benefits), overtime costs, as well as equipment and training. Ideally, the Fire Department would like to provide an additional 80 firefighters on the remaining 20 fire apparatus that are presently staffed with three firefighters to increase front line fire apparatus staffing to a four person minimum.	Above Current	271,034	4.00

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Fire				
Resource Management Relocation	The Fire Department requests 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 space leased by Virginia FEMA Task Force 2. The estimated cost is approximately \$6.90 per square foot for a five year full service lease. The annual escalation on the lease could range between 1% and 3%. This will provide an improved platform and location to provide resource management functions, will allow for the sharing of resources between the FEMA Task Force and Resource Management during emergencies, and will free up 21,000 square feet of space at the Fire Training Center to be renovated for fire training needs to provide for necessary growth to make progress on the Fire Training Center Master Plan.	Above Current	167,100	0.00
Equipment Funding	The Fire Department requests a \$300,000 funding increase in its operating accounts to provide for core fire and medical equipment including: thermal imaging cameras, EKG monitors, self contained breathing apparatus, extrication equipment, ladders, hoses and hazardous material equipment. These items have a designated life expectancy from their manufacturers due to the technology used in the equipment and the normal wear from use. There is also the potential for catastrophic equipment failures. 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
SCBA (Self-Contained Breathing Apparatus) Equipment Funding	This request is to replace all of the Department's SCBA's. Replacing all of the units at the same time must occur due to integrating the equipment and technologies together. Overall, the Fire Department's cache of 400 SCBA's is getting older. The latest purchase took place in 2004. Many parts have been replaced and regular repair is ongoing. At this point, the five year countdown has begun. The Fire Department will be able to extend the operational life of units on fire apparatus but, Fire Training Center units probably won't last more than three years.	Above Current	1,450,000	0.00
Technology Funding (LiveMum)	The Fire Department requests \$100,000 in technology funding to provide funding for the LiveMum system. LiveMum provides the following advantages for the Fire Department: determines the most strategic and efficient placement of existing apparatus; provides most optimal move up recommendations during increased emergency incident rates, or major disasters such as train crash, bridge down, flood, large building fire, earthquake, special events, etc; avoids dependence on pre planned move ups, thus taking guess work out of real time move up recommendation; provides real time streaming, color coded display of area coverage, to easily identify gaps in coverage; tests, trains and evaluates move up decisions before making them in the field; and lastly is used as an important interoperability and simulation tool.	Above Current	100,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Fire				
Promotional and Hiring Processes	Funding is requested to conduct the Fire Departments hiring and promotional processes for FY 2012-13. In the current fiscal year, the hiring process cost the Department approximately \$100,000; more than \$40,000 of these costs were absorbed in other operating accounts throughout the department. Due to current financial constraints in operating accounts, these costs cannot continue to be absorbed. The hiring process consists of funding needed for media advertising, printing and mail room invoices, a consultant to create and score the testing, background and polygraph tests, meals for certain events, overtime costs, and the rental of the testing site. The promotional process for FY 2012-13 requires funding for battalion chiefs, district chiefs and captains.	Above Current	74,036	0.00
Health and Safety Program Funding	This request is for funding needed to improve and maintain the health, safety, and wellness of the Fire Department's personnel. Many of the items requested are necessary to provide sufficient resources in order to complete the Candidate Physical Ability Test (CPAT) as well as provide necessary tools and education to maintain a healthy and safe Fire Department. Items needed to accomplish the mission of the Health and Safety Office include overtime costs for training, counseling and monitoring; a vehicle for a safety officer and a Battalion 10 vehicle to conduct health and safety training/exercises, peer fitness recertification's for individuals to maintain certification by obtaining continuing education units(credits) as well as travel costs for members to serve on National Fire Protection Association (NFPA) committees, exercise equipment to train for Candidate Physical Ability Test (CPAT) and increase core strength and provide an adequate number of equipment pieces at each Fire station; and two structures for agility testing, wellness programs and strength training for recruits at the Fire Training Center.	Above Current	460,590	0.00
Multimedia Equipment and Technology Funding	This request is for funding to support initiatives associated with the Fire Department's multimedia division. Funding is requested to keep up with the level of productivity anticipated with the department's website as well as technology needs associated with the resource management division. Previously, aid to localities (ATL) funding could be utilized for some purchases; however, with new restrictions implemented on the use of those funds, the department has been unable to purchase certain audio visual equipment/technology equipment.	Above Current	27,600	0.00
Police				
Street Crime/Gang Unit	Funding for nine additional sworn positions (one sergeant and eight officers) to combat criminal street gang and other violent street crime activities directly affecting City neighborhoods. These personnel will work in conjunction with other department members and outside agencies. If not funded, the Police Department will have to continue to perform these functions using existing staff, which may degrade service in other areas.	Above Current	945,614	9.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Central Business District Staffing	Funding for 15 additional sworn positions (1 sergeant and 14 officers), a part-time Community Services Officer (.8 FTE), overtime cost and related equipment to provide dedicated public safety resources to the growing Town Center area. The visibility of officers in an area is a key factor in deterring crime. Without additional staffing, the Police Department will provide the same level of services that is currently being provided.	Above Current	1,563,401	15.80
Oceanfront Camera System Renovation and Expansion	Would renovate, expand, enhance, and ensure maintenance of the existing oceanfront security camera system that dates back to the 1990's and was last renovated over ten years ago. This system is a good tool to monitor crowds, spot and respond to incidents as well as prevent incidents. If this system is not kept up to date and maintained properly, it will lose its effectiveness as a security tool at the Oceanfront.	Above Current	500,000	0.00
Additional Uniform Patrol Overtime	Provides additional funding for Police Uniform Patrol overtime. Historically, Police overtime costs have been absorbed by vacant salaries within the department. In the event that vacancies are limited in FY 2012-13, there is the potential for budgeted funds to be insufficient to cover overtime costs.	Above Current	325,473	0.00
Additional Police Support Positions	Would provide funding for two Public Safety Data Services Assistants to address a substantial workload increase in warrant work including protective orders associated with State and Federal requirements. Not funding this request will result in the Police Department continuing to perform these responsibilities with existing staff members, who are having difficulty meeting the State Police regulations for entry into the Virginia Criminal Information Network and servicing prior to expiration of the order.	Above Current	88,022	2.00
Civilian Special Events Coordinator	Would provide funding for a part-time Civilian Special Events Coordinator to free up existing sworn personnel that are providing this service. The position will facilitate traffic and crowd control training for non-sworn volunteers; act as a liaison to those seeking event permits to help recommend sufficient public safety staffing for the event; and coordinate logistics, identifying, acquiring, and assigning a cadre of resources to include, but not limited to, volunteer groups, paid civilian staffing, and on-duty and off-duty sworn personnel. Not funding this position will result in the Police Department continuing to use sworn staff to coordinate and provide manpower to staff special events, which diverts resources from their law enforcement duties. Funding could come through an increase in Special Events fees.	Above Current	28,594	0.63
Police Online Training Module	Would provide on-going funding for an on line training application that began in 2010 and reduces the amount of time officers spend in classroom training while increasing their availability for their normal duties, such as patrol and investigations. If not funded, the department will have to delay other training opportunities and costs to continue funding this cost or revert back to using traditional training methods.	Above Current	43,000	0.00

