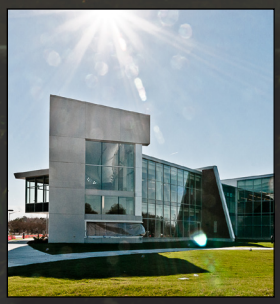
City of Virginia Beach

Resource Management Plan

Operating Budget (Adopted)

FY 2014 - 15



City of Virginia Beach

A Community for a Lifetime

Adopted Operating Budget
Fiscal Year 2014-15

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FY 2014-15

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The following Ordinances are associated with mandated Virginia Stormwater Management Program (VSMP). These ordinances were reviewed and voted upon by City Council in April 2014 separately from the budget and CIP ordinances. Since these ordinances include revenue in support of VSMP, they are an integral part of the FY 2014-15 Budget.

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How to Read the Document

Purpose and Document Changes

Purpose

The operating budget outlines the proposed expenditures, personnel resources, and revenues needed for financing the operations of the government, and the policies/priorities and circumstances on which allocation decisions are based. This document provides the citizens and governing body with an insight to the past, present, and future services and programs of the city as well as anticipated program outcomes.

The city continues to be committed to the strategic planning process and the development of an operating budget based on that process. The City Council has embraced a long term vision outlined in the "Envision Virginia Beach 2040" as well as a sustainability plan. In addition, the City Council also conducts an annual goal-setting workshop. Through the process noted below, city staff align their budget and capital budget initiatives with the 2040 plan, sustainability plan, and City Council's annual goals. The City Council has developed a set of "Destination Points" to define their vision of a strong, healthy, and vibrant city with a greater quality of life for everyone. The planning process starts as the City Council assesses the current conditions of the city and articulates their priorities to the city staff. In turn, city staff devises a strategy document as the official plan to implement the goals of the City Council. This plan focuses the collective efforts of staff on City Council's priorities and those strategic issues that will help close the gap between where the city is today and the community that it strives to become. In concert with the ongoing delivery of programs and services, this plan provides a strategic focus for the next year. The strategic planning process responds to both short and long-term goals envisioned by City Council by dividing the city's major program activities into seven strategic issue areas: Economic Vitality, Safe Community, Quality Physical Environment, Cultural and Recreational Opportunities, Quality Education and Lifelong Learning, Family and Youth Opportunities, and Quality Organization. This budget document is subdivided and organized according to these seven strategic business areas.

Format of the Budget

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

- Introduction – This section contains information relating to: How to Read The Document; Financial Structure and Management; Summary of Purpose and Fund Balance; City and School Fund Balance, Expenditures and Revenues, Inter-Fund Transfers; Detailed Revenues; the Relationship of the Operating Budget to the Capital Improvement Program and; a listing of Requested But Not Funded items.

- Economic Vitality – This section includes the departments of: Agriculture, Convention and Visitors Bureau, Economic Development, Housing and Neighborhood Preservation, and the Strategic Growth Area Office. The mission is to develop strategic options and alternatives to create, enhance, and sustain public/private wealth and income in Virginia Beach, consistent with the overall well-being and quality of the community.

- Safe Community – This section includes the departments of: Commonwealth's Attorney, Courts and Courts' Support, Emergency Communications and Citizen Services, Emergency Medical Services, Fire, Police, and Sheriff and Corrections. The mission of this business area is to prevent or respond to threats to the safety of persons or property and taking the necessary action(s) to restore the environment.

- Quality Physical Environment – This section includes the departments of: Planning, Public Utilities, and Public Works. The mission of this business area is to create a shared vision of a quality physical environment for the city.

- Cultural and Recreational Opportunities – This section includes the departments of: Museums, Office of Cultural Affairs, and Parks and Recreation. The mission of this business area is to create, nurture, and strengthen accessible and sustainable opportunities which are diverse, customer-valued, and provide for the enrichment, refinement, and rejuvenation of the mind, body, and spirit.

- Quality Education and Lifelong Learning – This section includes the departments of: Library and Public Education. The mission of this business area is to create and continually enhance a cooperative network of lifelong learning, facilitate access to that network, and promote a community focus on the importance of education and continued development of individuals.

- Family and Youth Opportunities – This section includes the departments of: Health and Human Services (the consolidated Department of Mental Health, Social Services, and Comprehensive Services Act). The mission of this business area is to develop, coordinate, and recommend strategic options which foster, through families, the health, economic vitality, safety, and well-being of individuals in the city.

- Quality Organization – This section includes the departments of: Budget and Management Services, City Attorney, City Auditor, City Clerk, City Manager, City Real Estate Assessor, City Treasurer, Commissioner of the Revenue, Communications and Information Technology, Finance, General Registrar, Human Resources, Municipal Council, and Non-Departmental (Benefits Administration, Citywide Leases, Employee Special Benefits, Revenue Reimbursements, Community Organization Grants, Independent Financial Services, Regional Participation, and Vehicle Replacements).

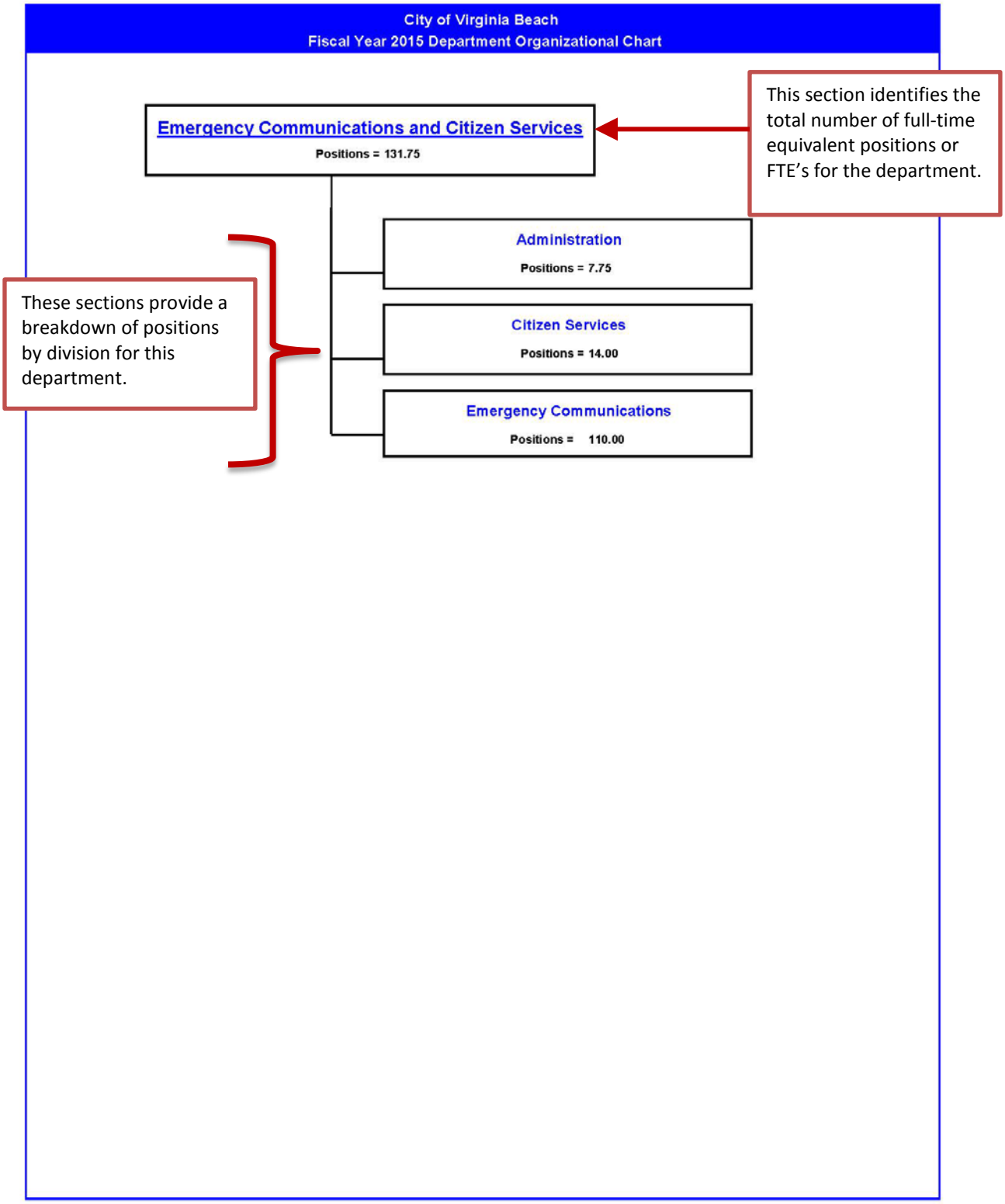
- Debt Service – Description, analysis, and summaries of the debt service program are included in this section.

- Ordinances – This section contains ordinances that adopt the annual operating budget, sets rates for the property taxes, and miscellaneous amendments to the City Code.

- Appendix – This section contains an overview of the Resource Management Plan, accounting and budgeting basis, various policies and administrative directives, real estate tax rate history, as well as a glossary, a description of major city funds, and a list of commonly used acronyms.

On the following four pages is an example of information contained in the seven strategic business area sections of the Operating Budget document for departments including: an organizational chart, performance report, major changes, departmental overview, trends and issues, and a resource summary.

How to Read the Document



City Clerk - Departmental Performance Report

City Clerk

The mission of the City Clerk is to provide a historical record of the governing body; prepare/deliver weekly Agenda; serve the City Council in the most efficient manner to meet the needs of citizens and attest to/records all official agreements, deeds, contracts, et cetera. The City Clerk also ensures that all public notices comply with applicable State Code regulations and City Council Policies. This office maintains the highest standards of customer service for the taxpayer needs and to ensure the City's policies are addressed.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Process and Mail United States Passports						
Passport Applications Processed and Mailed Same Day	#	940.0	940.0	739.0		
Internal Process						
Attest to Legal Documents						
Legal Documents Notarized, Scanned and Returned to Departments	#	730.0	730.0	471.0	500.0	500.0
Provide Permanent Records for City Council						
City Council Agenda				0	49.0	49.0
City Council Notifica Documents Prepare				0	24.0	24.0
Meeting Minutes Pr				0	49.0	49.0
Notice of Public He Newspaper				0	158.0	158.0
Research Hours Pr				0	800.0	800.0

This section identifies the key mission statement of the department.

This section identifies the key objectives of the department in meeting its mission. This section identifies the performance of the department toward achieving its objectives and provides an explanation of any changes in performance. Objectives are identified in bold with related performance measures below. The objectives are divided into one of several categories "customer", "financial", "internal process" and "learning and growth".

Note:
This City document provides financial and programmatic information for one fiscal year. Financial data is required for the last completed fiscal year and the current budget.

Major Changes

The City Clerk's proposed FY 2014-15 operating budget totals $582,372, which is an increase of 2% ($11,681) compared with FY 2013-14 adjusted operating budget mainly due to increased personnel costs ($9,592) from the annualized compensation increase and increased media advertising ($2,089).

This section describes the major changes in the programs for the department.

Departmental Overview

The City Clerk's Office responsib

- The Office of the City C curate governing body legislative historical records. Responsibilities include preparing and delivering weekly agendas, preparing and recording minutes reflecting actions of the governing body, attesting to and recording all official agreements, deeds and contracts, and ensuring all public notices comply with the applicable State Code and City Council policies.

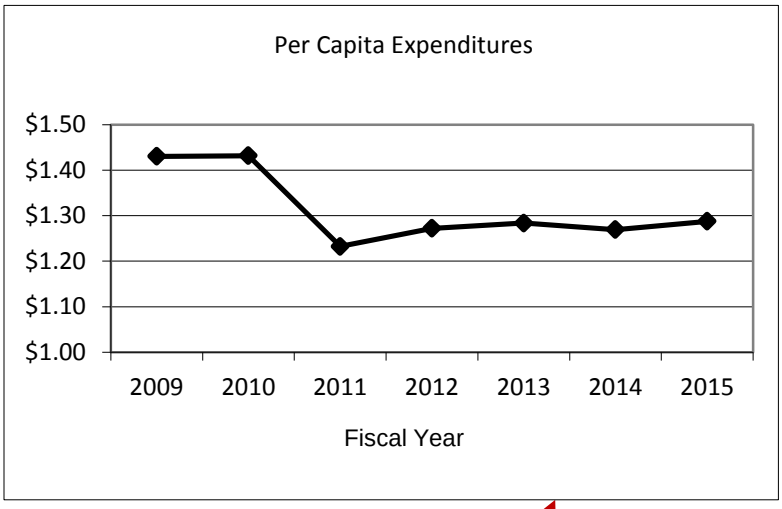
- The City Clerk serves as City Clerk, Clerk of Council, and custodian of the City Sea y to sign all city borrowed bond issuances and monitors City Council appointed b and committees.

This section describes the basic programs of the department and how it is financed.

The City Clerk's Office supports the Envision 2040 and Sustainability Plans' goals o and thriving economy through its coordination and involvement of the Sister Cities Program, which builds personal and potential business relationships between City officials and representatives from various cities around the world. For more information about this program, see the last bullet below.

Trends and Issues

- Per capita expenditures will increase to $1.29 in FY 2014-15 compared with $1.27 in FY 2013-14. Eighty-nine percent of the FY 2014-15 operating budget of the City Clerk's Office is comprised of personnel costs for 6.0 FTEs ($520,125), with the remaining 11% ($62,247) for operating costs.



- Advertising required for public notices, hearings, and meetings, along with printing costs total about $33,886, and are roughly 54% of operating costs for the City Clerk's Office. These costs were budgeted at $24,027 less than what was spent in FY 2012-13. Media advertising costs are difficult to predict and will be m

This section focuses on trends that are affecting funding and results. It will generally include a graph on per capita expenditures and explain any change over the period. This section may also include a graph and explanation on key concerns.

- Historically, funding has been provided upport the Sister Cities Association of Virginia Beach, which advi ivities of the Sister City member affiliates. The City Clerk's Office d represents the City in the Sister Cities International Associatio zen diplomacy network pursuing stronger economic and cultura tates and international communities. The city has three established relationships: North Down, Co. Bangor, Northern Ireland; Moss, Norway; and Miyazaki, Japan with additional ones under development with San Juan del sur, Nicaragua and Olangapo, Philippines.

City Clerk - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
City Clerk	723,543	570,691	582,372	11,681
Total Expenditures	723,543	570,691	582,372	11,681
			582,372	11,681
Total Department Expenditure			582,372	11,681
Total Department Revenue			0	0
Total General City Support	723,543	570,691	582,372	11,681
Position Summary by Program				
002 General Fund				
City Clerk	6.00	6.00	6.00	0.00
Total	6.00	6.00	6.00	0.00
Total Position Summary	6.00	6.00	6.00	0.00

This section identifies expenditures and revenues by program unit that supports the department's mission.

This section identifies the amount of funding the City's overall revenue streams like real estate and personal property taxes provides the department.

Also identified is the total personnel allocated to the department by program unit.

Note:

- Position counts are expressed in terms of full-time equivalents or FTEs. This is the total number of hours worked divided by the number of hours for a full-time employee. This allows a more accurate count of positions by standardizing various work schedules for part-time employees.
- Once City Council votes to adopt the Resource Management Plan, changes that affect the department section will be included as a Council Amendment at the end of each department write-up.

Summaries

Financial Structure

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

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

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

Governmental Funds

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

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

Special Revenue Funds – These funds are used to account for all resources which are restricted for specific purposes. Beginning July 1, 2010, this requirement from the Governmental Accounting Standards Board completely changed the reporting requirements for Special Revenue Funds (Examples: Agriculture Reserve Program, Parks and Recreation Special Revenue fund, etc.) making revenues the determining factor in the budgeting of these funds. Under GASB 54, Special Revenue Funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues, and the actual source of the revenue must be shown.

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Financial Management

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

Resource Direction and Guidance

The City's current fiscal condition is excellent. City Council continues to improve that condition, allowing the community to look toward strategic goals from a position of strength. Indicators of our excellent fiscal condition include: a healthy fund balance; an AAA bond rating; and relatively low per capita spending. The Resource Management Plan will continue City Council's basic fiscal policies for fiscal year 2014-15:

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

Resource Process

The City uses a modified, zero-base budget approach centered on programs with supporting performance measures. Additional details about the processes used to develop the City's Operating Budget and Capital Improvement Program are shown in more detail in the Resource Management Process Overview in the Appendix section of this document. During the budget process, departments are provided with an annual funding target based on revenues that are forecasted to be available, guidelines and training for budget and CIP development, and are asked to submit their budget requests that meet the funding targets and also relay additional resources needed to support increasing demand for current services and/or new and/or expanded programs.

Once these budget requests are submitted to the department of Budget and Management Services, staff audits the budget proposal for mathematical accuracy and consistency with established budgeting guidelines for certain types of costs, such as internal service fund charges. Then, analysts make any adjustments to expenditures or revenues to bring the request in line with funding targets, and review budget requests to determine if the amount of funding requested is appropriate based on the following criteria: Is the request supported by the change in performance measures? Does it further a City Council goal? Does it further the City's strategic plan? Does it support Envision 2040 and the Sustainability Plan? Is it a State or Federal mandate? Is it supported by other revenue sources? Is it a public safety or health issue? Will it provide savings in the future?

Once budget requests have been thoroughly reviewed by the department of Budget and Management Services, a recommendation is forwarded to the Management Leadership Team (MLT) (i.e., the City Manager and his Deputy City Managers) and the respective department director. Thereafter, budget hearings are held whereby the requesting agency, Budget and Management Services and the MLT discuss the agency's budget request and any unfunded issues requiring further consideration. After all of the budget hearings are completed, the MLT will meet with the leadership of Budget and

Management Services to work through the issues and develop a funding strategy. The MLT makes a final decision on what items are included in the proposed budget that is presented to City Council.

The Capital Improvement Program follows a similar process. In place of departmental level budget hearings, the agencies that administer the CIP present their CIP requests to a CIP Caucus comprised of the MLT, directors of the CIP's managing agencies and team leaders of the remaining Strategic Issue Teams (see Glossary in the Appendix). Requests for additional funding for existing projects or new projects are prioritized by the CIP Caucus and used by the MLT in making the final decisions as to what to include in the proposed CIP that is presented to City Council.

Operating Budget Policies

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

Fund Balance Policies

- The budget will include an estimate of the Undesignated Fund Balance.
- The Undesignated Fund Balance or Net Assets of any fund shall not be used to finance continuing expenditures except in times of economic downturns.
- Following the Government Finance Officers Association recommendation that general-purpose governments maintain unreserved fund balance in their general fund of no less than 5% to 15% of regular general fund operating revenues, the City shall maintain an undesignated fund balance of 8% to 12% of the following year's projected revenues. This level equates to approximately one month of operating expenses. For additional details on fund balance policies, see Summary of Purpose and Fund Balance Policy for Funds in the Operating Budget in this document.

Capital Improvement Program Policies

- To qualify as a capital project, a project must be a major expenditure for: design and/or construction of fixed works, structures, additions, replacements, major alterations, modernizations, or renovations; or purchase of land and existing structures, including right-of-ways, title searches; replacement, rehabilitation or expansion of communication and information technology infrastructure; acquisition of major pieces of equipment; and similar activities. Other specialized projects may also be considered for the CIP if it is ongoing in nature or requires multi-year funding. The project should have a cost over $250,000 or be of such a significant nature as to prevent its funding through the operating budget.

- The City generally uses bond financing once all other available funding sources have been appropriated. Charter bonds are allocated based on legal limits, and public facility bonds and lease/purchase financing are allocated when projects are considered essential and when the City Manager believes the costs are not prohibitive and that the interest of the government is served.

- A project is eligible for lease/purchase financing if it is considered an essential project or is a non-essential project not requiring referendum funding, and when the City Manager believes that costs are not prohibitive and that the interest of the government is served.

- The City will program at least 25% of the annual capital program for the Water and Sewer system from non-borrowed funds for the financing of capital improvements. The City will seek to increase those amounts where feasible.

- Any tax rate increases adopted in conjunction with voter-approved bond referendums or by dedicated City Council policy will be structured and used to support all costs associated with the projects, including debt service, and appropriate operating and maintenance costs.

- Project balances that have been closed out in the City's financial system, which are supported by revenues will be reallocated as needed in the Capital Improvement Program.

Debt Management Policies

- The City issues bonds for capital improvements with a cost in excess of $250,000, or which cannot be financed from current revenues.