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Part Time Telephone Reporting Unit Positions	Would provide funding for six part-time civilian positions working 32 hours per week (4.8 FTEs) to supplement limited duty personnel working in the Telephone Reporting Unit. Approximately 10,000 lower priority calls for service could be redistributed to these staff members from street patrol. It is difficult to assign full duty officers to these duties due to patrol needs. Limited duty personnel are unavailable a significant percentage of their time due to medical appointments, surgeries, and physical therapy appointments. Not funding this request will result in the continued handling of low priority police reports by existing staff.	Above Current	217,859	4.80
Police Integrated Public Safety RMS Positions	Would provide funding for two full-time Business Application Specialist positions to participate in the development and implementation of the Police Integrated Public Safety Records Management System (RMS) capital project. Also, the positions will provide on-going support for the project after implementation including security and business issues related to the system. The Police Department will be impacted heavily due to CAD and RMS replacements and implementation of field reporting and electronic ticketing. The Department of Communications and Information Technology staff will only handle technical issues.	Above Current	138,877	2.00
Property and Evidence Storekeepers	Would provide funding for two full-time Storekeepers beginning April 2013, to provide support to the new Property and Evidence Complex on Leroy Drive that is anticipated to open in June 2013. These new positions would staff a partial Property and Evidence facility at Police Headquarters to serve as the day-to-day distribution and acceptance point for all evidence and property, including court proceedings. These positions will transport evidence and property between the two facilities, document the relocation in the automated evidence tracking system, and physically place the evidence/property in the new location. If funding is not provided, existing staff would provide this support.	Above Current	29,013	2.00
Police Overtime for Central Business District Staffing	Would provide funding for over-time for regular assignment of officers to the Central Business District on the weekends during the summer months and from mid November through December during holiday shopping periods as an alternative to adding 15 permanent full-time officers to this portion of the Third Precinct. The impact of not funding this request will result in the same level of services currently being provided by the Police Department.	Above Current	327,997	0.00

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Additional Precinct Desk Officer for First Precinct	Would provide a sixth full-time Precinct Desk Officer to the First Precinct to enable the precinct to remain open from midnight to 7:00 a.m. to convert to a 24-hour operation consistent with the other three precincts. This will provide citizens, visitors and victims of crimes with improved customer service including assistance with information requests and reports, more timely entry of traffic accident reports and criminal and traffic summonses. This will assist the Detective Bureau, which operates 24-hours a day and utilizes the First Precinct lobby as a waiting area for citizens and witnesses waiting to be interviewed. If not funded, the precinct will remain closed from midnight to 7:00 a.m. and citizens will have to continue to utilize the phone located outside Police Headquarters to request police services, which will be provided by a street officer.	Above Current	48,448	1.00
Police In-Car Digital Cameras	Would provide funding for approximately 40 digital in car cameras for marked police vehicles as a means to record officer and citizen activity during traffic stops, to provide evidentiary videos to be used in court preparation and presentations by the department, defense attorneys and citizens. Currently, the Police Department has 39 in car cameras in traffic units and some precinct units. If not funded, potential evidence needed to prosecute cases or clear up questions about police officer conduct would not be available.	Above Current	180,000	0.00
Part-time Cold Case Investigator Expansion	Would increase hours of the department's two part-time cold case investigators from 20 hours per week to 32 to allow for more investigation, which may result in solving more cases. The impact of not funding this request will result in the same level of services currently being provided by the Police Department.	Above Current	36,310	0.80
Sheriff and Corrections				
Expansion of DARE program	This request will provide additional supplies so that the DARE Program can maintain current operations. In FY 2012-13, the new DARE curriculum will come out and the department is required to teach from the new curriculum workbooks. Additional funding is also needed for items such as ribbons and cards needed for additional children identification cards, personalized bumper stickers, baseball, soccer, basketball & football magnets. The impact of not funding this budget issue in FY 2012-13 will result in the DARE program teaching from an outdated curriculum, as well as being incapable of providing an adequate number of children identification cards.	Current	11,125	0.00
Replacement of DARES's vehicles	Request funds to replace three DARE vehicles ahead of the City's replacement schedule. The vehicles needed to be replaced are all 1998-1999 model Ford Taurus sedans. Not funding this budget issue will result in the department continuing the use of these vehicles until these vehicles are flagged by the City Garage as needing replacement. At that time, the vehicles would be funded through the replacement pool.	Current	114,084	0.00
Additional DARE personnel	This position will be utilized to manage extra classes that will need to be covered with the new and longer program curriculum. Classes are anticipated to run one week longer for each of the three sessions offered per year.	Above Current	85,052	1.00

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
Sheriff Workforce Equipment	This equipment includes upgrading computers and other equipment necessary for the Sheriff's Workforce to maintain current operations.	Current	4,558	0.00
New Vehicle for Workforce	Request for additional funding to purchase a new vehicle for the Sheriff's Workforce. If this request is not funded in FY 2012-13, the Sheriffs Workforce will continue operations with the use of the existing eleven vehicles in operation.	Above Current	30,643	0.00
Equipment for additional Medical Treatment Rooms	Request for additional funding to increase the number of medical treatment rooms within the correctional facility. Funding would be used to purchase additional exam tables for additional medical treatment rooms. This equipment is needed to create additional spaces to provide medical treatment to inmates.	Above Current	4,500	0.00
Replacement of Transportation Vehicles	Request funding to replace three vehicles within the Transportation division of the Sheriff's Department ahead of the City's replacement schedule. The vehicles needing to be replaced are two 2009 Chevy Vans and one 2007 Ford Van. These vehicles are used to transport prisoners from location to location. The department is worried that these vehicles will become inoperable prior to this fiscal year end.	Current	101,774	0.00
Continuing Education of Maintenance Staff	Request additional funding for the purpose of continuing the education of maintenance staff. Funds would be utilized to upgrade current software used for educational purposes.	Current	18,200	0.00
Human Resources Additional Staff	This position will be responsible for research, Human Resources (HR) training for Sheriff's appointees, writing lesson plans, FMLA, ADA and limited duty assignment. HR operates with the same number of personnel that the department had ten years ago. Since then, the department has added an additional 139 positions and deals with stricter Federal and State laws in all facets of Human Resources, i.e. ADA, FMLA, FLSA, Title 7, etc.	Above Current	39,848	1.00
Additional Investigator Position	This position will conduct and direct a variety of investigations that may involve violations of facility or departmental rules, regulations, policies, or violations of law on the part of prisoners, staff, or visitors. These services are being completed by the Safety Officer when the case loads are heavy.	Above Current	22,144	0.50
Additional Positions for the Intel Dept.	Request for an additional full time Criminal Investigator position and a part time Clerical position. The full time position will allow for the Intel personnel to work in their areas of responsibility and continue crime solving for this department. The part time position will allow for the Intel Unit to have a clerk that can catalog and edit files for active deputy criminal cases, screening of inmate tip line, assist in analysis, create criminal and gang intelligence folders, assist with screening evidence for active criminal cases, and assist with any other clerical related work.	Above Current	61,930	1.50