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

- The FY 2014-15 Capital Improvement Program leaves approximately $118.9 million of projected general obligation bond authorization unused, mainly in the last four years of the six-year program.

- The threshold of debt service for general government supported debt as a percentage of general government expenditures will not exceed 10%.

- Total General Obligation Net Debt will not exceed 3.5% of assessed value.

- Where possible, the City will develop, authorize, and issue revenue, special fee, or other self-supporting debt instruments instead of General Obligation Bonds.

- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.

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

- Total Net Debt per capita will not exceed $2,800 per capita. From FY 2004-05 through FY 2011-12, the net debt per capita standard was $2,400. A backlog of needed capital projects exist as well as focusing on needed projects in the Strategic Growth Areas of the City. Given the City's historical record of prudent financial management, this level of debt can be supported without negatively impacting the City's bond rating.

- Net Debt to Income Per Capita should not exceed 6.5%, and is comfortably below this threshold for each year.

Summary of Purpose & 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.
Commonwealth Attorney's Federal and State Seized Assets Special Revenue Fund	This fund along with the Police Federal and State Seized Assets Special Revenue Fund comprise Forfeited Assets. This fund accounts for the City's share of Federal revenues derived from any Federal agency where money or assets are seized. If other State or local agencies are involved, those entities also get a portion of the funds, along with the Commonwealth's Attorney if they are involved in the case. All State seizures are divided with the Commonwealth's Attorney receiving 25% and the Police Department receiving 75%. All real estate seized is split 50%/50% between the Commonwealth's Attorney and the Police Department.	The fund balance remains in the fund until a determination is made on how to use it to combat crime. Use of funds must be in compliance with Federal and State regulations.
Federal Section Eight Program Special Revenue Fund	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.
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	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.

Fund Title	Purpose	Fund Balance Policy
	streamline accounting processes and meet the obligations of both programs long-term.	
Sandbridge Special Service District Special Revenue 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 predominant. 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 re-appropriated to meet the objectives of the fund, including maintenance and repair of the Visitor Information Center.
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.
Housing and Neighborhood Preservation Special Revenue Fund	This fund accounts for the combined activities of the following funds: Community Development Special Revenue Fund; Community Development Loan and Grant Fund; and Federal Housing Assistance Grant Fund.	The uses of fund balance are restricted to the federal programs that generated the funds. The level of fund balance is maintained to support the administration of both capital improvement projects in specified neighborhoods and various other housing programs.

Fund Title	Purpose	Fund Balance Policy
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.
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.
Waste Management Enterprise 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.
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 Service District 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.
Bayville Creek Neighborhood Dredging Special Service District Fund	This fund supports the special service district in the Bayville Creek Neighborhood, which was established by City Council on March 12, 2013. Additional real estate taxes are assessed on residents of this special service district and	The level of fund balance is maintained to provide for dredging activities in the special service district.

Fund Title	Purpose	Fund Balance Policy
	collected to provide neighborhood channel dredging of creeks and rivers.	
Shadowlawn Area Dredging Special Service District Fund	This fund supports the special service district in the Shadowlawn area, which was established by City Council on March 12, 2013. 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.
Chesopeian Colony Area Dredging Special Service District Fund	This fund supports the special service district in the Chesopeian Colony area, which was established by City Council on August 13, 2013. 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.
Harbour Point Dredging Special Service District Fund	This fund supports the special service district in the Harbour Point area, which was established by City Council on January 14, 2014. 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.
Gills Cove Dredging Special Service District Fund	This fund supports the special service district in the Gills Cove area, which was established by City Council on March 25, 2014. 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.
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.
Green Run Collegiate Charter School Special Revenue Fund	Green Run Collegiate, which opened in September 2013, represents the School's first charter school. It is an academically challenging college and career preparatory experience, which will initially serve 100 ninth graders and will add up to 100 additional students and one grade level each year until a full nine-12 program is in place.	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 is being closed out at the end of 2015. Technology funding is now a category in the School Operating 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

Fund Title	Purpose	Fund Balance Policy
		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.
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 re-appropriated 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.
Capital Project Funds	The Operating Budget includes various capital project funds as a means to account for current	Any remaining fund balance is available for transfer to other capital projects, and depending

Fund Title	Purpose	Fund Balance Policy
	revenue financing for capital projects. The funds include: General Government Capital Projects Fund (for General Government capital projects); Water and Sewer Capital Projects Fund; and Storm Water Capital Projects Fund.	on the amount of the transfer are subject to either City Manager or City Council approval.
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.
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. The fund also includes the Fuels Internal Service Fund.	A fund balance (i.e. net assets) level is maintained to ensure that the unreserved net assets at the end of each fiscal year is not less than zero. A balance may also accumulate for planned future improvements.
City Risk Management Internal Service Fund	This fund provides a means of accounting for the City's self-insurance program, claims handling, and risk identification. Cost of this coverage is charged to various City agencies based on experience.	A fund balance (i.e. net assets) level is maintained with a goal of funding 75% of the fund's actuarial estimate.
Capital Projects Internal Service Fund	This fund provides a means of accounting for positions dedicated to working with capital projects. Personnel and operating costs are charged to capital projects.	No fund balance accumulates in this fund.
School 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 (2)	Undesignated	Total June 30, 2013	Use(3)	Use in FY 14 & FY 15	Undesignated June 30, 2014
Governmental Funds							
002	General Fund (4)	$ 70,959,824	$ 102,363,793	$ 173,323,617	U/D	$ 75,896,293	$ 97,427,324
130	Law Library	10,000	364,300	374,300	D	10,000	364,300
140	Commonwealth's Atty Fed & State Seized Assets	200,000	3,658,782	3,858,782	U/D	600,000	3,258,782
147	Federal Section Eight Program	513,909	139,629	653,538	D	139,629	-
149	Sheriff's Department	-	2,221,740	2,221,740	U	1,889,990	331,750
151	Parks and Recreation	-	17,372,357	17,372,357	U	5,122,476	12,249,881
152	Tourism Investment Program	-	3,669,858	3,669,858		398,316	3,271,542
157	Sandbridge Special Service District		782,004	782,004	U/D	782,004	-
161	Agriculture Reserve Program	10,110,679	-	10,110,679		-	-
163	Tourism Advertising Program	-	1,457,701	1,457,701		-	1,457,701
166	Sandbridge Tax Increment Financing	-	8,773,627	8,773,627	U	571,958	8,201,669
169	Central Business District South TIF	-	4,630,331	4,630,331	U	1,892,703	2,737,628
172	Open Space	-	1,067,083	1,067,083	U	663,063	404,020
174	Town Center Special Tax District	-	1,537,779	1,537,779	U	962,879	574,900
180	Community Development Special Revenue	(947,815)	-	(947,815)		-	-
181	CD Loan and Grant	3,931,614	-	3,931,614		-	-
182	Federal Housing Assistance	3,448,770	-	3,448,770		-	-
183	Grants Consolidated	2,509,431	-	2,509,431		-	-
189	Emergency FEMA	71,271	-	71,271		-	-
190	Wetlands Board Mitigation	-	212,036	212,036		-	212,036
310	Old Donation Creek Area Dredging SSD	-	-	-		-	-
311	Bayville Creek Neighborhood Dredging SSD	-	-	-		-	-
312	Shadowlawn Area Dredging SSD	-	-	-		-	-
313	Chesopeian Colony Dredging SSD	-	-	-		-	-
314	Harbour Point Dredging SSD	-	-	-		-	-
315	Gills Cove Dredging SSD	-	-	-		-	-
Total Governmental Funds		$ 90,807,683	$ 148,251,020	$ 239,058,703		$ 88,929,311	$ 130,491,533
Enterprise Funds							
241	Water and Sewer (Restricted)	$ 17,676,825	$ 98,252,503	$ 115,929,328	U	$ 9,750,000	$ 88,502,503
253	Parking	-	3,061,342	3,061,342		-	3,061,342
254	Waste Management Special Revenue	-	2,914,123	2,914,123	U	700,000	2,214,123
255	Storm Water (Restricted)	2,258,721	13,526,562	15,785,283		-	13,526,562
Total Enterprise Funds		$ 19,935,546	$ 117,754,530	$ 137,690,076		$ 10,450,000	$ 107,304,530
School Funds							
098	School Reserve Special Revenue	$ 30,000,000	$ 616,865	$ 30,616,865	D	$ 30,000,000	$ 616,865
104	Green Run Collegiate Charter School	-	-	-	-	-	-
107	School Equipment Replacement	-	1,780,158	1,780,158	U	823,423	956,735
108	School Instructional Technology Fund	159,700	-	159,700	D	159,700	-
109	School Vending Operations	-	198,236	198,236	U	198,236	-
112	School Communication Tower Technology	-	2,859,283	2,859,283	U	680,000	2,179,283
114	School Cafeteria	4,956,651	-	4,956,651	D	1,210,956	-
115	School Operating	5,912,551	-	5,912,551		-	-
116	School Grants	1,060,524	-	1,060,524		-	-
117	School Textbooks	16,044,853	-	16,044,853	D	11,723,352	-
119	School Athletic Special Revenue	90,855	-	90,855		-	-
614	School Risk Management	-	1,511,233	1,511,233		-	1,511,233
615	School Health Insurance (City & School)	-	8,016,085	8,016,085	U	4,411,434	3,604,651
Total School Funds		$ 58,225,134	$ 14,981,860	$ 73,206,994		$ 49,207,101	$ 8,868,767
Internal Service Funds							
606	City Garage (includes Fuels Fd. 616)	-	3,138,466	3,138,466	U	2,206,161	932,305
607	Risk Management	-	(15,610,324)	(15,610,324)		-	(15,610,324)
610	Capital Projects	-	-	-		-	-
613	School Site Landscaping	-	403,769	403,769		-	403,769
620	Telecommunications	-	2,871,816	2,871,816	U	1,942,040	929,776
621	Subscriptions	-	4,969,140	4,969,140	U	2,039,816	2,929,324
Total Internal Service Funds		$ -	$ (4,227,133)	$ (4,227,133)		$ 6,188,017	$ (10,415,150)
GRAND TOTAL		$ 168,968,363	$ 276,760,277	$ 445,728,640		$ 154,774,429	$ 236,249,680

Notes: 1. Fund Balances are as of June 30, 2013 2. Reserved or Designated amounts are for encumbrances, loans, special projects, future programs, capital projects, or debt service. 3. "D" indicates use of designated and "U" undesignated funds. 4. See Estimated General Fund Balance for a projection as of June 30, 2014

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
002 General Fund			
Appropriation Units:			
Agriculture	731,051	792,300	815,543
Benefits Administration	662,283	635,538	635,538
Board of Equalization	8,534	9,666	9,141
Budget and Management Services	1,595,912	1,538,768	1,639,851
Circuit Court	1,000,917	1,097,351	1,089,739
City Attorney	3,697,536	4,044,794	4,084,871
City Auditor	628,605	663,127	688,272
City Clerk	723,543	570,691	582,372
City Manager	2,539,252	2,794,735	2,825,204
City Real Estate Assessor	2,988,649	3,226,077	3,222,977
City Treasurer	5,124,747	5,468,256	5,572,935
Clerk of the Circuit Court	3,005,672	3,093,992	3,143,523
Commissioner of the Revenue	4,111,394	4,098,122	4,198,633
Commonwealth's Attorney	7,361,326	7,801,178	7,990,185
Communications and Information Technology	22,410,814	22,650,563	23,072,926
Community Organization Grants	408,698	409,126	409,126
Computer Replacement Program	0	975,709	981,412
Convention and Visitor Bureau	8,166,845	8,971,020	9,185,890
Cultural Affairs	1,357,949	2,270,763	2,299,922
Debt Service	45,741,032	45,083,433	48,274,437
Economic Development	2,343,973	2,809,733	3,059,915
Emergency Communications and Citizen Services	8,585,774	10,636,796	10,325,988
Emergency Medical Services	7,903,002	8,715,441	9,217,994
Employee Special Benefits	5,487,007	5,716,592	7,808,875
Finance	4,759,922	5,105,735	5,148,564
Fire	43,502,485	46,418,047	47,519,420
General District Court	412,841	354,118	373,039
General Registrar	1,581,147	1,352,411	1,378,780
Health	2,866,303	3,131,935	3,202,360
Housing and Neighborhood Preservation	1,683,167	1,790,989	1,801,299
Human Resources	3,774,942	4,177,462	4,318,769
Human Services	100,285,120	107,600,211	109,600,169
Independent Financial Services	103,809	153,878	153,878
Juvenile and Domestic Relations District Court	137,973	134,689	131,995
Juvenile Probation	1,480,901	1,449,304	1,652,897
Leases	1,522,187	1,612,227	1,658,262
Library	15,749,741	17,766,224	17,641,624
Magistrates	93,400	95,514	93,604
Municipal Council	600,222	533,110	530,887
Municipal Solid Waste Management	0	0	750,000
Museums	8,981,376	11,541,518	11,357,390
Parks and Recreation	12,565,840	13,185,015	13,655,605
Planning	9,256,578	9,838,639	10,340,971
Police	90,179,189	94,163,830	95,679,304
Public Works	62,685,145	64,859,279	66,589,842
Regional Participation	2,078,872	2,065,720	1,958,440
Reserve for Contingencies	0	2,740,494	5,457,845
Revenue Reimbursements	15,801,269	16,193,730	15,385,969

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
002 General Fund			
Appropriation Units:			
Strategic Growth Area	5,404,498	6,400,547	6,754,723
Transfer to Other Funds	439,580,133	422,532,806	433,079,971
Vehicle Replacements	5,422,065	6,032,514	5,107,514
Fund 002 Appropriation Totals	967,093,641	985,303,717	1,012,458,390
Revenue Sources:			
Non-Revenue Receipts	540,500	0	0
Revenue From Local Sources			
Automobile License	9,437,635	9,419,062	9,627,331
Business License	44,224,356	42,791,543	47,600,886
Charges for Services	34,461,985	37,054,562	39,964,597
Cigarette Tax	11,033,557	12,109,969	12,148,649
Fines and Forfeitures	6,150,250	6,039,884	6,706,205
From the Use of Money and Property	5,202,197	5,282,570	5,548,179
General Sales Tax	54,978,531	57,987,462	60,016,191
Hotel Room Tax	5,765,031	6,066,374	6,017,443
Miscellaneous Revenue	5,944,661	6,105,633	5,292,859
Other Taxes	17,078,056	17,005,932	17,617,261
Permits, Privilege Fees, and Regulatory Licenses	4,421,092	4,794,486	5,092,563
Personal Property	128,006,413	138,576,713	137,161,976
Real Estate	440,705,176	427,074,330	443,222,611
Restaurant Meal Tax	35,134,292	37,060,590	38,003,613
Utility Tax	44,623,292	44,818,891	44,895,159
Revenue from the Commonwealth			
Other Sources from the Commonwealth	90,028,604	95,206,178	95,626,175
Revenue from the Federal Government	17,195,524	17,448,209	19,144,339
Specific Fund Reserves	0	3,116,978	2,000,000
Transfers from Other Funds	14,031,627	17,344,351	16,772,353
Fund 002 Revenue Totals	968,962,780	985,303,717	1,012,458,390
098 School Reserve Special Revenue Fund			
Appropriation Units:			
Transfer to Other Funds	11,000,000	14,000,000	16,000,000
Fund 098 Appropriation Totals	11,000,000	14,000,000	16,000,000
Revenue Sources:			
Specific Fund Reserves	0	14,000,000	16,000,000
Fund 098 Revenue Totals	0	14,000,000	16,000,000
104 Green Run Collegiate Charter School			
Appropriation Units:			
Administration, Attendance, and Health	0	0	8,000
Instruction	0	0	2,233,351
Operations and Maintenance	0	0	21,400
Pupil Transportation	0	0	159,128
Technology	0	0	25,000
Fund 104 Appropriation Totals	0	0	2,446,879
Revenue Sources:			
Transfers from Other Funds	0	0	2,446,879
Fund 104 Revenue Totals	0	0	2,446,879

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
107 School Equipment Replacement Special Revenue Fund			
Appropriation Units:			
Reserve for Contingencies	33,899	453,782	369,641
Fund 107 Appropriation Totals	33,899	453,782	369,641
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	3,891	0	0
Specific Fund Reserves	0	453,782	369,641
Fund 107 Revenue Totals	3,891	453,782	369,641
108 School Instructional Technology Fund			
Appropriation Units:			
Instructional Technology	0	0	159,700
Fund 108 Appropriation Totals	0	0	159,700
Revenue Sources:			
Specific Fund Reserves	0	0	159,700
Fund 108 Revenue Totals	0	0	159,700
109 School Vending Operations Fund			
Appropriation Units:			
Vending	302,238	363,047	220,289
Fund 109 Appropriation Totals	302,238	363,047	220,289
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	416	0	0
Miscellaneous Revenue	192,550	192,550	192,550
Specific Fund Reserves	0	170,497	27,739
Fund 109 Revenue Totals	192,966	363,047	220,289
112 School Communication Tower Technology Fund			
Appropriation Units:			
Instructional Technology	95,713	600,000	600,000
Fund 112 Appropriation Totals	95,713	600,000	600,000
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	478,608	260,000	260,000
Specific Fund Reserves	0	340,000	340,000
Fund 112 Revenue Totals	478,608	600,000	600,000
114 School Cafeteria Fund			
Appropriation Units:			
Cafeteria	26,503,047	28,600,954	30,278,999
Fund 114 Appropriation Totals	26,503,047	28,600,954	30,278,999
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	11,996,871	13,789,527	12,537,655
From the Use of Money and Property	6,967	9,051	7,000
Miscellaneous Revenue	198,874	207,000	200,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	507,862	488,000	500,000
Revenue from the Federal Government	14,373,628	13,675,982	16,254,782
Specific Fund Reserves	0	431,394	779,562
Fund 114 Revenue Totals	27,084,202	28,600,954	30,278,999

City of Virginia Beach, Virginia
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	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
115 School Operating Fund			
Appropriation Units:			
Administration, Attendance, and Health	20,158,024	21,615,583	22,675,243
Debt Service	44,747,986	43,094,767	45,507,225
Instruction	507,778,098	518,411,377	533,735,053
Operations and Maintenance	30,850,164	86,963,647	87,505,569
Pupil Transportation	85,225,055	30,893,091	31,026,585
Technology	29,072,564	26,975,580	27,687,623
Fund 115 Appropriation Totals	717,831,890	727,954,045	748,137,298
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,134,552	2,203,383	2,203,383
From the Use of Money and Property	367,352	465,000	465,000
Miscellaneous Revenue	1,035,743	657,000	786,703
Revenue from the Commonwealth			
Other Sources from the Commonwealth	238,513,521	240,866,735	252,592,470
State Shared Sales Tax	68,889,270	70,522,688	70,065,298
Revenue from the Federal Government	20,486,105	17,141,085	16,453,899
Transfers from Other Funds	398,445,180	396,098,154	405,570,545
Fund 115 Revenue Totals	729,871,723	727,954,045	748,137,298
116 School Grants Fund			
Appropriation Units:			
Grants	46,386,479	67,040,031	63,534,234
Fund 116 Appropriation Totals	46,386,479	67,040,031	63,534,234
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	3,203,997	3,044,467	3,299,327
Revenue from the Commonwealth			
Other Sources from the Commonwealth	7,253,694	15,904,631	16,021,049
Revenue from the Federal Government	35,906,349	48,090,933	44,213,858
Fund 116 Revenue Totals	46,364,040	67,040,031	63,534,234
117 School Textbook Fund			
Appropriation Units:			
Textbook	5,627,065	9,556,428	9,952,535
Fund 117 Appropriation Totals	5,627,065	9,556,428	9,952,535
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	36,495	100,000	100,000
Miscellaneous Revenue	35,641	10,000	10,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	3,635,238	3,606,022	3,959,589
Specific Fund Reserves	0	5,840,406	5,882,946
Fund 117 Revenue Totals	3,707,374	9,556,428	9,952,535