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
Security Check Tracking Software	Request for additional funding to purchase security tracking software and attend a conference/training seminar for the use of the software. If funded, this software package would allow correctional officers to monitor inmate movement in real time. Currently, inmate supervision is documented through paper log books.	Above Current	207,771	0.00
Additional Master Control Center (MCC) Part-time Position	If funded, this position will be responsible for monitoring cameras and operating control doors within the facility. The department is required to staff the MCC 24 hours a day. Currently the department is doing this through the utilization of existing sworn deputies and one part time civilian position.	Above Current	32,097	1.00
Master Control Center Expansion	The Sheriff's Department has submitted a CIP project for an expansion and upgrade to the existing Master Control Center. Additional funding is needed to purchase chairs and equipment in relation to this CIP request. In addition to these costs, this budget issue request additional funding to send staff to other facilities and training conferences to view the operations and set up of other correctional facilities Master Control Centers. CIP request is not funded in the Proposed CIP.	Above Current	20,233	0.00
Special Projects	Request for additional funding in correspondence with a CIP project submitted by the Sheriff's Department for the upgrade of the Correctional Facility Visitation System. If this project is funded through the CIP process, the visitation system will be upgraded and expanded to increase the number of visitation monitors, recording capabilities and ability of visitors to visit inmates through telecommunications at an offsite location. Additional funding is needed to send staff to other facilities, training conferences, and seminars to review best practices in the implementation of this project. This CIP request is not funded in the Proposed CIP.	Above Current	7,771	0.00
K-9 Drug Program	Request for additional funding to implement a K-9 Drug program. These costs include the purchase of a dog, dog crate, dog pen, initial training for deputy and dog, ongoing training and training aids. Currently the Sheriff's Department uses the Police Department's K-9 unit on a as needed basis; however, it is often found the Police Department's K-9 unit is not available when the Sheriff's Department needs it. If funded, the Sheriff's Department would be more pro-active in searching the jail facility as well as searching weekend inmates during the check in process when approximately 150 inmates come in at one time.	Above Current	65,960	0.00
Total Safe Community			9,670,498	62.68
Total Requested But Not Funded			18,298,756	124.04

**City of Virginia Beach, Virginia
Fiscal Years 2013 through 2018 Capital Improvement Program
Requested But Not Funded Project Listing**

Project #	Project Title	Estimated Cost
<u>Cultural and Recreational Opportunities</u>		
Communications and IT - CRO		
3634000	CIT - Virginia Aquarium Security Analysis This project will perform the analysis required to determine requirements and identify options for a security system that will provide a safe and secure environment for visitors, volunteers and employees of the Virginia Aquarium.	106,596
3635000	CIT - Virginia Aquarium Radio Reception This project will provide a safe and secure environment within the Virginia Aquarium for visitors, citizens and employees by improving radio reception for staff and emergency response. Installation of a bi-directional antenna will ensure that uninterrupted communications will be available in emergency situations.	73,931
Parks and Recreation		
4078000	Pedestrian System Improvements - Phase II This project funds Phase II (FY 2012-13 through FY 2017-18) 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
Total Projects for Cultural and Recreational Opportunities		3
Total Estimated Cost		<u>780,527</u>

City of Virginia Beach, Virginia
Fiscal Years 2013 through 2018 Capital Improvement Program
Requested But Not Funded Project Listing

Project #	Project Title	Estimated Cost
<u>Economic Vitality</u>		
Economic and Tourism Dev - EV		
9095000	Arctic Avenue Parking Facility This project funds the construction for a 750-825 space parking structure to replace existing public parking and support the parking needs associated with redeveloping the former Dome Site into an entertainment center located on the two surface parking lots at 19th Street. The site for the project is the block bounded by Arctic Avenue, 19th and 20th Streets, and Baltic Avenue.	19,499,500
9096000	Oceanfront Capital Projects Reinvestment This project provides on-going funding to reinvest in various high-impact capital projects at the oceanfront. The primary focus of the project is to replace Atlantic Avenue, side streets, and boardwalk lighting with energy efficient attractive LED lighting. The lighting replacements are planned in phases over 10 years and are roughly estimated at \$5 million in 2011 with annual amounts to be programmed at \$450,000. A portion of the funding for this project (about \$150,000 annually) will include reinvestment and renewal activities to address critically needed replacements to street fixtures, sidewalks, paver systems, boardwalk and railing systems, bike path and markings, signage and sign posts, benches, bike racks, and public art pieces.	3,600,000
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
9099000	Resort Gateway Arrival Plans This project provides design services for the development of Gateway Arrival plans for the Resort Area. It will include planning and design of landscape/planting improvements, signs, lighting and other site elements such as public art and water features to enhance and create a memorable arrival experience for visitors and residents to the Virginia Beach resort area. Preliminary treatment areas to be considered are the Lesner Bridge/Shore Drive area, North End Virginia Beach, 21st/22nd Street, and General Booth Boulevard in the vicinity of the Rudee Inlet Bridge.	100,000
9100000	19th Street Infrastructure Improvements This project provides for streetscape improvements including wider sidewalks, street trees and under grounding of overhead utilities; a new street section; and associated storm water and traffic improvements. The project is approximately four blocks and extends from Parks Avenue to Arctic Avenue. This project completes design and constructs the improvements planned for, and the right-of-way acquired under project 9-069, 19th Street Corridor Improvements.	10,636,000
9101000	Regent-Centerville Connector This project is for design, property acquisition, and construction of a 3-lane roadway of approximately one-half mile in length from Centerville Turnpike extending west across Regent University Drive and into property adjacent to the Amerigroup Headquarters.	9,576,000
9102000	Owl Creek Tennis Center Relocation Study - Aquarium/Owls Creek Area Master Plan Implementation This project is for a feasibility study to determine the most advantageous new location and appropriate scope for the relocation and expansion of the current Owl Creek Tennis Center located at 928 South Birdneck Road. In addition, the study will provide a preliminary recommendation for the type, size, and fiscal feasibility of the re-use of the current Owl Creek Tennis Center. Using the recommendations of the Aquarium/Owls Creek Area Master Plan, the study will provide the fiscal analysis to determine the highest and best use of the site, in coordination with adjacent existing as well as proposed uses, in terms of type and size of buildings, types of land uses, and interconnectivity with the rest of the Master Plan area.	50,000
9103000	Aquarium/Owls Creek (AOC) Area Gateway Signage-AOC Area Master Plan Implementation	166,540

**City of Virginia Beach, Virginia
Fiscal Years 2013 through 2018 Capital Improvement Program
Requested But Not Funded Project Listing**

Project #	Project Title	Estimated Cost
<u>Economic Vitality</u>		
Economic and Tourism Dev - EV		
	This project is to create unique gateway signage improvements for each of the three primary intersections bounding the Aquarium/Owls Creek Area. This will include eight gateway signs throughout the 1,200 acre master plan area at Birdneck Road at Norfolk Avenue; Norfolk Avenue at Pacific Avenue; General Booth Boulevard at South Birdneck Road, and one on each side of the Rudee Inlet bridge on the Northeast side of the Plan area.	
9104000	Virginia Aquarium South Building Optimal Use Study This project is to study the optimal use of the Virginia Aquarium South Building (Marsh Pavilion). Funding for this project will be to determine the most advantageous exhibit and programming use of this building in support of the Virginia Aquarium and Owls Creek Area Plan.	100,000
9105000	Market Street Extended This project provides funding for road and street improvements to support a significant development phase in the Pembroke Strategic Growth Area adjacent to Town Center. The project includes property acquisition needed for a new road, bridge, access to the Thalia Greenway, and access to new primarily City-owned mixed-used development parcels. The new roadway will be approximately 2,000 feet with a bridge to avoid impacting existing wetlands, and extend Market Street to Bonney Road. It will include "Town Center" quality amenities including wide sidewalks, street trees, attractive paving, themed signs, and street furnishings.	20,100,000
9106000	Pacific Avenue Widening Improvements This project provides funding for property acquisition, roadway widening of a distance of approximately 2,150 feet, streetscape improvements, undergrounding of overhead utilities and traffic improvements for Pacific Avenue from 16th Street to 22nd Street. Examples of traffic improvements include: a four pole traffic signal at 22nd and 21st Streets, a two pole traffic signal at 17th Street; and a pedestrian traffic signal at 19th Street. The construction cost estimate includes a 15% contingency.	18,300,000
9107000	Arctic Ave, 18th & 20th Street Improvements This project provides funding for major street renovations adjacent to the Dome Redevelopment Area to include improvements to: Arctic Avenue from 21st Street to 17th Street; 18th Street from Arctic Avenue to Pacific Avenue; and 20th Street from Arctic Avenue to Pacific Avenue. The improvements include new streets and traffic improvements, streetscape improvements including wide sidewalks, lighting, street trees, and undergrounding of overhead utilities. No site acquisition is anticipated.	10,196,880
9108000	29th Street Improvements This project provides funding for improvements to 29th Street in the Resort Area as a continuation of the Laskin Road Gateway Project. The project area is 29th Street from Arctic to Pacific Avenue and includes streetscape improvements including wide sidewalks and street trees, a new street with improved drainage, and undergrounding of overhead utilities.	3,200,000
Total Projects for Economic Vitality		13
Total Estimated Cost		<u>97,724,920</u>

City of Virginia Beach, Virginia
Fiscal Years 2013 through 2018 Capital Improvement Program
Requested But Not Funded Project Listing