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
119 School Athletic Special Revenue Fund			
Appropriation Units:			
Athletic	5,067,226	4,910,642	4,922,642
Fund 119 Appropriation Totals	5,067,226	4,910,642	4,922,642
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	491,422	499,000	494,000
From the Use of Money and Property	3,806	5,000	5,000
Miscellaneous Revenue	4,398,834	4,406,642	4,423,642
Fund 119 Revenue Totals	4,894,062	4,910,642	4,922,642
130 Law Library Fund			
Appropriation Units:			
Library	198,596	234,928	244,382
Reserve for Contingencies	0	270	506
Transfer to Other Funds	57,252	57,252	57,252
Fund 130 Appropriation Totals	255,848	292,450	302,140
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	293,199	283,000	293,000
From the Use of Money and Property	3,653	4,450	4,140
Specific Fund Reserves	0	5,000	5,000
Fund 130 Revenue Totals	296,852	292,450	302,140
140 Commonwealth Attorney's Fed & State Seized Assets SRF			
Appropriation Units:			
Commonwealth's Attorney	106,965	200,000	400,000
Fund 140 Appropriation Totals	106,965	200,000	400,000
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	11,008	0	0
Miscellaneous Revenue	12,475	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	122,894	0	0
Revenue from the Federal Government	29,700	0	0
Specific Fund Reserves	200,000	200,000	400,000
Fund 140 Revenue Totals	376,077	200,000	400,000
142 Police Federal & State Seized Assets SRF			
Appropriation Units:			
Police	405,906	0	0
Fund 142 Appropriation Totals	405,906	0	0
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	14,348	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	424,253	0	0
Revenue from the Federal Government	181,714	0	0
Fund 142 Revenue Totals	620,315	0	0

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
147 Federal Section 8 Program Special Revenue Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	19,899,788	18,695,394	20,185,225
Fund 147 Appropriation Totals	19,899,788	18,695,394	20,185,225
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	1,612,185	845,600	2,182,374
Miscellaneous Revenue	23,911	32,000	32,000
Revenue from the Federal Government	17,063,813	17,448,950	17,731,193
Specific Fund Reserves	0	139,629	0
Transfers from Other Funds	240,474	229,215	239,658
Fund 147 Revenue Totals	18,940,383	18,695,394	20,185,225
149 Sheriff's Department Special Revenue Fund			
Appropriation Units:			
Sheriff and Corrections	38,578,292	39,719,492	39,856,062
Transfer to Other Funds	24,551	24,551	24,551
Fund 149 Appropriation Totals	38,602,843	39,744,043	39,880,613
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	4,629,066	4,894,758	5,078,588
From the Use of Money and Property	16,280	15,000	10,000
Miscellaneous Revenue	13,117	10,000	10,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	17,280,263	17,605,275	18,010,250
Revenue from the Federal Government	395,071	229,950	602,250
Specific Fund Reserves	0	1,314,990	575,000
Transfers from Other Funds	14,896,783	15,674,070	15,594,525
Fund 149 Revenue Totals	37,230,580	39,744,043	39,880,613
151 Parks and Recreation Special Revenue Fund			
Appropriation Units:			
Debt Service	1,278,331	2,106,472	3,551,043
Future C.I.P. Commitments	0	0	365,534
Parks and Recreation	25,872,467	28,124,640	28,464,013
Public Works	2,471,712	2,827,533	2,719,800
Reserve for Contingencies	0	0	166,832
Transfer to Other Funds	2,573,615	3,331,436	1,604,094
Fund 151 Appropriation Totals	32,196,125	36,390,081	36,871,316
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	12,891,736	12,988,282	13,501,870
From the Use of Money and Property	1,488,877	1,514,877	1,579,251
Miscellaneous Revenue	35,139	2,700	2,200
Permits, Privilege Fees, and Regulatory Licenses	5,059	700	700
Real Estate	16,274,306	16,647,605	17,280,944
Revenue from the Commonwealth			
Other Sources from the Commonwealth	27,518	27,000	27,000
Specific Fund Reserves	0	77,000	27,000
Transfers from Other Funds	5,463,470	5,131,917	4,452,351
Fund 151 Revenue Totals	36,186,104	36,390,081	36,871,316

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
152 Tourism Investment Program Fund			
Appropriation Units:			
Convention and Visitor Bureau	163,663	100,000	100,000
Cultural Affairs	50,500	50,500	50,500
Debt Service	26,063,812	25,041,384	24,229,882
Parks and Recreation	34,563	34,557	135,128
Public Works	837,327	976,496	934,874
Reserve for Contingencies	0	134,902	5,317
Strategic Growth Area	3,968,618	4,311,472	4,251,194
Transfer to Other Funds	4,326,391	4,349,015	5,307,824
Fund 152 Appropriation Totals	35,444,874	34,998,326	35,014,719
Revenue Sources:			
Revenue From Local Sources			
Amusement Tax	5,484,974	5,941,774	5,836,125
Cigarette Tax	919,463	932,081	934,511
Fines and Forfeitures	738,507	748,000	740,000
From the Use of Money and Property	653,785	626,400	651,143
Hotel Room Tax	14,547,739	15,452,532	15,321,383
Miscellaneous Revenue	0	0	300
Permits, Privilege Fees, and Regulatory Licenses	192,633	124,960	73,077
Restaurant Meal Tax	10,593,731	11,172,579	11,458,180
Transfers from Other Funds	250,000	0	0
Fund 152 Revenue Totals	33,380,832	34,998,326	35,014,719
157 Sandbridge Special Service District Spec Rev Fd			
Appropriation Units:			
Transfer to Other Funds	4,804,405	4,390,194	3,930,199
Fund 157 Appropriation Totals	4,804,405	4,390,194	3,930,199
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	3,819	6,764	6,899
Hotel Room Tax	1,370,202	779,012	798,013
Real Estate	580,826	591,675	628,909
Specific Fund Reserves	0	642,747	139,257
Transfers from Other Funds	2,277,372	2,369,996	2,357,121
Fund 157 Revenue Totals	4,232,219	4,390,194	3,930,199
161 Agriculture Reserve Program Special Revenue Fund			
Appropriation Units:			
Agriculture	146,346	216,720	220,108
Debt Service	3,255,583	3,838,198	4,101,097
Reserve for Contingencies	0	256,899	153,148
Fund 161 Appropriation Totals	3,401,928	4,311,817	4,474,353
Revenue Sources:			
Revenue From Local Sources			
Real Estate	4,213,715	4,311,817	4,474,353
Revenue from the Commonwealth			
Other Sources from the Commonwealth	278,859	0	0
Fund 161 Revenue Totals	4,492,575	4,311,817	4,474,353

City of Virginia Beach, Virginia
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	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
163 Tourism Advertising Program Special Revenue Fund			
Appropriation Units:			
Convention and Visitor Bureau	10,193,410	10,657,355	10,756,124
Reserve for Contingencies	0	1,169	1,610
Transfer to Other Funds	56,838	56,838	56,838
Fund 163 Appropriation Totals	10,250,248	10,715,362	10,814,572
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	96,241	101,665	101,198
From the Use of Money and Property	49,676	42,432	45,700
Hotel Room Tax	5,044,797	5,259,938	5,235,473
Miscellaneous Revenue	23,730	41,243	27,399
Restaurant Meal Tax	4,997,043	5,270,084	5,404,802
Fund 163 Revenue Totals	10,211,487	10,715,362	10,814,572
166 Sandbridge Tax Increment Financing Fund			
Appropriation Units:			
Future C.I.P. Commitments	0	6,893,992	7,000,000
Transfer to Other Funds	0	909,806	1,369,801
Fund 166 Appropriation Totals	0	7,803,798	8,369,801
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	23,802	25,000	27,459
Real Estate	7,226,431	7,410,157	8,139,025
Specific Fund Reserves	0	368,641	203,317
Fund 166 Revenue Totals	7,250,233	7,803,798	8,369,801
169 Central Business District-South TIF (Twn Cntr) Fd			
Appropriation Units:			
Debt Service	5,579,549	5,866,866	7,704,794
Transfer to Other Funds	150,000	150,000	150,000
Fund 169 Appropriation Totals	5,729,549	6,016,866	7,854,794
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	2,393	900	2,000
Hotel Room Tax	500,000	500,000	500,000
Miscellaneous Revenue	2,500,000	0	400,000
Real Estate	5,255,106	5,208,136	5,367,921
Specific Fund Reserves	0	307,830	1,584,873
Fund 169 Revenue Totals	8,257,498	6,016,866	7,854,794

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
172 Open Space Special Revenue Fund			
Appropriation Units:			
Debt Service	2,426,388	2,827,433	2,576,042
Parks and Recreation	484,500	507,778	505,545
Public Works	0	15,300	15,300
Reserve for Contingencies	0	775	2,676
Transfer to Other Funds	2,026,724	1,827,258	1,800,000
Fund 172 Appropriation Totals	4,937,612	5,178,544	4,899,563
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	2,255	21,144	0
Restaurant Meal Tax	4,397,398	4,637,674	4,756,226
Specific Fund Reserves	0	519,726	143,337
Fund 172 Revenue Totals	4,399,653	5,178,544	4,899,563
174 Town Center Special Service District			
Appropriation Units:			
Parks and Recreation	26,612	30,501	46,309
Town Center Special Tax District	1,417,525	1,531,700	1,963,600
Transfer to Other Funds	337,197	337,197	386,199
Fund 174 Appropriation Totals	1,781,334	1,899,398	2,396,108
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	2,791	2,600	1,000
Real Estate	1,536,750	1,480,463	1,548,564
Specific Fund Reserves	0	266,335	696,544
Transfers from Other Funds	150,000	150,000	150,000
Fund 174 Revenue Totals	1,689,541	1,899,398	2,396,108
180 Community Development Special Revenue Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	1,996,490	1,965,324	1,797,398
Transfer to Other Funds	128,858	128,858	128,858
Fund 180 Appropriation Totals	2,125,348	2,094,182	1,926,256
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	48,400	70,000	0
Miscellaneous Revenue	2,999	0	0
Revenue from the Federal Government	1,529,884	1,291,730	1,290,671
Transfers from Other Funds	708,683	732,452	635,585
Fund 180 Revenue Totals	2,289,966	2,094,182	1,926,256

City of Virginia Beach, Virginia
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		FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
181 CD Loan and Grant Fund				
Appropriation Units:				
Housing and Neighborhood Preservation		729,534	699,104	839,091
	Fund 181 Appropriation Totals	729,534	699,104	839,091
Revenue Sources:				
Non-Revenue Receipts		138,553	100,000	125,000
Revenue From Local Sources				
Charges for Services		525	0	0
From the Use of Money and Property		3,381	0	0
Revenue from the Federal Government		401,921	484,175	469,967
Transfers from Other Funds		125,000	114,929	244,124
	Fund 181 Revenue Totals	669,380	699,104	839,091
182 Federal Housing Assistance Grant Fund				
Appropriation Units:				
Housing and Neighborhood Preservation		1,337,547	900,639	912,891
	Fund 182 Appropriation Totals	1,337,547	900,639	912,891
Revenue Sources:				
Non-Revenue Receipts		88,550	70,000	70,000
Revenue From Local Sources				
Charges for Services		825	0	0
From the Use of Money and Property		8,207	0	0
Revenue from the Federal Government		1,720,776	830,639	842,891
	Fund 182 Revenue Totals	1,818,358	900,639	912,891

City of Virginia Beach, Virginia
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	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
183 Grants Consolidated Fund			
Appropriation Units:			
Circuit Court	10,763	0	0
Commonwealth's Attorney	412,019	368,636	314,442
Emergency Medical Services	598,569	375,000	375,000
Fire	1,931,612	770,518	235,345
Housing and Neighborhood Preservation	1,009,875	1,356,925	1,291,593
Human Services	1,571,250	1,708,715	1,730,342
Juvenile Probation	102,251	0	0
Library	15,781	0	0
Museums	15,882	31,392	0
Parks and Recreation	69,837	0	0
Planning	62,433	0	0
Police	444,262	58,861	60,054
Public Works	10,800	15,000	15,000
Reserve for Contingencies	0	100,000	0
Sheriff and Corrections	316,310	0	0
Transfer to Other Funds	400,000	400,000	935,508
Fund 183 Appropriation Totals	6,971,643	5,185,047	4,957,284
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	39,402	43,632	43,632
Revenue from the Commonwealth			
Other Sources from the Commonwealth	3,158,591	3,056,061	2,937,719
Revenue from the Federal Government	3,464,957	1,564,205	1,479,133
Transfers from Other Funds			
Revenue from the Federal Government	46,225	0	0
Fund 183 Revenue Totals	7,233,284	5,185,047	4,957,284
241 Water and Sewer Fund			
Appropriation Units:			
Debt Service	7,853,450	22,527,690	24,384,997
Public Utilities	70,072,341	76,259,188	76,656,690
Reserve for Contingencies	0	950,850	1,386,335
Transfer to Other Funds	18,249,158	17,977,327	18,271,875
Fund 241 Appropriation Totals	96,174,949	117,715,055	120,699,897
Revenue Sources:			
Non-Revenue Receipts	5,670,290	2,665,095	2,061,135
Revenue From Local Sources			
Charges for Services	109,437,509	112,518,740	115,799,855
From the Use of Money and Property	547,751	444,274	357,641
Miscellaneous Revenue	675,171	390,773	367,343
Revenue from the Federal Government	1,017,733	1,017,733	944,456
Transfers from Other Funds	658,679	678,440	1,169,467
Fund 241 Revenue Totals	118,007,133	117,715,055	120,699,897

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
253 Parking Enterprise Fund			
Appropriation Units:			
Debt Service	695,407	692,863	695,363
Reserve for Contingencies	0	278,174	265,505
Strategic Growth Area	1,499,616	1,792,619	1,811,626
Transfer to Other Funds	433,428	933,428	599,515
Fund 253 Appropriation Totals	2,628,451	3,697,084	3,372,009
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	3,074,796	3,688,584	3,183,509
Fines and Forfeitures	0	0	180,000
From the Use of Money and Property	6,928	8,500	8,500
Miscellaneous Revenue	305	0	0
Fund 253 Revenue Totals	3,082,030	3,697,084	3,372,009
254 Waste Management Enterprise Fund			
Appropriation Units:			
Public Works	39,431,539	38,573,354	40,599,989
Reserve for Contingencies	0	71,295	299,533
Transfer to Other Funds	0	3,626,771	2,627,847
Fund 254 Appropriation Totals	39,431,539	42,271,420	43,527,369
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	26,337,173	41,961,030	41,676,123
From the Use of Money and Property	144,300	125,000	140,000
Miscellaneous Revenue	23,554	0	816,246
Permits, Privilege Fees, and Regulatory Licenses	150,040	150,000	150,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	51,070	35,390	45,000
Specific Fund Reserves	0	0	700,000
Transfers from Other Funds	14,769,687	0	0
Fund 254 Revenue Totals	41,475,824	42,271,420	43,527,369
255 Storm Water Utility Enterprise Fund			
Appropriation Units:			
Debt Service	1,054,774	2,263,221	2,796,529
Public Works	13,336,693	16,745,826	16,772,058
Reserve for Contingencies	0	2,950,233	8,197,105
Transfer to Other Funds	15,764,934	15,501,034	11,593,385
Fund 255 Appropriation Totals	30,156,401	37,460,314	39,359,077
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	32,468,445	37,018,136	38,877,647
From the Use of Money and Property	89,689	125,000	125,000
Miscellaneous Revenue	32,081	0	60,000
Revenue from the Federal Government	275,815	288,159	267,411
Transfers from Other Funds	1,836,295	29,019	29,019
Fund 255 Revenue Totals	34,702,325	37,460,314	39,359,077

City of Virginia Beach, Virginia
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	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
310 Old Donation Creek Area Dredging SSD			
Appropriation Units:			
Reserve for Contingencies	0	0	60,154
Transfer to Other Funds	68,652	65,651	6,201
Fund 310 Appropriation Totals	68,652	65,651	66,355
Revenue Sources:			
Revenue From Local Sources			
Real Estate	65,190	65,651	66,355
Fund 310 Revenue Totals	65,190	65,651	66,355
311 Bayville Creek Neighborhood Dredging SSD Fund			
Appropriation Units:			
Transfer to Other Funds	50,508	48,751	51,749
Fund 311 Appropriation Totals	50,508	48,751	51,749
Revenue Sources:			
Revenue From Local Sources			
Real Estate	47,372	48,751	51,749
Fund 311 Revenue Totals	47,372	48,751	51,749
312 Shadowlawn Area Dredging SSD			
Appropriation Units:			
Transfer to Other Funds	0	25,088	25,560
Fund 312 Appropriation Totals	0	25,088	25,560
Revenue Sources:			
Revenue From Local Sources			
Real Estate	0	25,088	25,560
Fund 312 Revenue Totals	0	25,088	25,560
313 Chesopeian Colony Dredging SSD			
Appropriation Units:			
Transfer to Other Funds	0	0	211,391
Fund 313 Appropriation Totals	0	0	211,391
Revenue Sources:			
Revenue From Local Sources			
Real Estate	0	0	211,391
Fund 313 Revenue Totals	0	0	211,391
314 Harbour Point Dredging SSD			
Appropriation Units:			
Transfer to Other Funds	0	0	15,450
Fund 314 Appropriation Totals	0	0	15,450
Revenue Sources:			
Revenue From Local Sources			
Real Estate	0	0	15,450
Fund 314 Revenue Totals	0	0	15,450

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
315 Gills Cove Dredging SSD			
Appropriation Units:			
Reserve for Contingencies	0	0	12,143
Fund 315 Appropriation Totals	0	0	12,143
Revenue Sources:			
Revenue From Local Sources			
Real Estate	0	0	12,143
Fund 315 Revenue Totals	0	0	12,143
540 General Government Capital Projects Fund			
Appropriation Units:			
Building Capital Projects	965,000	1,641,287	1,966,599
Coastal Capital Projects	6,138,895	5,439,490	5,713,172
Communications and Information Technology Projects	560,329	0	5,167,994
Economic and Tourism Development Capital Projects	5,824,859	4,149,297	5,120,373
Parks and Recreation Capital Projects	7,373,332	7,825,198	6,196,418
Roadways Capital Projects	2,590,000	10,581,817	6,396,503
Fund 540 Appropriation Totals	23,452,415	29,637,089	30,561,059
Revenue Sources:			
Transfers from Other Funds	23,452,415	29,637,089	30,561,059
Fund 540 Revenue Totals	23,452,415	29,637,089	30,561,059
541 Water and Sewer Capital Projects Fund			
Appropriation Units:			
Water and Sewer Capital Projects	8,000,000	8,000,000	8,000,000
Fund 541 Appropriation Totals	8,000,000	8,000,000	8,000,000
Revenue Sources:			
Transfers from Other Funds	8,000,000	8,000,000	8,000,000
Fund 541 Revenue Totals	8,000,000	8,000,000	8,000,000
555 Storm Water Capital Projects Fund			
Appropriation Units:			
Storm Water Capital Projects	14,202,870	13,962,480	9,514,582
Fund 555 Appropriation Totals	14,202,870	13,962,480	9,514,582
Revenue Sources:			
Transfers from Other Funds	14,202,870	13,962,480	9,514,582
Fund 555 Revenue Totals	14,202,870	13,962,480	9,514,582
604 Print Shop Internal Service Fund			
Appropriation Units:			
Communications and Information Technology	25,534	0	0
Fund 604 Appropriation Totals	25,534	0	0
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	1,936	0	0
From the Use of Money and Property	618	0	0
Miscellaneous Revenue	1,888	0	0
Fund 604 Revenue Totals	4,442	0	0

City of Virginia Beach, Virginia
Expenditures and Revenues

		FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
606 City Garage Internal Service Fund				
Appropriation Units:				
Public Works		11,761,121	11,810,472	12,933,097
Reserve for Contingencies		0	11,878	47,330
	Fund 606 Appropriation Totals	11,761,121	11,822,350	12,980,427
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		11,819,071	11,140,970	12,031,350
From the Use of Money and Property		4,375	0	0
Miscellaneous Revenue		178,044	0	124,296
Specific Fund Reserves		0	681,380	824,781
	Fund 606 Revenue Totals	12,001,490	11,822,350	12,980,427
607 Risk Management Internal Service Fund				
Appropriation Units:				
Finance		12,277,132	12,039,513	14,377,824
Reserve for Contingencies		0	975	5,114
	Fund 607 Appropriation Totals	12,277,132	12,040,488	14,382,938
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		11,034,611	12,000,488	14,355,938
From the Use of Money and Property		27,041	40,000	27,000
Miscellaneous Revenue		99	0	0
	Fund 607 Revenue Totals	11,061,751	12,040,488	14,382,938
610 Capital Projects Internal Service Fund				
Appropriation Units:				
City Treasurer		0	0	70,000
Commissioner of the Revenue		0	0	70,000
Communications and Information Technology		12,139	198,625	589,875
Economic Development		13,358	63,390	66,194
Finance		100,449	163,292	176,754
Public Works		289,603	287,754	405,973
Reserve for Contingencies		0	2,330	50,000
	Fund 610 Appropriation Totals	415,548	715,391	1,428,796
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		417,044	715,391	1,428,796
	Fund 610 Revenue Totals	417,044	715,391	1,428,796
613 School Landscaping Internal Service Fund				
Appropriation Units:				
Parks and Recreation		3,751,595	3,564,352	3,896,217
Reserve for Contingencies		0	0	26,807
	Fund 613 Appropriation Totals	3,751,595	3,564,352	3,923,024
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		3,751,950	3,564,352	3,923,024
From the Use of Money and Property		85	0	0
Miscellaneous Revenue		10,495	0	0
	Fund 613 Revenue Totals	3,762,530	3,564,352	3,923,024