<u>Project #</u>	<u>Project Title</u>	<u>Estimated Cost</u>
Quality Organization		
Communications and IT - QO		
3636000	CIT - eGIS Advanced Routing This project is to expand GIS base mapping services to include an advanced routing service. The service would be available for customer requests to help plan and optimize fixed vehicle routes for solid waste, recycling, street sweeping, meter reading, and to plan and optimize service delivery areas and public safety response districts. The scope of the request is to obtain the necessary hardware, software, training, pilot program, data and services required to implement the advanced routing application.	359,024
3640000	CIT - eGIS - Smart Client This project would obtain GIS software and services that significantly reduce the development time of location based service projects. Smart client is centrally managed and highly scalable middleware software that would benefit multiple City users, departments, and GIS workflows. This project would enable rapid deployment of GIS database technology with minimal overhead. The project's scope is to obtain the necessary hardware, software, and services to implement GIS smart client technology in Virginia Beach.	451,824
3647000	CIT - Oracle Learning Management Implementation The purpose of this project is to implement the Oracle Learning Management System (OLM) that will be used to track and report staff learning and development activities. An analysis will need to be performed to determine what to do with the data in the current LMS application for terminated employees because this information will not be migrated into the new system and is required for record retention purposes. The creation of a data repository of information for terminated employees, is in scope of this project.	771,103
3648000	CIT - Bi-Weekly and Lag Payroll Implementation The purpose of this project is to convert the City's payroll from a semi-monthly to a bi-weekly frequency and to eliminate the practice of paying current by introducing a lag factor into the payroll process. In addition, an analysis of the work week will be performed to determine if the work week should change from a Thursday start to a Sunday start, as a best practice in payroll processing.	1,854,144
3649000	CIT - Disaster Recovery - Remote Site Build Phase IV Having determined in previous phases of Disaster Recovery projects, precisely which critical services need to be remotely hosted and maintained in a high availability state, and having determined how this will be done – Phase IV is the building out of the items determined and agreed to in Phases II and III. It is currently thought that this build out will include remotely hosted servers with high availability links back to the City for continuous data synchronization. Planning and cost estimates of this project are based on a scenario including establishing remote hosted servers, virtual environments and other equipment in a different geographic location, that would be less susceptible to the type of natural disasters that might impact Virginia Beach. High application and service availability means that service switches to the remote site would occur within seconds if those services were no longer available within the City of Virginia Beach – either by disasters, equipment failures, or accidents.	4,433,900
3651000	CIT - Disaster Recovery - Business Continuity Phase V Prior to this stage of work, the entire focus of planning has been on disaster recovery – trying to secure applications and services that are required to function during planned and unplanned emergencies. Phase V focuses work on business continuity planning, such as determining criticality and importance of the remaining City applications and services provided by ComIT. This stage of work will include an additional analysis to identify remaining City applications and services, prioritization of these applications and services, and to provide additional recommendations for the remote data center – such as equipment changes, new needs, or required improvements.	972,880

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<u>Project #</u>	<u>Project Title</u>	<u>Estimated Cost</u>
	Total Projects for Quality Organization	6
	Total Estimated Cost	<u>8,842,875</u>

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Buildings - QPE		
3205000	<p>Judicial Center Escalator Replacement</p> <p>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.</p>	3,825,000
3504000	<p>Beach Maintenance Facility</p> <p>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 are in FY 2014-15 dollars.</p>	7,000,465
3511000	<p>City Hall Building Renovation</p> <p>This project is for the replacement of all existing mechanical systems in the 89,957 square foot City Hall Building (Building 1) to include 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 useful life. This project also includes removal of asbestos from the structure, upgrading of the telecommunications and computer infrastructure, and upgrading of the special equipment needs for the television equipment room and City 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 phased or all occupants moved to another location during the renovation process. Cost estimates are preliminary and do not include relocation of building occupants.</p>	13,847,500
3512000	<p>Public Safety Building Renovation</p> <p>This project is for the total replacement of systems in the 57,588 square foot Public Safety Building (Building 11), which houses 200 employees in 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 the relocation 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.</p>	9,270,000
3521000	<p>Public Internet Access During Emergencies/Central Library Generator</p> <p>This project is for the installation of a full building diesel emergency generator at the 95,000 square foot Meyera E. Oberndorf Central Library. The generator will have a sound-abated weather proof enclosure. The automatic transfer switch will be located inside the building. A concrete pad for the generator is included as part of this project. This project includes all retrofitting required.</p>	571,728
3522000	<p>Operations Building 2 Electrical Power Supply Upgrade</p> <p>This project is for the replacement and upgrade of the electrical power infrastructure for the Municipal Center Operations Building. This includes increasing the amount of power the building can accept from Dominion Virginia Power, increasing the stand alone generator capacity to meet future needs, and upgrading the uninterruptable power system to handle these larger loads. The upgrade will improve the reliability and security of the Automatic Transfer Switch by relocating it inside the building. Reliability will be enhanced by addressing single points for failure.</p>	1,395,000

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Buildings - QPE		
3523000	Correctional Center Master Control Center Upgrade This project is intended to upgrade and relocate the current Master Control Center for the Virginia Beach Sheriff's Office. This upgrade is intended to make the Master Control Center a Communications Hub for all divisions of the Virginia Beach Sheriff's Office. The Master Control Center currently services the Corrections and ISR divisions. The new Communications Center would service all divisions in the Virginia Beach Sheriff's Office to better facilitate emergency responses and situations. The upgrade includes updating the current video recording capabilities as well as increasing the video surveillance available to the Correctional Center. The new Communications Center will be staffed with both sworn and civilian staff just as the current Master Control Center is.	100,000
3525000	Great Neck Road Sound Wall This project is to replace the vertical boards and battens of the existing sound wall on Great Neck Road. The costs include \$253,440 for 6,336 lineal feet of material similar to the existing material, \$40,000 in traffic control costs, and \$25,440 in contingency costs.	318,880
3527000	Building 14 Renovations and Addition This project will renovate Building 14. The initial work will be to renovate both the areas of the first and second floors of the Agriculture/Voter Registration building. This will allow additional administrative work areas to be constructed which will eliminate the current conference/training room that is located on the second floor. This project will also incorporate an addition (annex) to the building. The annex to the building will be approximately 1000 square feet and will be located on the northwest side of the building. The annex would consist of a lobby, respective gender bathrooms, and a large conference room. The annex, which will have external entrances, creates a multi-purpose training room to be used by the occupants of Building 14 as well as other city and outside agencies. This project will allow the consolidation of all Agriculture staff to work on the second floor thereby freeing space on the first floor, which will be renovated to allow a more functional work area for the Voter Registrar's Office which will include areas for placement of required voting machines, additional staff and storage area. This project also includes the placement of a temporary building which can serve as a conference or training room during the renovation period.	650,000
3528000	CASA Relocation This project will renovate an area on the ground level of Building 10 (some of the space of the former cafeteria) for the relocation of the CASA office. CASA is currently located on the first floor of building 10B. The space CASA occupies is approximately 567 square feet and the relocation will expand the CASA office to approximate 900 square feet. This provides the additional space required by this operation due to additional staffing levels. This plan is consistent with the overall redevelopment and renovation of the former cafeteria area. The area vacated by the CASA office will be reassigned to meet ongoing space needs of City agencies.	88,000
Coastal		
8110000	Eastern Branch Lynnhaven River Dredging This project is for maintenance dredging of the Eastern Branch Lynnhaven River channel. Channel dimensions to be maintained are approximately five miles in length and 60 feet in bottom width.	5,075,508
8400000	Chesapeake Beach - Restoration and Maintenance This project is for the adoption of a beach management program for 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

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Coastal		
	This project is for 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 improvements will be systematically implemented.	
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		
3639000	CIT - Waste Management Database Analysis This project entails 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 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.	220,416
3641000	CIT - PW Fleet Focus Enhancements The purpose of this project is to gain new functionality, optimize future upgrade procedures, and provide users with timely and accurate fleet and fuel information along with dependable and secure user-friendly customer access. This would be accomplished as follows: Acquire AssetWorks an Application Service Provider (ASP) delivery option and purchase and implement the FASuite-Enterprise Portal (web technology).	136,174
3642000	CIT - PW Building Maintenance MP2 Upgrade This project will upgrade the current MP-2 work order program.	146,591
3650000	CIT - Waste Management Database Implementation This project entails implementation 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 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.	3,010,568
Roadways		
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
2413000	Holland Road Right Turn Lane This project will include lengthening the right turn lane along Holland Road at the intersection of Dam Neck Road.	750,000
2414000	Shipp's Corner Road Improvements	1,000,000

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Roadways		
	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.	
2415000	Centerville Turnpike Dual Design This request will allow for the dual design of the interim improvements (project 2-409) and the full six lane improvements of Centerville Turnpike.	750,000
2416000	Sandbridge Road Bridge Replacement This project is for the replacement of the existing bridge on Sandbridge Road over Hell's Point Creek, two miles west of Sandpiper Road. Design services will include a realignment analysis, geotechnical investigation, surveying, regulatory permitting, right of way and construction easement acquisition, utility relocation, construction documents and a construction cost estimate. The realignment analysis will determine the feasibility of constructing a new bridge adjacent to the existing bridge. If this is not feasible, a temporary structure will have to be constructed to allow traffic through the only public access to the Sandbridge area while construction of the new two lane bridge is underway.	4,000,000
2417000	South Lynnhaven Road Bridge (Cox's Bridge) Replacement This project is for the replacement of the existing bridge on South Lynnhaven Road over London Bridge Creek, 0.9 miles north of Lynnhaven Parkway. Design services will include surveying, geotechnical investigation, regulatory permitting, right-of-way and construction easement acquisition, utility relocation, construction documents and a construction cost estimate. The construction will provide a new four lane bridge.	3,000,000
2419000	Centerville Turnpike - Phase III This project is for construction of a four lane divided highway within a 145 foot right-of-way from Kempsville Road to the Chesapeake City Line, a distance of 1.20 miles. This project will include full improvements along Centerville Turnpike at the Lynnhaven Parkway intersection. This project is listed 7 of 63 respectively on the 2008 Technical Ranking of Congested Roadway Segments list.	24,710,400
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
6014000	Potters Road Sewer Improvements - 51% Program This project provides funding for design and construction of approximately 2,500 feet of 4-inch low-pressure force main and grinder pump systems at the intersection of Potters Road and First Colonial Road area. Flows will enter the existing Oceana Gardens pumping station #262. This project is coordinated with water utility project 5-113.	382,000
6020000	Salem Rd./N. Landing Rd. Sewer Improvements - 51% Prgm This project provides funding for the design and construction of approximately 11,200 feet of low-pressure force main on Salem and North Landing Road. This project is coordinated with water utility project 5-042 and potential development activity in the area.	2,088,000
6044000	Public Utilities Building - New Construction	7,500,000