City of Virginia Beach, Virginia
Expenditures and Revenues

		FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
614 School Risk Management Fund				
Appropriation Units:				
School Risk Management		0	11,488,946	4,806,319
	Fund 614 Appropriation Totals	0	11,488,946	4,806,319
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		0	11,465,209	4,806,319
Miscellaneous Revenue		0	23,737	0
	Fund 614 Revenue Totals	0	11,488,946	4,806,319
615 City and School Health Insurance Fund				
Appropriation Units:				
City and School Health Insurance		130,261,334	132,851,161	145,389,250
	Fund 615 Appropriation Totals	130,261,334	132,851,161	145,389,250
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		119,837,318	128,439,727	145,389,250
Specific Fund Reserves		10,424,016	4,411,434	0
	Fund 615 Revenue Totals	130,261,334	132,851,161	145,389,250
616 Fuels Internal Service Fund				
Appropriation Units:				
Public Works		7,424,576	7,872,002	8,410,504
	Fund 616 Appropriation Totals	7,424,576	7,872,002	8,410,504
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		7,658,566	7,872,002	7,710,504
From the Use of Money and Property		3,645	0	0
Specific Fund Reserves		0	0	700,000
	Fund 616 Revenue Totals	7,662,211	7,872,002	8,410,504
620 Telecommunications Internal Service Fund				
Appropriation Units:				
Communications and Information Technology		1,960,892	3,458,330	3,037,849
Reserve for Contingencies		0	196,389	308,586
	Fund 620 Appropriation Totals	1,960,892	3,654,719	3,346,435
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		3,052,946	3,317,173	3,346,435
From the Use of Money and Property		5,009	0	0
Miscellaneous Revenue		727	0	0
Specific Fund Reserves		0	337,546	0
	Fund 620 Revenue Totals	3,058,682	3,654,719	3,346,435

		FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
621 Subscriptions Internal Service Fund				
Appropriation Units:				
Communications and Information Technology		2,255,426	3,027,774	3,421,650
Reserve for Contingencies		0	255,507	288,987
	Fund 621 Appropriation Totals	2,255,426	3,283,281	3,710,637
Revenue Sources:				
Revenue From Local Sources				
Charges for Services		2,438,997	2,351,644	2,458,458
From the Use of Money and Property		93,442	0	0
Miscellaneous Revenue		3,200	0	144,000
Specific Fund Reserves		0	931,637	1,108,179
	Fund 621 Revenue Totals	2,535,639	3,283,281	3,710,637
908 City Beautification Fund				
Appropriation Units:				
Parks and Recreation		31,859	72,500	100,000
	Fund 908 Appropriation Totals	31,859	72,500	100,000
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		135,665	72,500	100,000
	Fund 908 Revenue Totals	135,665	72,500	100,000
909 Library Gift Fund				
Appropriation Units:				
Library		13,553	7,000	15,000
	Fund 909 Appropriation Totals	13,553	7,000	15,000
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		192,574	7,000	15,000
	Fund 909 Revenue Totals	192,574	7,000	15,000
910 Parking Meters - Homeless Donation Fund				
Appropriation Units:				
Housing and Neighborhood Preservation		644	10,000	5,000
	Fund 910 Appropriation Totals	644	10,000	5,000
Revenue Sources:				
Revenue From Local Sources				
Miscellaneous Revenue		2,691	10,000	5,000
	Fund 910 Revenue Totals	2,691	10,000	5,000
911 Parks and Recreation Gift Fund				
Appropriation Units:				
Parks and Recreation		32,712	55,000	55,000
	Fund 911 Appropriation Totals	32,712	55,000	55,000
Revenue Sources:				
Revenue From Local Sources				
From the Use of Money and Property		333	0	0
Miscellaneous Revenue		35,643	55,000	55,000
	Fund 911 Revenue Totals	35,976	55,000	55,000

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
Grand Total Of All Funds			
Total Appropriations for all Funds	2,333,300,406	2,458,618,013	2,527,079,503
Less Internal Service Funds	170,133,157	187,292,690	198,378,330
Less Interfund Transfers	500,032,644	490,673,261	498,234,068
Net Appropriations Totals	1,663,134,605	1,780,652,062	1,830,467,105
Revenue Sources Totals	2,375,302,171	2,458,618,013	2,527,079,503
Less Internal Service Funds	170,765,124	187,292,690	198,378,330
Less Interfund Transfers	500,032,644	490,673,261	498,234,068
Net Revenue Totals	1,704,504,403	1,780,652,062	1,830,467,105

City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name		FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
002 General Fund				
181	CD Loan and Grant Fund	833,683	847,381	879,709
147	Federal Section 8 Program Special Revenue Fund	240,474	229,215	239,658
540	General Government Capital Projects Fund	12,962,952	18,030,920	19,399,504
183	Grants Consolidated Fund	524,109	521,149	496,800
104	Green Run Collegiate Charter School	0	0	2,446,879
151	Parks and Recreation Special Revenue Fund	5,463,470	5,131,917	4,452,351
115	School Operating Fund	360,564,152	382,098,154	389,570,545
106	School Technology Category Special Revenue Fund	26,881,028	0	0
149	Sheriff's Department Special Revenue Fund	14,896,783	15,674,070	15,594,525
255	Storm Water Utility Enterprise Fund	1,807,276	0	0
152	Tourism Investment Program Fund	250,000	0	0
144	Waste Management Special Revenue Fund	14,769,687	0	0
241	Water and Sewer Fund	386,519	0	0
	Total Transfer From Fund 002	439,580,133	422,532,806	433,079,971
098 School Reserve Special Revenue Fund				
115	School Operating Fund	11,000,000	14,000,000	16,000,000
	Total Transfer From Fund 098	11,000,000	14,000,000	16,000,000
130 Law Library Fund				
002	General Fund	57,252	57,252	57,252
	Total Transfer From Fund 130	57,252	57,252	57,252
149 Sheriff's Department Special Revenue Fund				
002	General Fund	24,551	24,551	24,551
	Total Transfer From Fund 149	24,551	24,551	24,551
151 Parks and Recreation Special Revenue Fund				
002	General Fund	331,281	378,321	331,281
540	General Government Capital Projects Fund	2,242,334	2,883,115	1,272,813
157	Sandbridge Special Service District Spec Rev Fd	0	70,000	0
	Total Transfer From Fund 151	2,573,615	3,331,436	1,604,094
152 Tourism Investment Program Fund				
002	General Fund	2,050,000	2,050,000	2,050,000
540	General Government Capital Projects Fund	0	0	901,684
157	Sandbridge Special Service District Spec Rev Fd	2,262,372	2,284,996	2,342,121
255	Storm Water Utility Enterprise Fund	14,019	14,019	14,019
	Total Transfer From Fund 152	4,326,391	4,349,015	5,307,824
157 Sandbridge Special Service District Spec Rev Fd				
540	General Government Capital Projects Fund	4,804,405	4,390,194	3,930,199
	Total Transfer From Fund 157	4,804,405	4,390,194	3,930,199
163 Tourism Advertising Program Special Revenue Fund				
002	General Fund	56,838	56,838	56,838
	Total Transfer From Fund 163	56,838	56,838	56,838
166 Sandbridge Tax Increment Financing Fund				
540	General Government Capital Projects Fund	0	909,806	1,369,801
	Total Transfer From Fund 166	0	909,806	1,369,801
169 Central Business District-South TIF (Twn Cntr) Fd				
174	Town Center Special Service District	150,000	150,000	150,000
	Total Transfer From Fund 169	150,000	150,000	150,000
172 Open Space Special Revenue Fund				

City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name		FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
002 General Fund		26,724	27,258	0
540 General Government Capital Projects Fund		2,000,000	1,800,000	1,800,000
	Total Transfer From Fund 172	2,026,724	1,827,258	1,800,000
174 Town Center Special Service District				
002 General Fund		38,633	38,633	30,000
540 General Government Capital Projects Fund		283,564	283,564	341,199
255 Storm Water Utility Enterprise Fund		15,000	15,000	15,000
	Total Transfer From Fund 174	337,197	337,197	386,199
180 Community Development Special Revenue Fund				
002 General Fund		128,858	128,858	128,858
	Total Transfer From Fund 180	128,858	128,858	128,858
183 Grants Consolidated Fund				
540 General Government Capital Projects Fund		400,000	400,000	935,508
	Total Transfer From Fund 183	400,000	400,000	935,508
241 Water and Sewer Fund				
002 General Fund		9,939,158	9,977,327	10,271,875
540 General Government Capital Projects Fund		310,000	0	0
541 Water and Sewer Capital Projects Fund		8,000,000	8,000,000	8,000,000
	Total Transfer From Fund 241	18,249,158	17,977,327	18,271,875
253 Parking Enterprise Fund				
002 General Fund		118,428	118,428	284,515
540 General Government Capital Projects Fund		300,000	800,000	300,000
157 Sandbridge Special Service District Spec Rev Fd		15,000	15,000	15,000
	Total Transfer From Fund 253	433,428	933,428	599,515
254 Waste Management Enterprise Fund				
002 General Fund		0	3,228,656	2,081,243
241 Water and Sewer Fund		0	398,115	546,604
	Total Transfer From Fund 254	0	3,626,771	2,627,847
255 Storm Water Utility Enterprise Fund				
002 General Fund		1,259,904	1,258,229	1,455,940
540 General Government Capital Projects Fund		30,000	0	0
555 Storm Water Capital Projects Fund		14,202,870	13,962,480	9,514,582
241 Water and Sewer Fund		272,160	280,325	622,863
	Total Transfer From Fund 255	15,764,934	15,501,034	11,593,385
310 Old Donation Creek Area Dredging SSD				
540 General Government Capital Projects Fund		68,652	65,651	6,201
	Total Transfer From Fund 310	68,652	65,651	6,201
311 Bayville Creek Neighborhood Dredging SSD Fund				
540 General Government Capital Projects Fund		50,508	48,751	51,749
	Total Transfer From Fund 311	50,508	48,751	51,749
312 Shadowlawn Area Dredging SSD				
540 General Government Capital Projects Fund		0	25,088	25,560
	Total Transfer From Fund 312	0	25,088	25,560
313 Chesopeian Colony Dredging SSD				
540 General Government Capital Projects Fund		0	0	211,391
	Total Transfer From Fund 313	0	0	211,391

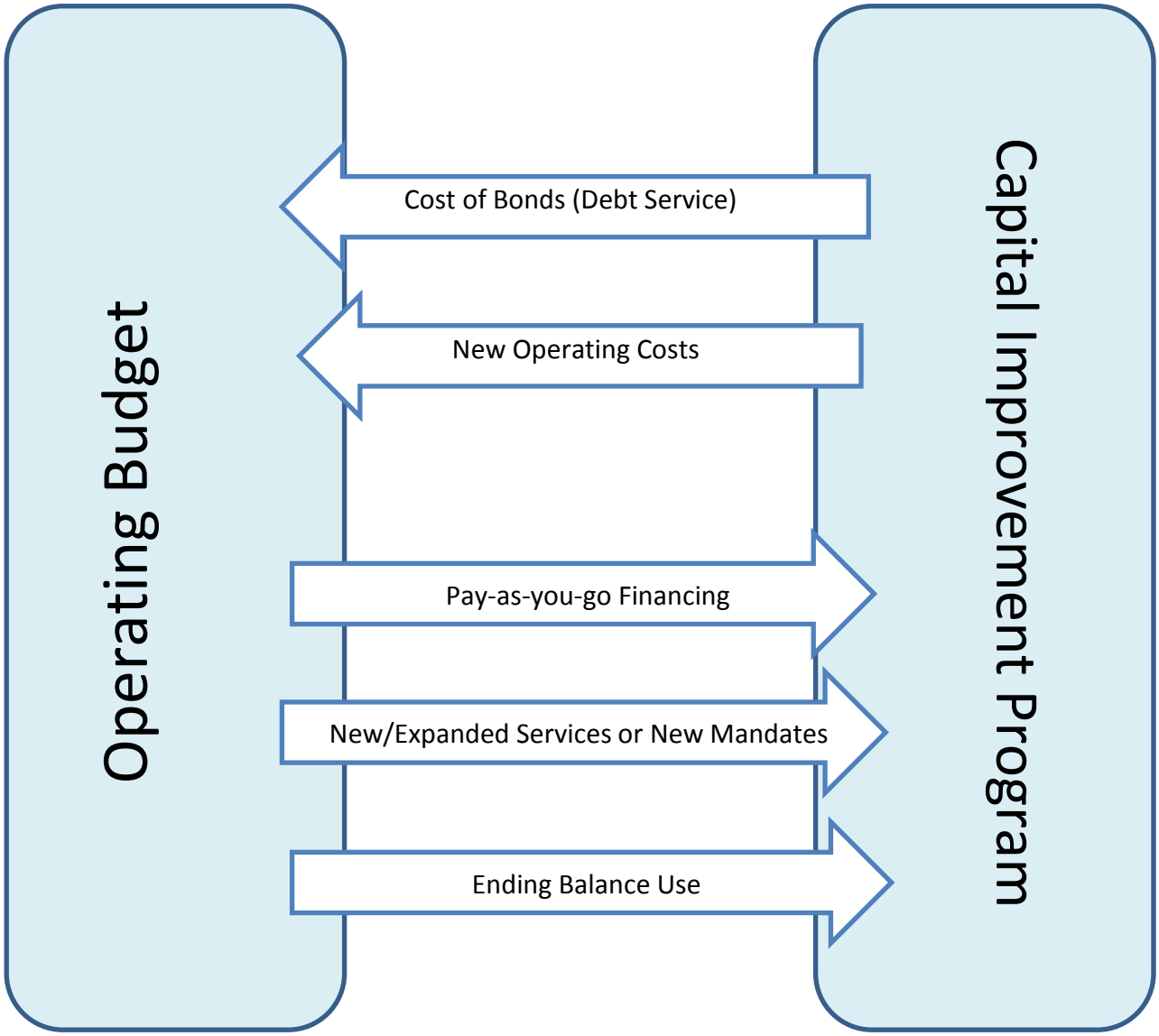
City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name	FY 2012-13 Actuals	FY 2013-14 Adjusted Budget	FY 2014-15 Total Adopted
314 Harbour Point Dredging SSD			
540 General Government Capital Projects Fund	0	0	15,450
Total Transfer From Fund 314	0	0	15,450
TOTAL INTERFUND TRANSFERS FOR ALL FUNDS	500,032,644	490,673,261	498,234,068

Relationship of the Operating Budget to the Capital Improvement Program

As the graph illustrates, there is a closed linkage between the Operating Budget and the Capital Improvement Program. Decisions made in one budget affect the other. For example, if the city were to open a new Fire Station, the city must also plan to hire new firefighters. Likewise, an expansion to a recreational program in the Operating Budget may require the construction of new facilities.



Revenues

Revenues

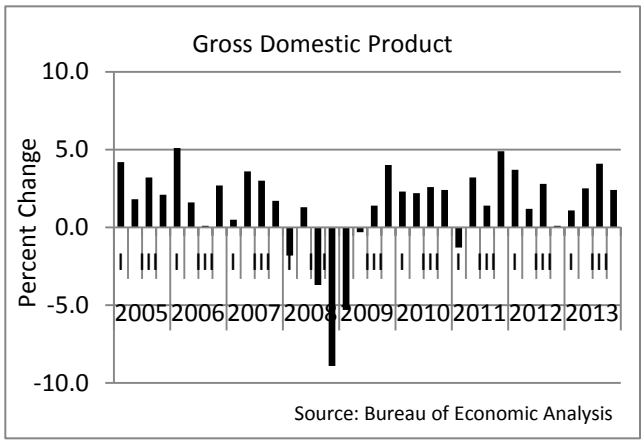
City Council Amendment

On March 25, 2014, City Council voted to establish Gills Cove dredging SSD per the below chart.

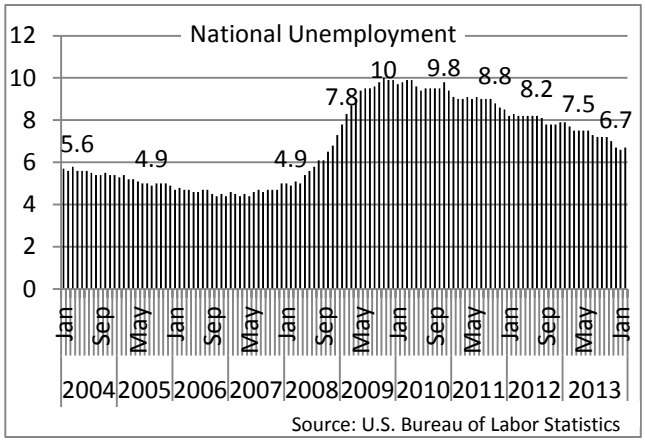
Neighborhood/Area	Approved by City Council	Effective Date	Current SSD Real Estate Tax Rate	CIP Project #
Gills Cove	March 25, 2014	July 1, 2014	6.3¢	8-016

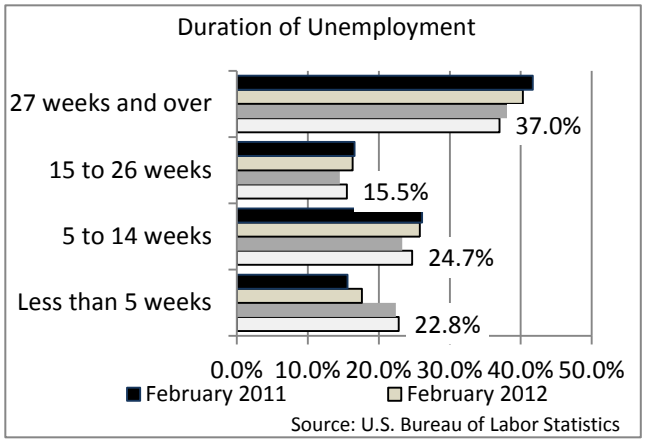
National Economic Overview

The U.S. economy continues to recover from the longest and deepest drop in economic activity since the Great Depression. During the fourteen quarters following the end of the recession, real GDP growth has averaged 2.3%, which is near the long-term historic rate of growth for the national economy. But this continues to be a disappointing rate of growth, given that real GDP fell by nearly 5% from its peak during the recession. Historically, the economy snaps back from deep recessions. The annualized rate of growth after the recessions of the mid 1970's and early 1980's was 5.4% and 5.7% respectively. This past recession, however, was accompanied by a major financial and housing crisis. Economic history here and abroad tell us that recoveries following recessions associated with financial crisis tend to be more reserved.



While GDP represents an important measure of economic performance, the one that means the most to citizens is the unemployment rate, and it has remained stubbornly high. But the trend is improving. National unemployment has remained below 9% since September 2011 and rests at 6.7% as of February 2014. Each percent of the unemployment rate is approximately 1.5 million jobs and some economists suggest that GDP growth needs to exceed four percent before there is a substantial impact on unemployment. And many economists now believe full employment is reflected at a rate of 6.5%; the Federal Open Market Committee of the Federal Reserve Bank estimates long-run normal rate of unemployment to range between 5.2 and 5.8 percent. However, as the Federal Reserve strives to maximum employment, an important consideration to understand in the overall employment outlook is that the duration of unemployment continues to be significant. While there has been modest improvement in the rate of unemployment exceeding 27 weeks (37% versus 41.7% in 2011), this high level still indicates that long-term unemployment will continue to be a drag on the economy. This indicator tends to confirm both the reluctance of employers to commit to hiring additional workers and that there is likely a structural disconnect between the skills of available workers and the skills demanded by those employers that are hiring additional workers.