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Sewer Utility		
	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.	
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.	3,980,000
6115000	Indian River Road/N. Landing Rd Sewer Improvements - 51% This project provides funding for the design and construction of approximately 20,000 feet of low-pressure force main on Indian River Road and North Landing Road. This project is coordinated with water utility project 5-115 and potential development activity in the area.	4,103,184
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		
7401000	Bay Colony Drainage Improvements This project 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 This project will address 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.	5,650,000
7403000	Eastern Park Drainage Improvements Eastern Park 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 in the municipal complex. This project is coordinated with sewer utility project 6-044. The project is located in the Princess Anne District.	7,500,000
5042000	Salem Rd./N. Landing Rd. Water Improvements-51% Program	4,681,000

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Project #	Project Title	Estimated Cost
<u>Quality Physical Environment</u>		
Water Utility		
	This project provides funding for the design and construction of approximately 12,100 feet of 6-inch, 8-inch, 12-inch, and 16-inch water mains to provide water service and fire protection to the Salem Road - North Landing intersection area. This project is coordinated with sewer utility project 6-020 and with potential development activity in the area to minimize the overall project cost.	
5113000	Potters Road Water Improvements - 51% Program This project provides funding for design and construction of approximately 2,500 feet of 6-inch and 4-inch water mains to provide water service and fire protection at the intersection of First Colonial Road and Potters Road area. This project is coordinated with sewer utility project 6-014.	570,000
5115000	Indian River Rd.-N. Landing Rd. Water Improvements -51% This project provides funding for design and construction of approximately 20,000 feet of 6-inch, 8-inch, and 12-inch water mains to provide water service and fire protection to properties along Indian River Road and North Landing Road. This project is coordinated with sewer utility project 6-115 and with potential development activity in the area.	5,695,000
5147000	Providence Road Water Improvements This project is for construction of approximately 10,400 feet of 30-inch water main along Providence Road, from Kempsville Road to Princess Anne Road. Construction will be coordinated with the future roadway projects and improvements identified by Public Works.	4,800,000
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	42
	Total Estimated Cost	<u>189,773,214</u>

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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 equivalent to a three 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/Northampton 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 and 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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<u>Project #</u>	<u>Project Title</u>	<u>Estimated Cost</u>
<u>Safe Community</u>		
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 at 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 at 11% of all other costs). Site cost is excluded due to difficulty in projecting land cost out five 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	7,775,000
	<p>This project is for a building and firing range to be located on some City owned property near the Creeds Training Facility, and additional property surrounding this area may need to be purchased. The training/administrative building itself would be approximately 12,000 square feet. The actual firing range area would be comprised of approximately 4 acres, not including the area's needs for impact zones around each range. The firing ranges will require impact zones for bullet containment and, depending on the noise tolerances for the surrounding community, sound abatement structures or landscaping may also have to be considered. The building will consist of offices and classrooms, bathrooms with showers, armories, ammunition storage areas, and weapon maintenance and cleaning stations. If possible, a kitchen and laundry area would also be beneficial. The ranges would consist of two 50-yard pistol ranges with turning targets and 24 positions, a 100 yard carbine range with shooting positions extending to 300 yards, a reactive steel range (Rodgers Range) with eight lanes and a tactical ballistic live fire shoot house.</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>	
3524000	Correctional Facility Visitation System Upgrade	100,000
	<p>This project will provide additional and upgraded inmate visitation by increasing the number of visitation monitors available, increasing the recording capability of inmate visits, and by providing a means of allowing family members to visit inmates from the already established visitation center or from an off-site computer. The ability to record inmate visits is a tool that is used by both the Sheriff's Office and the Police Department. The upgraded system would allow investigators to monitor visits in progress as well as gather historical information. Code of Virginia 53.1-127.2 allows the Sheriff to charge a fee for video visitation to defray the cost of such visits.</p>	

**City of Virginia Beach, Virginia
Fiscal Years 2013 through 2018 Capital Improvement Program
Requested But Not Funded Project Listing**

Project #	Project Title	Estimated Cost
Safe Community		
Buildings - SC		
3526000	Courthouse CCTV Upgrade This project will update the current CCTV system. The current system was installed in 1993 and is outdated when compared to the technology currently available. When updated with digital technology, this system will provide the enhanced security needs for the protection of visitors, customers, and employees. The Sheriff's Department has secured some grant funding to apply toward this project.	750,000
Communications and IT - SC		
3643000	CIT - ECCS Automated Scheduling This is a scheduling software solution that will assist in managing the accountability of staff at all levels in the areas of schedule assignments/changes.	271,244
3644000	CIT - ECCS - Policy Management This project addresses the need for a software management tool to archive, track, distribute policy changes, provide E-Training, E-Testing and offer employee surveys. This project is needed in order to streamline a more efficient process in an electronic document management application.	150,482
3645000	CIT - ECCS - Customer Relationship Management This project will produce a reporting system that will enable an enterprise solution 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. This project will expand and enhance the departmental approaches by consolidating the information in a single source repository to allow for global collection, storage and reporting on citizen contacts, dispositions and outcomes.	493,530
Total Projects for Safe Community		19
Total Estimated Cost		<u>84,613,435</u>
Total Projects		83
Total Estimated Cost		<u><u>381,734,971</u></u>