The consensus forecast is for continued modest and steady

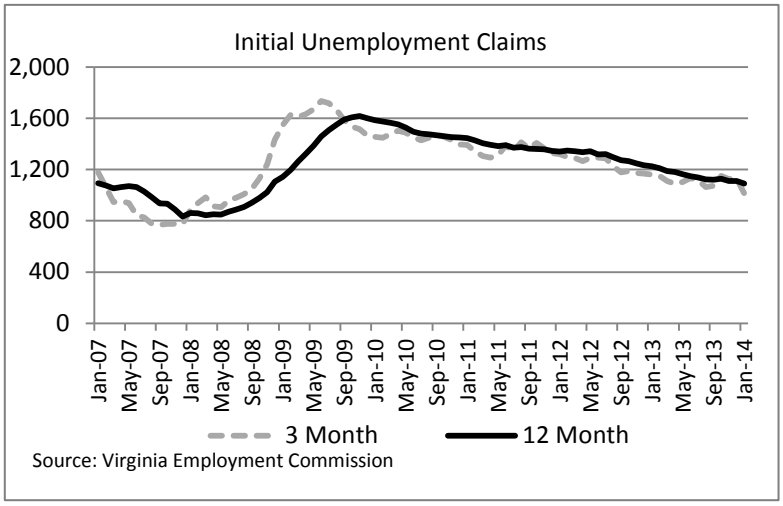
growth. The Federal Reserve's monetary policy is still quite accommodative; and investors are willing to purchase U.S. Treasuries, keeping long term interest rates low. While credit is loosening, institutions have maintained the more conservative lending standards compared to pre-recession requirements. Productivity is high, resulting in record corporate profits and a booming stock market. These factors would normally bode well for wage increases. They have not because excess labor (high unemployment) has reduced the bargaining power of workers.

Nationally, housing is off to a weaker start in 2014 compared to 2013. Pending sales of existing homes are essentially flat and the index overall has fallen 9 percent over the past twelve months. Market conditions are being impacted by higher mortgage rates, rising prices and an overall tight supply of homes in recent months. Snowstorms across much of the country have also restricted sales. Home sales are cyclical and supply will likely increase in coming months. Underwater mortgages (where owners owe more than the home is worth) are trending down – to 19.4 percent from 27.5 percent, according to a report by Zillow, a real estate data provider. Many real estate economists are predicting a five-year window of sub-par performance until the overall real estate market returns to usual conditions.

Moody's Analytics Chief Economist Mark Zandi cites political uncertainty as the primary factor constraining overall economic growth. He indicated that the 'corrosive brinkmanship' is the reason private investment hasn't taken off; the uncertainty delays hiring and reduces willingness to invest in activities such as research and development. Vangaurd Group Chief Economist Joseph Davis cites the "Uncertainty Tax" for reducing U.S. economic growth one percent. The continued uncertainty since the crisis over the debt ceiling and the Federal budget back in August 2011 is having an adverse effect on the appeal to foreign investment.

Virginia Beach Economic Overview

The Old Dominion University Economic Forecasting Team predicts the Gross Regional Product to increase 2.2% in 2014, which is higher than the 1.7% increase in 2013, but not achieving the historical annual average of 3.1%. The impact of sequestration has been reduced in 2014 because the Department of Defense has been given flexibility to make targeted cuts versus across-the-board cuts originally required. This has benefitted our region. The team also forecasts continued improvement in the regional housing market as indicated by a rising volume of sales, a smaller inventory of homes in the market, a decrease in the number of days on the market, and low mortgage rates.



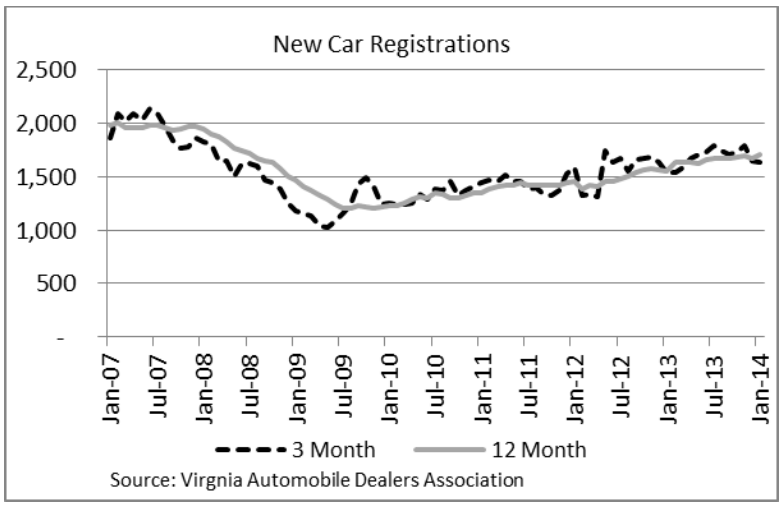
The city is projecting positive real estate assessment growth for the first time since 2009. This was the last sector of the local economy to begin recovery since the recession. All three employment indicators, employment, the unemployment rate, and initial unemployment claims, which represent a national leading economic indicator, continue to show improvement. The accompanying graph illustrates the trends in initial unemployment claims for Virginia Beach. The Virginia Employment Commission Community Profile for Virginia Beach predicts annual employment growth in the short-term of 1.32% and nearing 1.53% in the long-term through 2020. Only agriculture and utilities show projected decreases in industry employment in Virginia Beach. Government spending at all levels continues to be a significant factor in employment for Virginia Beach. Three of the five largest employers in the City are governmental entities. This continues to make our community susceptible to reductions made in Federal and State budgets.

Largest Employers

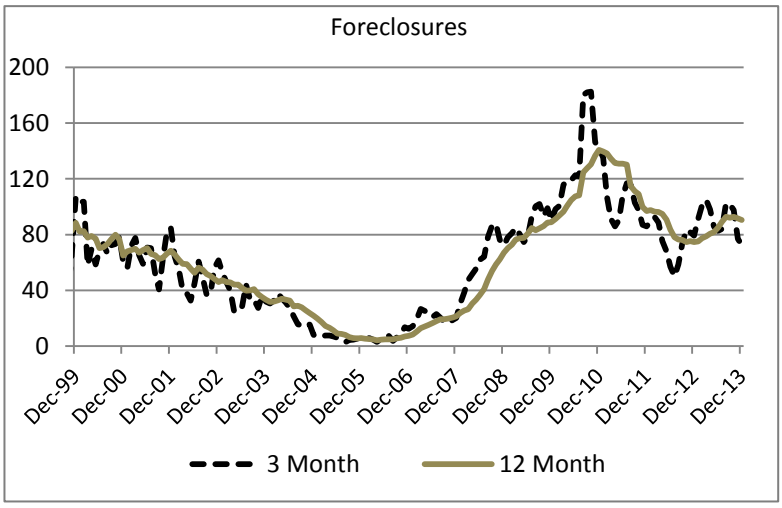
1. Virginia Beach Public Schools
2. City of Virginia Beach
3. Sentara Healthcare
4. U.S. Department of Defense
5. Americaid Community Care
6. Stihl
7. Professional Hospitality
8. Wal-Mart
9. U.S. Navy Exchange
10. Food Lion

Although the aforementioned national macroeconomic influences can certainly affect our economy, sequestration and significant deficit reduction efforts represent our overarching concern. Sequestration requires an annual reduction of approximately 5% for nondefense programs and 8% for defense. Sequestration has asymmetric impacts across the nation. Because Federal civilian and military earnings combined represent 14.6% of total earnings in our city and 24.6% in the region (compared to only 1.5% on the national level), our region will be hit much harder. Although the specific impacts on individual regional cities is unknown, economists at Old Dominion University indicate that 12,000 jobs could be lost regionally if sequestration reductions remain in effect for a full year. If these jobs cuts come to pass, the negative feedback loop on housing and consumption could jeopardize the city's revenue forecast. Even if Congress and the President agree to substitute reductions and revenue increases, defense spending is likely to experience some reduction in any plan to achieve deficit reduction, and Virginia Beach will continue to be on alert of these trends.

Consumer spending has resumed and has stabilized. General Sales, Meal, and Hotel taxes have all returned to their pre-recession levels, though growth in hotel and general sales has wavered some, most likely impacted by defense cuts and the continued stagnation in wages. New car sales have rebounded more robustly and continue to remain high, but these had dropped dramatically during the recession; used cars are maintaining high values as well. Retail sales have been a driving force in Business License revenues, particularly vehicle dealerships.



Distressed home sales measured by foreclosures have decreased from nearly 30% of total sales to less than 20%. Monthly foreclosures in 2013 averaged 91, compared to 75 in 2012 and 97 in 2011. This trend was expected because additional requirements placed on banks related to foreclosure had significantly decreased the number in 2012; many of those foreclosures were processed in 2013, merely delaying the process versus avoiding the foreclosure altogether.



Consumer spending and housing will be discussed in more detail in later sections.

Forecasting Methodology

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

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

The final projections are based upon a combination of the above techniques and educated judgment. The generally accepted public finance forecasting margin of error is 2.0%. For the last fifteen years, the City's absolute average margin of error has been 0.5%.

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

Recent Real Estate Tax Rate Adjustments and Distributional Purpose Historical Perspective - The table chronicles real estate tax rate changes from FY 1988-89 through FY 2013-14 and identifies the dedications. From FY 1982-83 through FY 1986-87, the City's real estate tax was 80¢ per $100 of assessed valuation. Due to unprecedented appreciation, the City Council lowered the tax rate for each year from FY 2004-05 through FY 2007-08, and adjusted the following dedications: the Recreation Center dedication was decreased from 3.8¢ to 3.476¢ and Outdoor Initiative from 0.7¢ to 0.47¢ to mirror the reduction in the real estate rate. In FY 1995-96, the Agriculture Reserve Program dedication was established at 1.5¢. In FY 2004-05, it was lowered to 1¢, and in FY 2006-07, it was lowered to 0.9¢. The adoption of the City/School Revenue Sharing Formula in FY 1997-98, replaced specific rates for school-related purposes identified below. FY 2012-13 included a four-cent increase in the real estate tax to offset State revenue losses for the Schools and a two-cent increase to address road construction and the estimated $1 million annual impact from the line of duty retirement passed by the General Assembly and transferred to local governments as an unfunded mandate. On May 14, 2013, the City Council voted for a two-cent decrease in the real estate rate (from 95¢ to 93¢) to help offset the increase in the Waste Management Fee. This budget proposes generalizing the two-cent dedication to allow use in the Operating Budget and other sections of the CIP while maintaining the road program through enhanced State funding and debt.

Real Estate Adjustments from 1988-89

Fiscal Year	Tax Rate	Tax Rate Change	City Operating Budget and CIP	Parks and Recreation	School Operating Budget and CIP	ARP[1]
1988-89	$0.915	3.8¢		3.8¢*		
1989-90	$0.977	6.2¢		0.7¢	5.5¢	
1990-91	$1.032	5.5¢	0.6¢		4.9¢*	
1991-92	$1.09	5.8¢			5.8¢	
1993-94	$1.14	5.0¢	-0.7¢		5.7¢	
1995-96	$118.8	4.8¢			5.7¢	1.5¢
1996-97	$1.22	3.2¢			3.2¢	
2004-05	$1.1964	-2.36¢	-2.36¢			
2005-06	$1.0239	-17.25¢	-16.75¢			-0.5¢
2006-07	$0.99	-3.39¢	-2.99¢	-0.3¢		-0.1¢
2007-08	$0.89	-10¢	-9.746¢	-0.254¢		
2012-13	$0.95	6.0¢	2.0¢		4.0¢	
2013-14	$0.93	-2.0¢	-2.0¢			
Total Change		**3.5¢**	**-31.946¢**	**3.946¢**	**32.4**	**0.9¢**

*Originally approved in conjunction with a referendum
[1]Agriculture Reserve Program

Other Local Taxes - The following table indicates selected local tax rate dedications having specific purposes:

Dedication of Taxes

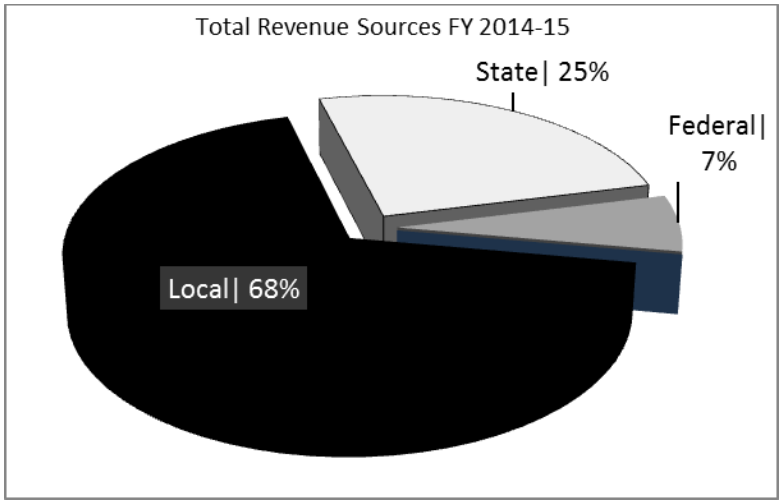
Tax	Local Rate	General Fund	T.I.P.	T.A.P.	EDIP	Open Space
Amusement Tax	10.0%		10.0%			
Hotel Room Tax	8.0%	2.0%	5.0%	1.0%		
Restaurant Meal Tax	5.5%	3.5%	1.06%	0.5%		0.44%
Cigarette Tax (per pack)	70¢	49¢	5¢		16¢	
Personal Property Tax	$4.00	30¢				

The Proposed FY 2014-15 Operating Budget includes a thirty-cent increase to the vehicles and business Personal Property Tax categories to support a package of public safety initiatives included in the Operating Budget and CIP. This increase would bring the rate from $3.70 per $100 of assessed value to $4.00 per $100 of assessed value.

Fees and Charges for FY 2014-15

To recover the cost of various services, the City relies upon various fees and charges. To keep pace with rising costs, fees and charges are reviewed annually.

The following are the notable changes to City fees for FY 2014-15. Complete listings of proposed fees and details regarding the purpose of the fee or fee increase are included in each individual departmental narrative and a summary of fees and tax adjustments can be found in the Executive Summary.



- Parks and Recreation Fees: In response to increased operational costs, this budget includes increases in certain fees and charges that have not been adjusted in several years.

- The Planning Department's budget adjusts numerous fees to address service demands and the State mandates for Storm Water.

- Storm Water Equivalent Residential Unit (ERU) is proposed to increase 1.7¢ cents from $0.416 to $0.433 per day.

- A four-year phased sewer rate increase was approved with the FY 2010-11 Capital Improvement Program to begin in FY 2011-12. In FY 2014-15, the monthly sewer rate for a single family residence with a typical 5/8" meter and 5,000 gallon usage will increase from $27.76 to $30.81 to continue to address the federal consent decree. This is the final phase.

- The City is also increasing fees to support parking infrastructure and operations.

Overall, local sources comprise the largest portion of all revenues (see graph above), which remained steady at 68% of all revenue sources.

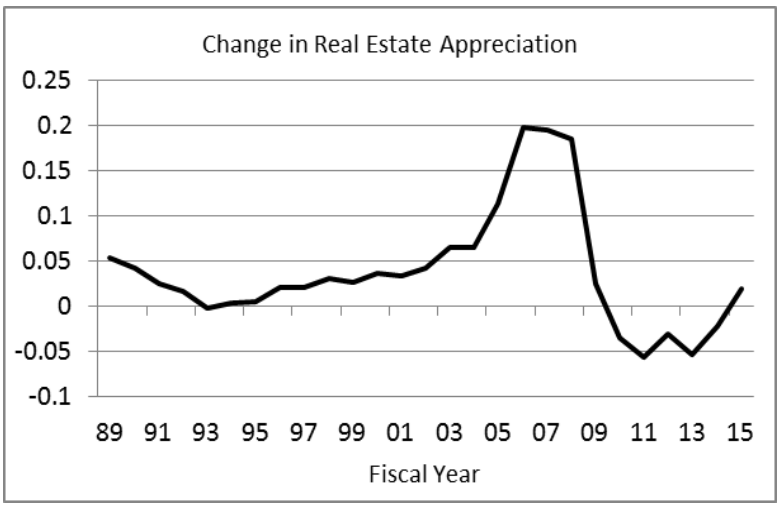
Changes in Funds

Consolidation/New Funds – The Waste Management operation is transitioning from a Special Revenue Fund to an Enterprise Fund in the FY 2014-15 Operating Budget. A new fund, Commonwealth Attorney's DEA Seized Property Special Revenue Fund, has been established to separate funds from the Police Department. Schools has a new fund associated with the Green Run Collegiate Charter School.

Two new neighborhoods have established dredging special service districts and thus the associated Special Revenue Funds since last year's proposed budget. Chesopeian Colony and Harbour Point were established by City Council to provide neighborhood channel dredging of creeks and rivers to maintain existing uses. The following table shows the dredging SSDs established to date.

Neighborhood/Area	Approved by City Council	Effective Date	Current SSD Real Estate Tax Rate	CIP Project #
Old Donation Creek	September 13, 2011	October 1, 2011	18.4¢	8-500
Bayville Creek	March 27, 2012	July 1, 2012	36.3¢	8-501
Shadowlawn	March 12, 2013	July 1, 2013	15.94¢	8-502
Chesopeian Colony	August 13, 2013; December 3, 2013	July 1, 2014	29.13¢	8-503
Harbour Point	January 14, 2014	July 1, 2014	7.9¢	8-504

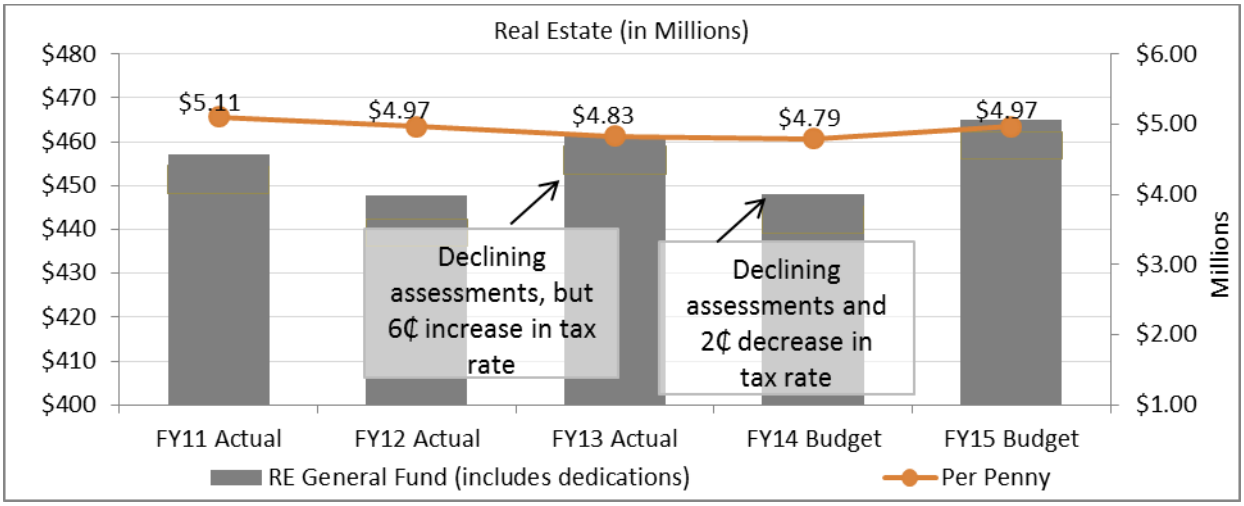
General Fund Revenue Source Analysis



Real Estate Tax - Beginning in 2005, the City experienced four years of unprecedented double-digit housing appreciation (averaging 19% annually) followed by one year of below-trend growth (2.3%) and five consecutive years of negative appreciation, which is also unprecedented. This describes a classic boom-and-bust cycle. During the boom period, home prices rose 89.3% while median household income grew at approximately 17.6% over the same time span. For FY 2014-15, the City is experiencing positive real estate assessment growth for the first time since 2009. Overall assessments are increasing 3.6%. Average assessment change for residential properties is 1.93%; for commercial/ industrial property, the average change is 1.76%. Fifty-eight percent of all properties are increasing; 24% are decreasing and 18% are unchanged. Residential units comprise 83.2% of the total tax base and commercial/industrial the remaining 16.8%, which is a 0.2% increase in the commercial proportion of real estate.

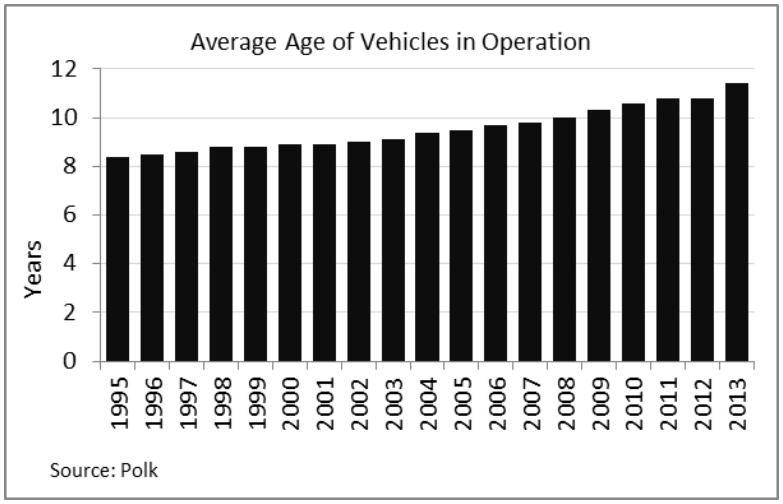
The table shows the change in assessment according to home values. Continuing the trend seen last year, residential units under $150,000 are having the most difficulty recovering from the recessionary market.

Percent Change in Residential Property by Value Range		
Value Range	Median Change	Mean Change
Under $150,000	0%	-1.4%
$150,000 - $200,000	0%	0.3%
$200,000 - $250,000	2.8%	2.7%
$250,000 - $350,000	3.6%	3.8%
$350,000 - $500,000	4.0%	4.5%
$500,000 - $750,000	3.2%	3.6%
Over $750,000	3.3%	3.8%
Source: Real Estate Assessor's Annual Report		

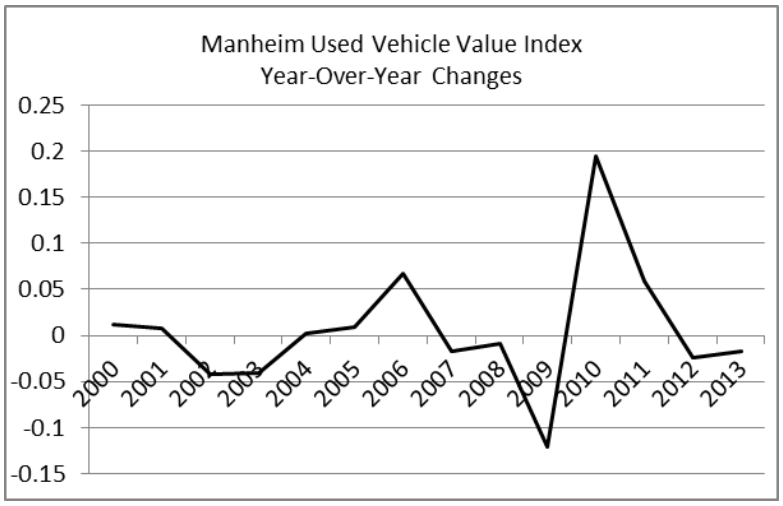


Estimated Revenue - Real estate assessment projections are provided by the City Real Estate Assessor. For FY 2014-15, real estate revenues are projected to total $481,032,832 across all funds. The 93¢ rate will generate General Fund Real Estate collections (including current taxes, public service, delinquencies and interest) of $443,222,611, a $16,148,281 increase from the FY 2013-014 budget. Parks and Recreation and Agriculture Reserve Program dedications are estimated in their respective funds, as are real estate revenues related to TIFs and SSDs.

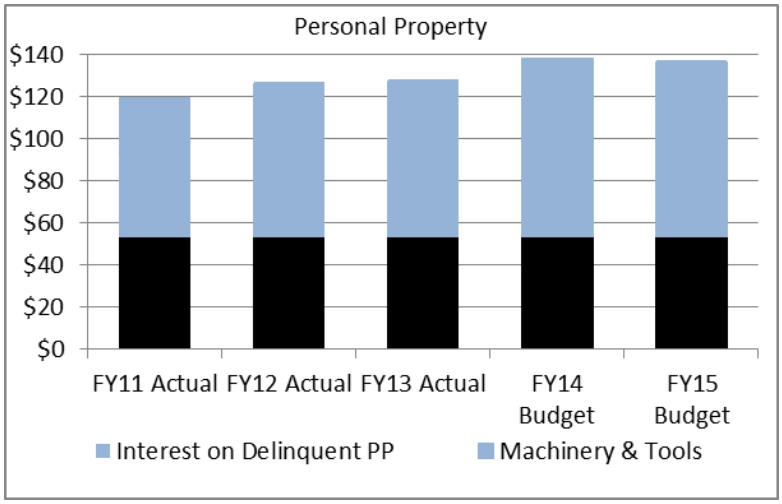
Personal Property - Seventy-nine percent of personal property taxes, $108.3 million, pertains to the assessed values of vehicles. The State reimburses the City a flat $53.4 million under the Personal Property Tax Relief Act (PPTRA); the remaining $54.9 million is paid by the vehicle owners. Traditionally, in Virginia Beach, there has been a healthy vehicle buying churn. As vehicles aged and lost value, they were sold or traded in for a newer and higher valued vehicle. Typically, during a recession, the churn quiets as consumers retain vehicles longer for economic reasons.



In the 1990-91 recession, new vehicle sales decreased 6.7% while unemployment peaked at 5.0%. Comparatively, during the 2001 recession, new vehicles sales dipped by 3.8% while unemployment peaked at 3.4%. Demonstrating the magnitude of the most recent recession, unemployment climbed to 6.4% and new vehicle sales decreased 24.6%. The average age of a vehicle in the City's base exceeds ten years, which follows the national trend depicted in the graph. While this is certainly economically driven, the increased vehicle quality also supports maintaining vehicle ownership for longer periods. Growth in the average age of vehicles had been beginning to level off; however, as can be seen in the graph, vehicle age trended up in 2013 to 11.4 years from 10.8 years. Interestingly, according to the Manheim Used Vehicle Value Index, values still declined slightly by 1.8% in 2013. New car

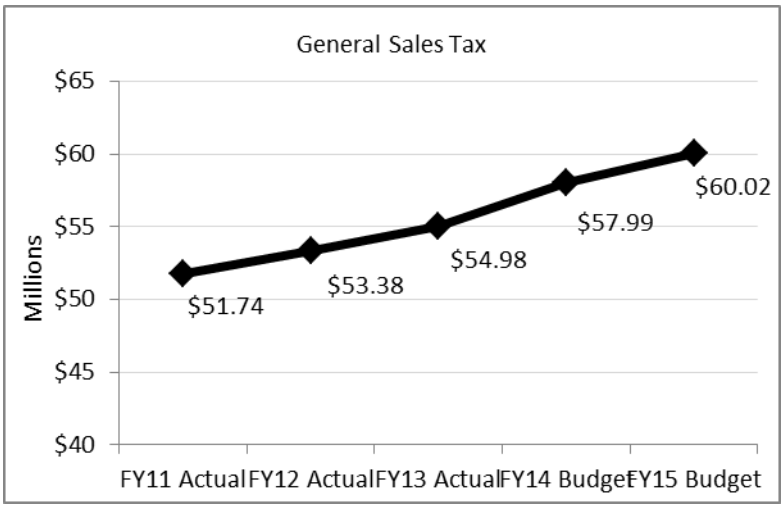


sales remain up and the total number of vehicles in operation has also increased as the economy improves, which bodes well for personal property tax collections.

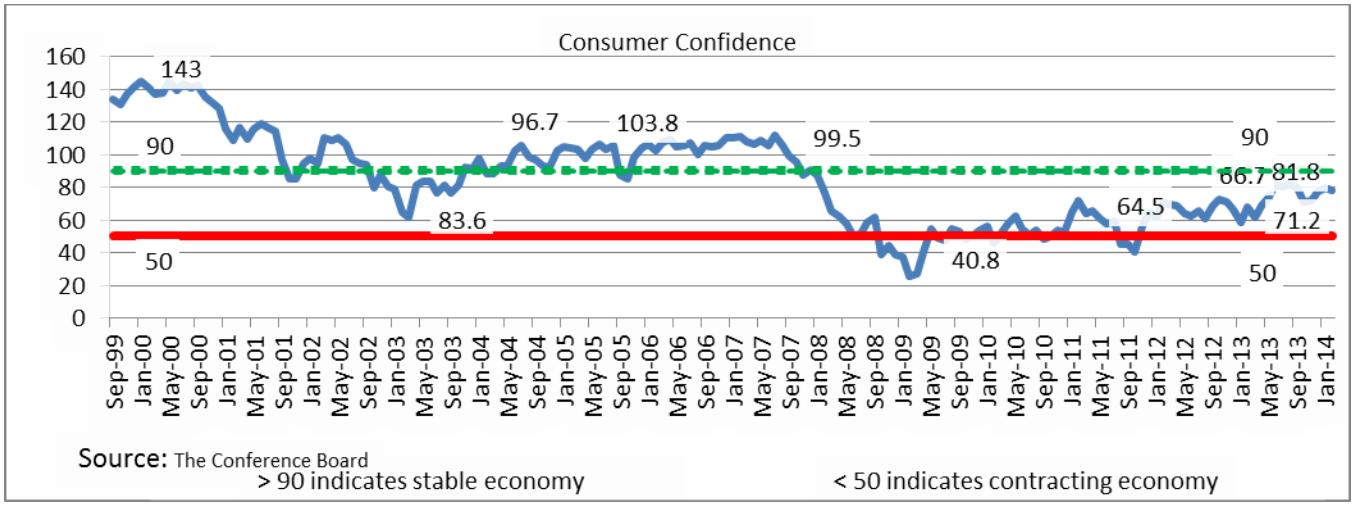


The State implemented the Personal Property Tax Relief Act in which localities will receive a flat reimbursement rather than receive reimbursement for 70% of the total tax eligible tax base in FY 2005-06. This is a somewhat complicated piece of legislation, and the following discussion highlights the important aspects. The Car Tax reimbursement is no longer linked to the percentage of individual vehicle tax bills. Rather than experiencing increases in our reimbursement that parallels the growth in the vehicle base, the amount of the State reimbursement is frozen at $53.4 million. Consistent with the original legislation, vehicles valued under $1,000 will not be subject to any tax. With projected growth in the vehicle base, this budget proposes a State relief percentage of 55%, down from 59% FY 2012-13. This is affected by the proposed 30-cent increase in the vehicle and business categories of the personal property tax rate. Vehicles valued between $1,001 and $20,000 will be taxed at 45% of the assessed value of $4.00 per $100, and the portion of vehicles valued over $20,001 will be taxed at 100% of $4.00 per $100 of assessed value. However, in addition to the impacts of complicated legislation, this revenue is substantially collected once a year; therefore, no current year data is available to evaluate trends or validity of assumptions. In addition, this revenue has been erratic and difficult to forecast. None of the sophisticated statistical techniques have forecasted this revenue very well, and the past performance has not been a good predicator of the future.

Estimated Revenue - For FY 2014-15, Personal Property taxes are estimated to be $137,161,976, a 1.0% decrease over the FY 2013-14 estimates, after accounting for the increase in the personal property tax rate proposed to support a package of public safety initiatives. This increase will generate an additional $4.9 million. Without the increased rate, this revenue would decline from last fiscal year to adjust the base downward in vehicles and business personal property.



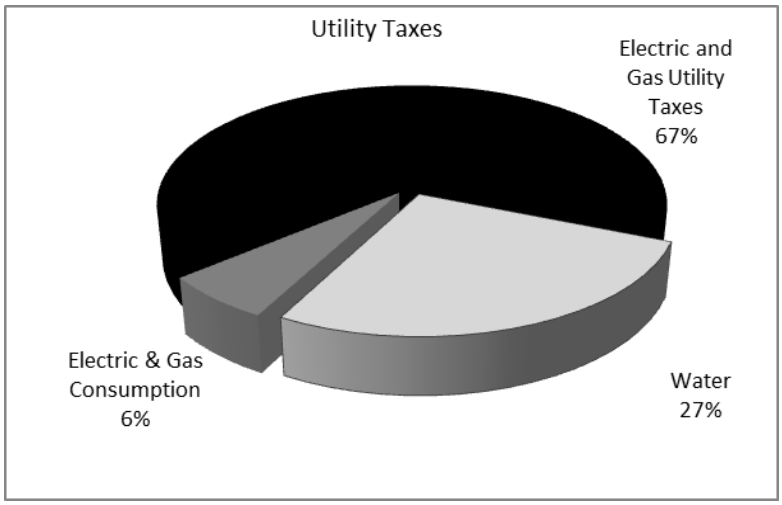
General Sales - This revenue represents one percent of total State sales tax collected in Virginia Beach, which is distributed back to local governments. It performed exceptionally well during the housing boom, rising 10.9% and 6.4% in FY 2003-04 and FY 2004-05, back-to-back levels not experienced since FY 1986-87. The appreciation of home values and the ability to monetize it through re-financing/home equity loans had allowed homeowners to withdraw cash from their home and spend it. Consider these national statistics. A 2004 Federal Reserve study indicated that home owners withdrew equity in their homes equivalent to 7% of their disposable income (and it may have risen to 10% in 2005), and a study by Goldman Sachs Group suggested that homeowners spent over two-thirds of these monies on consumer goods. As home prices declined, equity extraction halted. The growth rates in general sales tax revenues for FY 2007-08 through FY 2009-10 were: 0.2%; -4.6%; and -2.6%. This revenue stream began to rebound again in when it improved to 2.9% annual growth (FY 2010-11), 3.2% growth (FY 2011-12) and 3.0% (FY 2012-13). Year-to-date sales tax collections remain positive, tracking about 2.4% ahead of the same period last year, but the rate of growth has slowed a bit. After the end of the recession, General Sales did not establish a growth trend that parallels the long-term annual average for two years; however, there is not an expectation that the City will return to the 6.6% average annual growth we experienced from FY 2003-04 through FY 2007-08.



The graph shows the Conference Board's monthly index of national consumer confidence. A reading of 90 indicates a stable economy; less than 50 indicates a contracting economy. As the graph indicates, the trend is increasing from the 25.3 seen in February 2009 and has stabilized, but consumer confidence still hasn't broken that 90 level that would indicate a more stabilized economic environment. The downgrade of the US government's credit rating in August 2011 and subsequent battles in Congress over spending, as well as the inability to avoid the sequester in December 2012, are notable events that shook consumer confidence as reflected in the drops in ensuing months. With a significant concentration of federal spending throughout the State of Virginia, and especially in Hampton Roads, we continue to monitor for the effects of sequestration on the City's consumer-driven revenues (general sales, hotel taxes, and meal taxes). As previously discussed in the economic section, some modifications to the reductions have tempered the effects for the region and thus far, the impacts have been seen in a slowing of growth rates in consumer-driven revenues; we have not experienced and do not anticipate negative year-over-year growth in these revenue streams at this time.

Estimated Revenue - For FY 2014-15, estimated revenue for General Sales is expected to be $60,016,191. This is 3.5% greater than the previous year's budget, reflecting stabilizing consumer confidence and sales reflecting normalized growth.

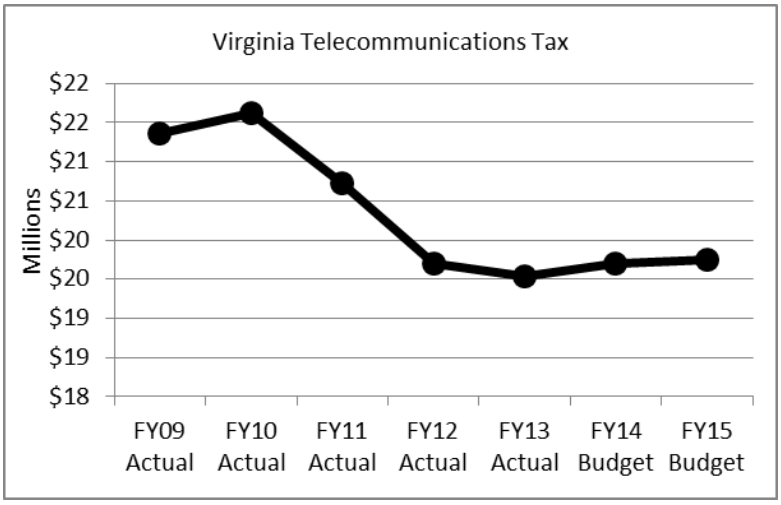
Utility Tax - These taxes apply to electric, gas, and water bills for residential and commercial properties. Historically, this revenue grows at modest rates. On residential properties, the Code of Virginia limits the tax to 20% of the first $15 of a bill, essentially making it a flat $3 per monthly tax. So the tax on residential properties is unaffected by weather (variations in weather are not sufficient to reduce a bill below $15). Previously information provided by Dominion Power indicates that approximately 50% of the City's utility tax is derived from residential properties. The commercial tax, however, is applied on a tier structure, and a staff statistical analysis does reveal that atypical year's weather does affect the growth in this revenue.



In terms of projections, the sophisticated techniques have historically projected this revenue very well, and staff track average monthly temperatures, number of housing units, and natural gas prices.

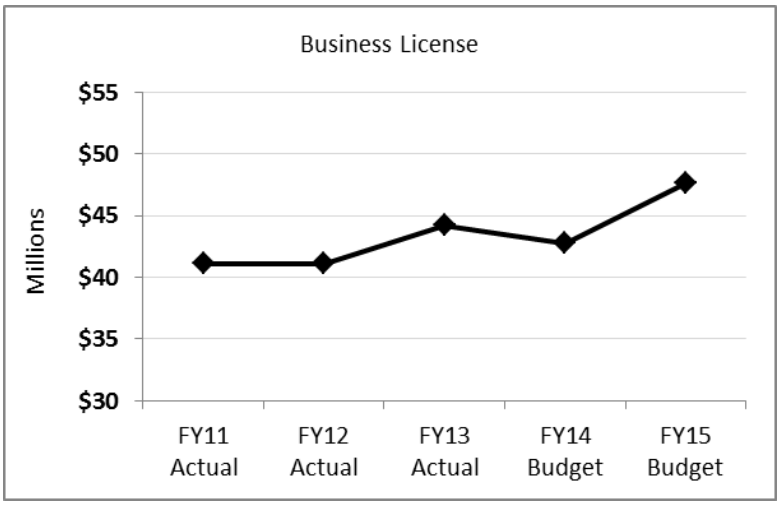
Estimated Revenues - For FY 2014-15, estimated revenue for utility taxes is expected to be $25,150,998, which is essentially flat from the previous year's budget.

Virginia Telecommunications Tax - In January 2007, the State replaced all local telecommunication and cell phone taxes with a uniform 5% tax. The taxation applies to satellite TV, Internet phone service, Voice-Over-Internet-Protocol (VOIP), and satellite radio; additionally, a $0.83 cent Right-of-Way fee was imposed. To eliminate the various rate structures imposed by over 100 local governments, telecommunication industries intensely lobbied for this change. From a local government perspective, there were concerns about achieving revenue neutrality (a legislative promise). However, many local governments were experiencing a decline in the telecommunication revenues due to the use of VOIP (which is not subject to the tax) and the trend of consumers canceling landline service, relying strictly on mobile service. As a result, since its inception, the telecommunication tax has not maintained revenue neutrality, but it is impossible to know what growth would have occurred under the previous tax structure.



Neutrality was based upon FY 2005-06 revenue collections and represents $23.4 million per annum. Revenues are received monthly, but they usually incur adjustments. Each month, the City receives adjustment information. The adjustments include overpayments, amnesty collections, and misapplied revenues. To measure the correct annual collections, the adjustments are applied, and a normalized collection is calculated. As the graph indicates, this revenue had been experiencing year-over-year declines in this source – an average of 5% annually. That trend ended in FY 2012-13 when actual collections exceeded the budgeted estimate by 1.3% and indicating that FY 2013-14 was likely understated. Collections have been erratic month-to-month; the forecast anticipates that this revenue will increase slightly (1%) from the FY 2012-13 actual collections

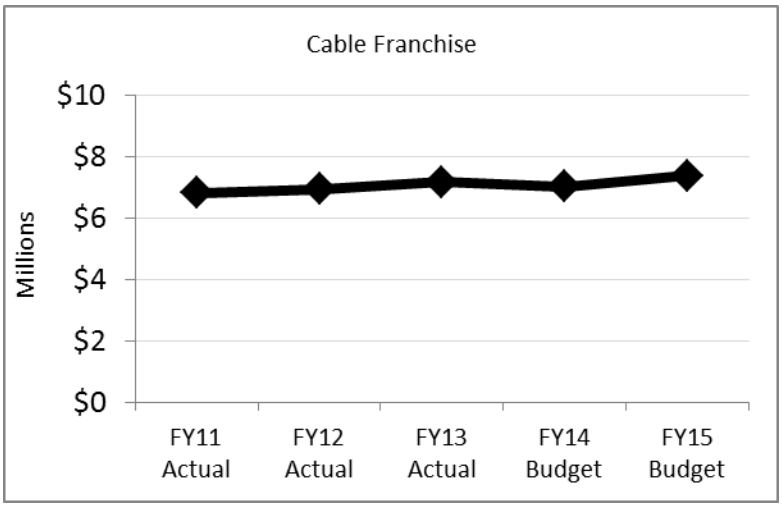
Estimated Revenue - For FY 2014-15, this revenue is projected to be $19,744,161. To maintain its promises of revenue neutrality, the State would need to increase the rates. Limited data is provided to the City from the State distribution, so analysis of specific trends is not possible.



Business Permit and Occupational License Tax (BPOL) - This revenue consistently outperforms General Sales, which should not be surprising since this revenue captures the growth in the service economy plus the traditional retail sector. But this revenue has also been unpredictable, some of which may be associated with reporting and auditing issues and recent rebates associated with court rulings. In terms of projection methods, the sophisticated techniques have a poor record of success in forecasting this revenue. However, none of the broad, local economic indicators seem to serve as good predictors. Hence, this revenue is often projected based on simple trend analysis and judgment based on information from the Commissioner of the Revenue's Office.

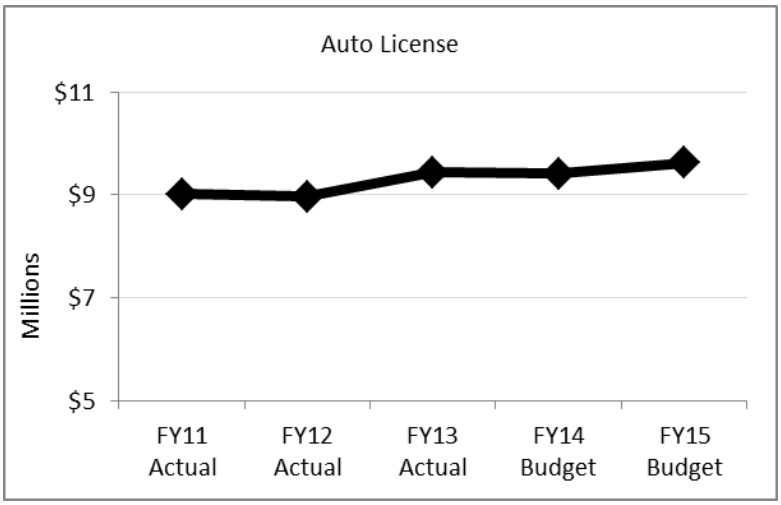
Estimated Revenue - For FY 2014-15 estimated revenue for BPOL is projected to be $47,600,886, which represents an 11.2% increase over last year's budget, which reflects a revised base for FY 2013-14 because actual revenue collections for FY 2012-13 were $1.4 million above the FY 2013-14 budget estimate. In addition, strong sales by retailers, especially grocers and vehicle dealers have bolstered collections.

Cable Franchise Tax - During the recession, many discretionary spending decisions were made by consumers. For instance, some big ticket purchases were delayed and consumers turned to discount stores for goods. One area unaffected by the recession has been cable entertainment, which may appear to be counterintuitive; however, the literature suggests that consumers turned to less expensive at-home entertainment. So, while theater prices had escalated, movie rentals and pay-per-view had only modestly increased. In addition, the City benefitted from the growing offerings of high definition and digital channels have been introduced for which consumers pay increased monthly rates. Because the cable franchise tax is based upon gross revenues and prices have increased with options, the cable franchise revenues have also risen. Between FY 2007-08 and FY 2010-11, annual increases in cable franchise revenues exceeded 7.5% on average. However, for FY 2011-12, collections only increased 2% and 3.3% for FY 2012-13. The City is beginning the process of renegotiating the two franchise agreements in FY 2014-15.



Estimated Revenue - For FY 2014-15, cable franchise revenues are projected to be $7,400,000, an increase of 5.24% over the previous year's budget, which reflects that collections for FY 2012-13 exceeded the FY 2013-14 budget estimate and puts this revenue in line with 1.5% annual increases from the revised base.

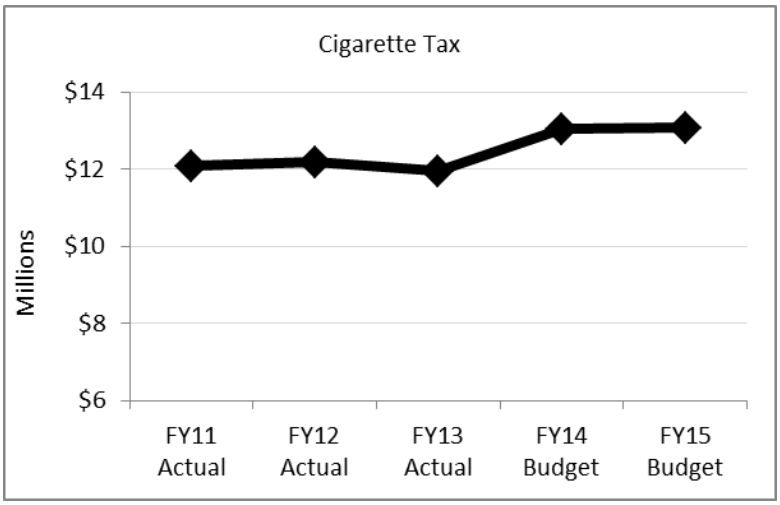
Automobile License Fee - This revenue had historically grown in a moderate and stable manner, which partially reflected the slow growth in our population. Because of this stable and steady pattern of growth, the sophisticated statistical techniques had an exceptional track record of forecasting this revenue. In FY 2003-04, the City eliminated physical issuance of decals and began collecting these fees through the DMV State registration process. DMV represents a more comprehensive source for vehicle discovery and offers an added bonus of aiding collections of delinquent fees. In May 2004, the City and DMV entered into an agreement in which until delinquent personal property taxes are satisfied, tax payers are not allowed to renew their State registration.



In recent years, this revenue has experienced flat or declining growth, and may be attributable to three demographic factors and the economy. (1) The number of students becoming of driving age is declining according to school enrollment data. With graying of America, it is possible that some elderly may be giving up their driving privileges. (2) Data from the IRS indicated the City was experiencing an out-migration of population and this would be consistent with a decline in automobile licenses. (3) When recessionary shock occurred, this further reduced the number of automobiles. When all these factors are netted against each other, there is a tendency for declines or no-growth to very modest gains.

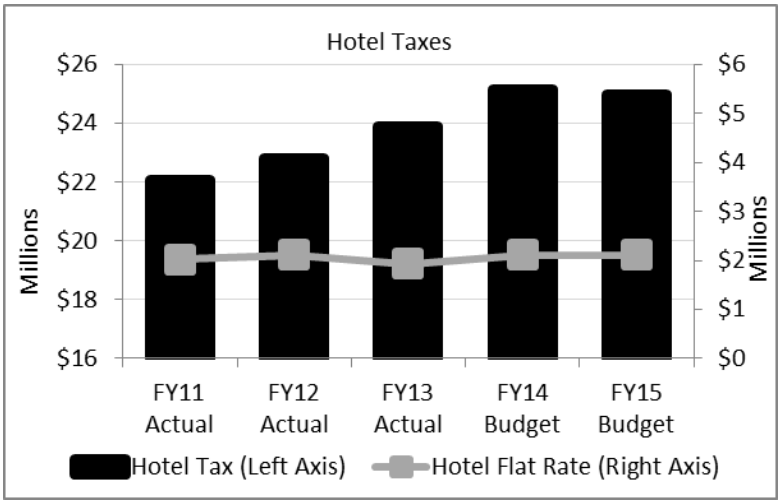
Estimated Revenue - Given the explained factors, further complicated by a deep recession, for FY 2013-14, automobile license fees are projected to be $9,627,331. This is 2.2% above the previous year's budget, which appears to be understated. FY 2012-13 collections were higher than the FY 2013-14 budget estimate. This revenue performed well in FY 2012-13, increasing 5.2% above the prior year, but it performed very poorly in FY 2011-12 after performing well in FY 2010-11, thus continuing the erratic performance.

Cigarette Tax - The cigarette tax revenue trend is volatile. There are numerous factors contributing to this. Some of those factors include health awareness, non-smoking legislation, cancer litigation, price increases, and the availability of e-cigarettes (which is not subject to Federal, State, or local cigarette taxes). According to the Centers for Disease Control, approximately 45.3 million Americans are smokers. This compares with 50.1 million in 1965. Of those currently consuming, 10% smoke at least 25 cigarettes a day compared with 20.1 cigarettes in 1965; 34% currently smoke 15-24 cigarettes a day compared to 44% in 1965; and 56% smoke fewer than 15 cigarettes a day compared to 36% in 1965. According to the Centers for Disease Control and Prevention, 19.3% of all adults are smokers. In 2010, 18.5% of Virginians were smokers compared to 24.8% in 1996. Historically, after a tax rate increase, this revenue declines. Presumably, this either encourages cessation or alternative purchasing decisions. Likely, it's a combination of both with more weight going to the latter.



Estimated Revenue - For FY 2014-15, total cigarette tax revenues are projected to be $13,083,160, essentially flat from last year's budget. This level reflects an adjustment to the base level since FY 2012-13 collections declined after two years of increases that bucked the long-term trend. A five-cent increase was approved by the City Council in FY 2013-14, as shown in the increase last fiscal year. Note that a portion of these taxes are earmarked to the Tourism Investment Program; therefore, due to GASB 54, $934,511 revenues are recorded in that fund.

Hotel Tax - This revenue represents another example of how hard the City was hit by the recession. The City experienced two consecutive years of declining hotel revenue (FY 2008-09 at -1.9% and FY 2009-10 at -0.7%); there is no historical precedent for this. However, the City outperformed all three of our main competitors (Ocean City, Myrtle Beach, and Coastal Carolina) in terms of average annual hotel occupancy, and we fared better than two out of three in terms of Average Daily Rate (ADR), and RevPar (revenue per available hotel room).



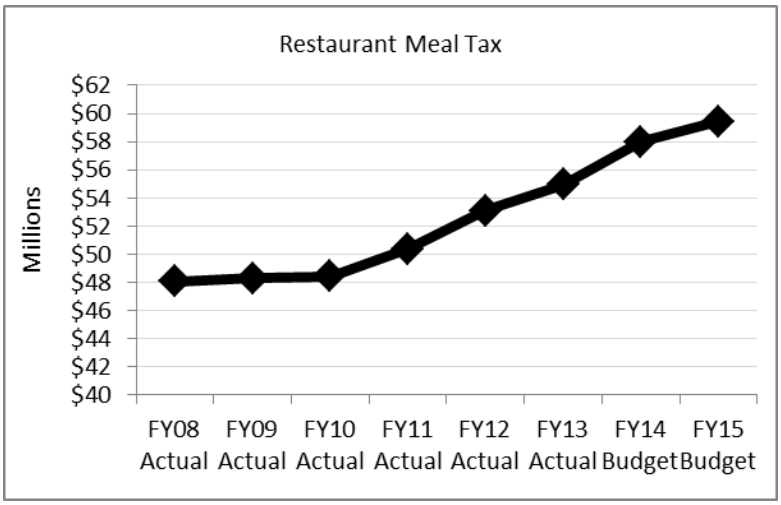
Growth has now resumed. FY 2012-13 was the highest-grossing year in the City's history. Although the recovery in hotel sales was delayed compared with General Sales and Meal, beginning in FY 2010-11, growth eclipsed those of the aforementioned revenues. Old Dominion University is projecting a modest increase in regional hotel sales (2.4%), and Virginia Beach nearly always outperforms the region. Gas prices do remain a concern, particularly since we are a drive-destination. As pointed out below, higher gas prices are not negatively correlated with hotel taxes. Perhaps, the visitors that would have traveled here but for the higher gas prices are offset by vacationers that would have traveled further to other destinations but for the gas prices.

The bulk of the increases in revenue results from higher average daily room rates. This includes rentals at the residential beach community of Sandbridge, which generate over 15% of total Hotel taxes. On May 14, 2013, the City Council voted to decrease the surcharge for Sandbridge hotel taxes by 1% to compensate for the increase being implemented in the State Sales Tax.

Surprisingly, a correlation analysis of hotel room prices, gas prices, and consumer confidence in the northeast with our hotel revenues revealed that no strong correlation exists, which seems inconsistent with survey data and simple intuition. The statistical techniques have not accurately forecasted this revenue. Staff does review local forecasts for tourism, but these are regionally based. As a result, these estimates are developed based on simple trend analysis and judgment.

Estimated Revenue - Total hotel taxes are estimated to be $27,872,312, or 0.6% below the previous year's budget. This does not represent a decline in the actual collections, rather the growth rate has tempered and FY 2013-14 is anticipated to be overstated. Year-to-date revenues are approximately 1% above the same period last year; however, through February 2013, year-to-date hotel taxes were performing 7.5% better than the prior year and the final collections were only 4.6% higher than the previous fiscal year, moderated by a cooler and wet spring and contraction of government spending on travel and training. For FY 2014-15, a total of $6,017,443 is estimated in the General Fund. The majority of hotel taxes are earmarked to the Tourism Investment Program ($15,321,383 including Beach Events) and Tourism Advertising Program ($5,235,473 including flat tax); other hotel tax revenues can be found in the Central Business District – South TIF ($500,000) and the Sandbridge Special Service District as previously mentioned. Due to GASB 54, these revenues are recorded in those respective funds. The aforementioned growth rate in this revenue applies to the hotel taxes recorded in these funds as well.

Restaurant Meal Tax - Historically, this revenue has been one of the most consistent performers regardless of underlying economic fundamentals, and it consistently out performs General Sales tax. Through five previous national recessions (some of which did not overly impact our area), the lowest annual growth rate achieved was 1.6%. This immunity ended for this recession. Annual growth rates for FY 2008-09 and FY 2009-10 failed to breach 1% (0.5% and 0.3% respectively); however, the growth never trended negative. This paralleled the national experience. According to a Zagat Survey, Americans dined out an average of 3.3 times a week before the recession and 3.1 times during it. Restaurant meal sales comprise 46% of all food purchases in the city (grocery stores and restaurants combined)



According to restaurant industry experts, meals away from home are often driven by specific demographic variables. They are: the percentage of women working; percentage of households with incomes higher than $25,000; and the percentage of population between the ages of 25 and 44. Higher concentrations of these bode well for restaurant sales; Virginia Beach has a higher relative concentration compared to Virginia and the U.S. Comparative local restaurant quality with neighboring localities can also be a factor. Local resident wealth and tourism also serve as positive factors. Finally, between 30% and 35% of meal tax revenues are generated by non-residents. Tourism, measured through Hotel revenues, has recovered, and this has helped bolster meal sales. The statistical techniques do forecast this revenue well and staff also examines trends to establish an estimate.

Modest growth, however, has resumed with this revenue growing at an average of 3.1% for the last twelve months; however, this growth has slowed from the 4.8% 12-month average growth from last year. Year-to-date revenues are up 3.4% over the same period in FY 2012-13.

Estimated Revenue - For FY 2014-15, meal taxes are expected to be $59,622,821, or 2.5% above the previous year's budget. FY 2012-13 collections were 3.5% above FY 2011-12, which were up 5.4% from the year prior. A total of $38,003,613 is estimated in the General Fund. Note portions of the meal tax are earmarked to the Open Space Fund, Tourism Investment Program and Tourism Advertising Program; therefore, due to GASB 54, these revenues are recorded in these respective funds. The aforementioned growth rate in this revenue applies to the meal taxes recorded in these funds as well.

Permits, Privilege Fees, and Regulatory Licenses - This represents a broad range of governmental service permits, privileges, and regulatory licenses. Over the last five years, these revenues have varied greatly because rate changes, new revenue

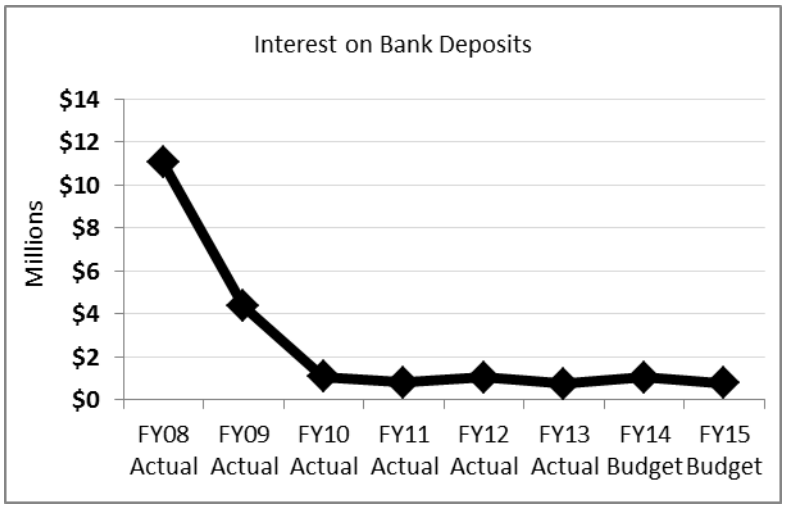
sources, and deleted fees have altered the foundation. These revenues are primarily a function of population count, population age, the economy, and real estate/construction industry activities. Because regulations and rates change, historical data is not a good forecasting tool. As a result, departmental input was used.

Estimated Revenue - For FY 2014-15, the estimated revenue for Permits, Privilege Fees, and Regulatory Licenses in the General Fund is $5,316,340, which represents a 4.9% increase above last year's estimate and primarily reflects the establishment of a new fee to recover costs, such as the Concealed Weapon Permit Fee, and increase in various Planning department fees related to Storm Water mandates.

Fines and Forfeitures - This represents local government applied fines and forfeitures, with the two primary revenues being Court Fines and Red Light Camera Violations. These revenues are primarily a function of population count, population age, and rate changes (e.g., parking fines). Both are designed to change individual behavior by avoiding the fee. Projections are based on historical trends.

Estimated Revenue - For FY 2014-15, the estimated revenue for General Fund Fines and Forfeitures is $7,626,205. This represents a 12.4% increase from last year's estimate and primarily reflects higher collections in court fees, increased fees generated by the "PHOTOSafe" red light camera program and parking ticket revenues from the proposed fee increases.

Revenue from the Use of Money and Property - This represents a broad range of financial and physical resource revenues, but is particularly related to interest on bank deposits and use of City property.

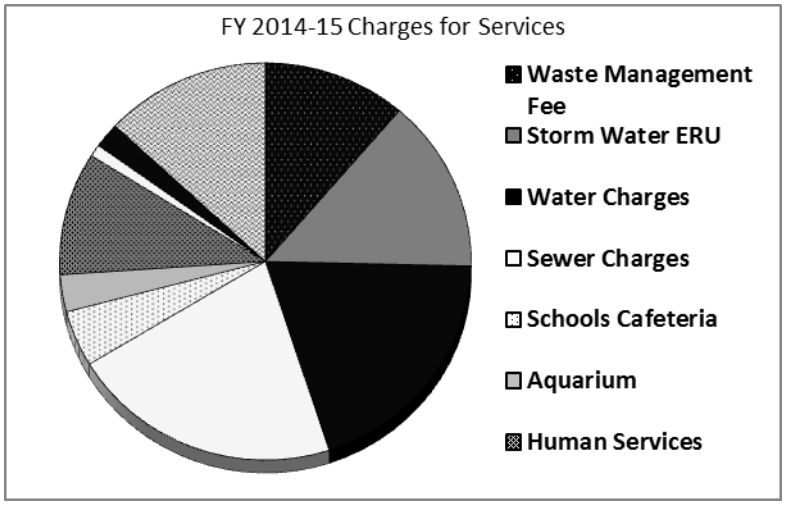


This revenue category trends with interest rates and is primarily a function of the rates and cash balances invested. Because the Federal Fund rate has been between 0% and 0.25% since 2008, this has had a diminishing effect upon City returns. With a very fragile national economy, the Federal Reserve has publicly stated that the federal rate will stay at this level until sustained economic growth is seen at the national level. Bond sale timing and amount affects the City's invested principal. The 90-Day Treasury bill rate serves as a conservative proxy for City investment earnings. The graph shows the dramatic decline in interest that the City receives on investments: In FY 2007-08, the City earned almost $11.1 million in interest in the General Fund; in FY 2012-13, the City received $0.75 million – a 93% decrease.

Estimated Revenue - For FY 2014-15, the estimated revenue for Use of Money and Property is $9,370,912. This represents a 2.7% increase above last year's estimate, and primarily reflects increases in payments from long-term leases.

Charges for Services - This represents a broad range of revenues offsetting the cost of delivering services and programs.

Due to increased demand for fee-based services and additional charges for the cost of City services, these revenues have been increasing at a rather brisk pace. Most of these revenue estimates were historically trended, discussed with departments, and calculated using the prevailing rate. In FY 2007-08, to balance service delivery with costs, the Council appointed a Blue Ribbon Tax, Fee, and Spending Task Force, and they recommended regular fee increases to keep pace with the cost of services.



Estimated Revenue - For FY 2014-15, the estimated revenue for Charges for Services across all funds, exclusive of internal service funds, is $275,937,431, an increase of 3.0%; in the General Fund, Charges for Services totals $39,964,597, an increase of 7.9% above last year's budget. This primarily reflects increases in Human Services self-payments and Medicaid payments, as well as modest growth in Museum sales.

State and Federal Revenue - Estimates are based on historical trends, General Assembly budget proposals, gubernatorial recommendations, and congressional processes. Because state and federal budgetary timelines lag the locality cycle, budgets are based upon speculative reports. Typically, the state and federal bicameral establishments have not jointly resolved budgetary issues by the time of this report. The General Assembly was unable to adopt a budget prior to the end of the regular session, therefore must return to Richmond for further deliberations. The ensuing fallout from sequestration and deficit reduction have the potential to significantly impact a number of programs that rely on direct federal support, in addition to the trickle-down effects likely to be felt in our region from the concentration of military assets. Thus far, the most direct impact has been seen in Federal reductions to the City's Housing and Neighborhood Development Program.

Estimated State and Federal Revenues – Across all funds, Federal revenues total $121,368,756 and $459,784,550 for State revenue in FY 2014-15. The federal revenue decreased $978,089 (essentially flat) and State revenue increased $12,466,570 (2.8%). For FY 2014-15, State and Federal revenues are forecasted to be a combined $114,770,514 in the General Fund, which is 1.9% above last year's estimate. This reflects increases in reimbursement for Maintenance of Roads, the Juvenile Justice Block Grant, Compensation Board reimbursements and Federal Public Assistance Grants for Human Services.
Transfers from Other Funds - These estimates reflect the City's on-going policy of charging self-supporting and fee-generating funds for support costs financed through the General Fund.

Estimated Revenue - For FY 2014-15, General Fund revenue from transfers is expected to be $16,772,353. This represents 3.3% below last year's estimate. This decrease is primarily due to the decrease in the transfer from the Waste Management Operation. Last year as a special revenue fund, the vehicle replacement for this operation resided in the General Fund and the additional funding generated from the increased fee was used to offset the reduction in the real estate tax and cover overhead costs. As an Enterprise Fund, Waste Management contributes indirect costs; however, the vehicle replacement now resides in the enterprise fund and the indirect cost payment is less.
Summary of General Fund Revenues - Total estimated revenue for the General Fund, including transfers from other funds, is expected to be $1,012,458,390, which is 2.8% higher than last year's estimate. Current year revenues (excluding fund balance use) are increasing 2.9%.

Special Revenue Funds

This section highlights the major Special Revenue Funds:

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

Federal revenues primarily consist of impact funds, which are allocated to Schools for use in the operation of the total instructional program to support the cost of educating military children, and funds for the School lunch program. State funds are allocated based on a two-part, General Assembly, adopted formula: 1) The Standards of Quality are used to determine the number of teachers that are required by each school system. The state also uses an average salary figure to arrive at the total level of funding. 2) A Composite Index of Local Ability to Pay is used to determine the funding split between the State and localities. Wealthy communities receive less State aid while less-wealthy communities receive more. The City is responsible for the residual amount from the Composite Index (subject to a cap). For FY 2014-15, the City is $219.0 million above the minimum amount required by the State.

Certain categorical State funds are dedicated to certain specific courses or activities, such as pupil transportation, vocational education, special education, and technology initiatives. The State Share Sales Tax (one cent on the sales dollar) is returned by the Commonwealth to localities exclusively for public education and is distributed based on the number of School age persons residing in each locality. Regarding local funds, historically, these consisted primarily of monies derived from property taxes. Because local, School Boards in Virginia are fiscally dependent bodies, they must rely on the City Council to appropriate the required local tax funds and also to approve the total budget. The new formula was adopted for use in beginning in FY 2013-14, and includes a four-step computation:

- Total Non-Dedicated Local Tax Revenues: the base from which the computation derives is the total non-dedicated local tax revenues, which represents a more diverse stream of revenues compared to the previous formula;
- Fund 100% of Required Local SOQ Match: the formula acknowledges the required local match under the State SOQ by dedicating 100% of local revenues to equal this match, which is then subtracted from the total non-dedicated local tax revenues;
- Funding Above SOQ Match: the formula specifies that 32.37% of the remaining total non-dedicated local tax revenues (after subtracting the local SOQ match) are allocated to the School System as the discretionary local match; and

Estimated revenue for these funds is expected to increase 2.5% over last year's estimate, excluding Internal Service Funds and the School Reserve Special Revenue Fund. In total, the local City revenue will increase by 2.9%; State funding will increase by 3.5% for FY 2014-15.

Housing - The following funds comprise the majority of the housing operations for FY 2013-14: Grants Consolidated, Community Development Special Revenue, CD Loan and Grant, Federal Housing Assistance Grant, and Federal Section 8 Programs. Revenue estimates for these funds are provided by the Department of Housing and Neighborhood Preservation (HNP) and are based on information received from State and Federal agencies at the time of the preparation of the budget. Revenue is received from three sources: Federal, State, and local governments. Federal funds are received both directly through the Department of Housing and Urban Development (HUD) and indirectly through the Commonwealth. Local funds are allocated to offset administrative costs for certain salary and fringe benefits, rental of office space, and utility costs.

Estimated revenue for these funds is expected to be 4.8% below last year's estimate for FY 2014-15, and reflects declining Federal funding that, given the size of the national deficit and pressure to reduce spending, may continue in the future.

Parks and Recreation - The Parks and Recreation Special Revenue Fund comprise the total operations for the Parks and Recreation Department. The golf course operations have been privatized (except for one position that oversees the contract) and are no longer reflected in the department. Funding is derived from user fees and charges for the use of Parks

and Recreation facilities and sponsored activities, a dedicated portion of the real estate tax to support recreation center operations, and additional support from the General Fund to support park operations.

Estimated revenue is expected to be 3.7% higher than last year's estimate for FY 2014-15, and primarily reflects the increase in a dedicated real estate taxes and increases to various fees supporting programs.

Sheriff Department Special Revenue Fund - Revenue is derived from three sources: Federal, State, and local governments for the care and custody of persons placed in the Virginia Beach Correctional Center by the courts. The Federal reimbursement is specifically related to a contractual arrangement between the City and the Federal government to house Federal prisoners when necessary.

Estimated revenue is expected to be 0.9% higher than last year's estimate for FY 2014-15, which reflects a $372,300 increase in Federal revenue, increased reimbursement from the State, and an increase in inmate fees. The use of fund balance declined by $739,990 compared to last fiscal year.

Tourism Investment Program Fund - This reflects the merging of the Tourism Growth Investment Fund and the Major Projects Fund. Both of these funds received dedicated revenue streams to fund tourism and other economic developed related capital projects. Revenues in this fund are primarily generated from: 5.0 cents of the Hotel tax (0.5 for Beach Events); 1.06 cents of the Meal tax; 5 cents per pack of the Cigarette tax, and 100% of Amusement (10% Admissions and 5% Participatory) tax.

Estimated revenue is expected to essentially remain flat from last year. While meal tax is increasing, hotel and admissions taxes are slightly down and cigarette tax is essentially flat.

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

Estimated revenue is expected to be $10,814,572, or 0.9% above last year's estimate for FY 2014-15 and reflects the continued recovery in meal and hotel taxes.

Agricultural Reserve Program Fund (ARP) - This program is designed to promote and encourage the preservation of farmland in the rural southern portion of the City, in which agricultural uses predominate, by means that are voluntary rather than regulatory. Revenue was initially derived from a 1.5 cent increase in the Real Estate Tax. In FY 2004-05, due to the rising value of real estate assessments, this level of funding was reduced from 1.5 cents to 1 cent. A similar analysis revealed that the dedicated amount could be lowered to 0.9 cent in FY 2005-06, primarily again due to rising real estate assessments.

Total revenue is expected to be $4,474,353, which is 3.8% higher for FY 2014-15 and reflects the beginning of recovery in real estate revenue.

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

- Sandbridge TIF - The Sandbridge area, which is an important real estate and aesthetic asset of the City, has long battled sand erosion. Over the years, the City has pursued a multi-front strategy of funding sand replenishment: seeking Federal funds; appropriating local funds; and establishing the Sandbridge Special Services Tax District. The establishment of this TIF is another method to ensure stability to this area. These revenues are designed to reserve the revenue for future costs, and these revenues are transferred directly into the fund, $8,369,801 for FY 2014-15. A

financial analysis indicates that sufficient monies will be available in the future to fund sand replenishment and transfer surplus funds from the TIF to finance various projects in the CIP.

- Central Business District-South TIF (Town Center) - Town Center is associated with a public-private partnership to develop a high-rise office, hotel, and retail complex in the Pembroke area of the City. These revenues are funding the debt service costs associated with the construction of public parking, and these revenues are also transferred directly into this fund, $7,854,794 for FY 2014-15.

Open Space Special Revenue Fund - This fund provides $62.7 million in funding for the acquisition and preservation of property. The Parks and Recreation Department developed an Outdoor Plan, which includes an Open Space initiative. This plan was developed with public input, and calls for the preservation of approximately 5% of the City's land for parks, trails or natural vistas. There is some empirical data that suggests open space bolsters property values and cited as factors in appeals to relocation decisions for businesses. The source of funding for this plan includes: $0.44 cent increase in the Restaurant Meal tax; and a one-time $5 million transfer from the ARP fund, fund balance. The fund has been appropriating a planned use of fund balance that grew in the early years of the fund and is now being appropriated to acquire and maintain land via the Capital Improvement Program.

Estimated revenue is expected to decrease by 5.4% from FY 2014-15, and reflects the netting of increased revenue from the meal tax and a decrease in the amount of fund balance used to support the fund operations. The fund is nearing the end of its planned use of fund balance in which revenue accumulated in the early years of the fund and now are being drawn down to meet the CIP commitments.

Enterprise/Utility Funds

Water and Sewer - The Water and Sewer Fund operates as a self-supporting enterprise fund, meaning that all operating and debt service costs are financed/recovered primarily through user charges. Historically, major sources of revenue for operation of the water and sewer system include: Sale of Water; Water Service Charges; Sewer Charges; Interest on Bank Deposits; Sewer Main Extensions; and Sewer Line Fees. Beginning in FY 2011-12, the Public Utilities department implemented a four-year, stepped sewer rate increase to support capital and operating budget impacts of the regional consent order. This is discussed more in the Public Utilities budget discussion in the Quality Physical Environment section of this document.

Estimated revenue is expected to increase by 2.1% above the total FY 2013-14 budget, which primarily reflects the increased rates discussed above.

Storm Water Utility Enterprise Fund - This fund is also self-supported through two charges for services. Charges for services are billed by the utility to owners of developed properties within the City. These charges are dependent upon the amount of impervious surface at each property generating storm water run-off. The proposed budget recommends an increase of 1.7 cents to offset the personnel and equipment needed to meet new storm water regulatory requirements being transitioned from the State to localities. These increases will provide additional permitting, inspection, monitoring and mitigation activities.

Estimated revenue is expected to increase by 4.0% over the FY 2014-15 budget, and primarily reflects the rate increase noted above.

Parking Enterprise Fund - This fund is totally self-supported from revenues generated through the operations of the Parking Systems Management Office, which has been moved from the Department of Convention and Visitor Bureau to the Strategic Growth Area Office. Parking lots are operated at the Oceanfront and at Sandbridge; parking meters are installed along certain streets at the Oceanfront; and the City operates garages at 9th Street and 31st Street at the oceanfront, and oversee the contract for the management of the Town Center garages and the structural engineering contract for all the garages. Several fee increases are included in the Proposed Budget to enhance parking enforcement strategies as well as overall infrastructure maintenance strategies.

Estimated revenue is expected to decrease by 8.8% from last year's estimate for FY 2014-15, which reflects a decrease in the contribution to the Capital Improvement Program that was higher for a large infrastructure investment project for parking in FY 2013-14.

Waste Management Enterprise Fund - The FY 2014-15 budget fully transitions this operation to an Enterprise Fund. The monthly charge remains at the $21.36 approved by City Council last fiscal year.

The estimated revenue is expected to be 3.0% above last year's estimate for FY 2014-15. This reflects collection of fees associated with municipal center waste collection, and the elimination of four full-time positions and one part-time position.

Requested but Not Funded

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Cultural Affairs				
Additional Arts and Humanities Commission Funding	Restore Arts and Humanities Commission grant award funding. If funding to the Arts and Humanities Commission is reduced, arts and cultural organizations could be forced to cancel performances and programs due to lack of grant funding from the Commission.	Current	21,595	0.00
Cultural Affairs Operating Support Funding	Restore reimbursement to Museum of Contemporary Arts for utilities and education. To mitigate this loss in funding, education programs would be eliminated. Operation and service delivery could be impacted.	Current	10,000	0.00
Museums				
Convert Part-time Employees to Full-time Employees	A request to convert 6.57 part-time positions to 5.0 full time positions to reduce turnover and provide staffing stability (a net reduction of 1.57 FTEs). Salaries of some part-time positions have been increased to help reduce turnover in these positions.	Above Current	218,040	5.00
Reduction in Various Operating Supplies and Equipment	Reduction in various operating and equipment accounts such as printing, medical, chemical, and computer supplies, protective apparel, and animal food. The Aquarium's most important operating and capital needs were funded, and some additional needs may be addressed during the year through surpluses in other accounts.	Current	313,416	0.00
Virginia Aquarium Veterinarian	A staff veterinarian position to manage medical care for the Aquarium's extensive and diverse animal collection. Currently, veterinarian services are provided on a contractual basis (1-3 times a week). In the most recent accreditation inspection by Association of Zoos and Aquariums (2012), inspectors noted the lack of a full-time veterinarian as an operational concern that should be addressed by 2017. The majority of aquariums across the country staff a veterinarian position.	Above Current	190,608	1.00
Virginia Aquarium Conservation Position	A Conservation Specialist to develop and manage sustainable practices such green practices, community oriented events, and conservation outreach programs. Demonstrating a strong commitment to sustainable operations is required by professional accrediting organizations such as the Association of Zoos and Aquariums (AZA).	Above Current	45,582	1.00
Historic House Operations Coordinator	A Historic Museums Manager to oversee all operations, building maintenance, and marketing at four museums and two gift shops and serve as a Liaison with the Historic Houses Foundation and garden clubs. The current position is being filled on a contractual basis through FY 15.	Above Current	74,760	1.00
Virginia Aquarium Marketing Enhancements	Increased marketing for the Virginia Aquarium. Currently, only 27% of overnight visitors to Virginia Beach visit the Aquarium, and surveys show the lack of awareness is significant reason. The marketing funded through the city's Tourism Advertising Program increases awareness of the Aquarium.	Above Current	475,000	0.00
Advertising for Historic Houses	Additional marketing for the historic museums for brochures for larger number of media insertions, and additional marketing initiatives.	Above Current	50,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Museums				
Historic Preservation Commission Professional Support	A position to provide consistent staffing for the Virginia Beach Historic Preservation Commission (created by City Council in 2008), and will eliminate pressure on the Department of Museums and Department of Planning to support the growing activities of the Commission.	Above Current	80,825	1.00
Historic Site Archaeological Research	An archaeological survey of an additional 2.2 acre site recently acquired adjacent to the Adam Thoroughgood House. The survey will document the history of occupation of the site, identify key areas of artifact concentration, and provide the preliminary research necessary for Museums and Parks & Recreation to plan for canoe/kayak access or for a natural trail area. Professional archaeologists familiar with the site indicate it has strong potential for Native American artifacts and features, and is perhaps part of the Village of Apasus.	Above Current	60,000	0.00
Promethean System for Historic Houses	Promethean System and Software so that the Historic Homes can be integrated with Schools to better serve school students through virtual tours and outreach programs.	Above Current	9,995	0.00
Historic Cemetery at Lynnhaven House	A preservation assessment was conducted at the historic cemetery at the Lynnhaven House, and identified the need to replace fencing, clean and repair masonry of the monuments, and for a ground-penetrating radar study to locate underground features and unmarked burials. This funding will help reduce illegal waste dumping, deter vandalism, and repair structures.	Above Current	25,000	0.00
Parks and Recreation				
Restoration of After School and Summer Snack for Child Participants	This would fund the restoration of snacks for participants in the Out-of-School Time (OST) program. The Out of School Time (OST) snack was launched in the fall of 2008, to provide all participants with a healthy snack so that they could participate in sustained active recreation and academic enrichment activities. The snack is contracted through VBCPS Food Services at each school-based site. A survey was conducted to determine if parents or caregivers would be willing to pay an increased fee for the provision of a snack. The survey found that almost half of the respondents were not willing to pay a fee increase for snacks and 90.1% said that they are willing to provide their child's snack.	Current	229,000	0.00
Part-Time Staff Reduction - Major Park Facilities	This would restore approximately 9,568 Hours of part-time staffing annually. This staff is distributed among seven major park sites (Mount Trashmore Park, Great Neck Park, Red Wing Park, Bayville Farms Park, Munden Point Park, Woodstock/Providence Park, and Williams Farm Park). If this staffing is not restored, there will be a reduction in enforcement of park rules/regulations and City Codes, reduced building/restroom maintenance and repairs, reduced grounds maintenance, reduced support of scheduled special events and park rentals, and overall reduction in customer service.	Current	48,296	2.43

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
Restoration of Parks and Recreation Aide and Facility Customer Assistant Hours	This would restore 412 hours or 0.49 FTE of Facility Customer Assistants and 600 hours of Parks and Recreation Aide positions at five recreation centers (Bayside, Great Neck, Kempsville, Princess Anne and Williams Farm). Eliminating these hours will impact the ability to fully support the department's Customer Service Plan, eliminate the initiative of opening the front desk at the same time that the center opens, reduce the number of drop-in and registered programs, negatively impact the support for the other program units which are housed in the recreation centers, and reduce the overall monitoring of patron safety. The restoration of these positions will allow Recreation Operations to meet and exceed the established membership goals and successfully implement the Customer Service Plan.	Current	40,670	2.29
Restoration of Part-Time Staff - Adjusted Park Amenity Hours	This would restore a total of 1.0 FTE or 2,080 hours of part-time staffing at selected amenities. The hours of operation will be reduced during the weekdays at the Mount Trashmore Skate Park, the Mount Trashmore Vert Ramp, and the Woodstock Skate Plaza. The Williams Farm Skate Park will remain open during these weekdays and will also remain open during current evening hours since it is the City's only lighted skate park facility. All skate park facilities will be open for public use during the summer and other periods when School is out, and on weekends and holidays. Additionally, the Fishing Pier at Little Island Park will close at same time as Little Island park (adjusted seasonally) instead of 11:00 pm.	Current	16,906	1.00
Convert OST Storekeeper from Part-Time to Full-Time Position	Funding will allow for the Out of School Time (OST) Store Keeper position to be converted from part-time to full-time. This position purchases and maintains over $500,000 of supplies annually. The job requirements for managing, securing, and tracking inventory is growing beyond the capacity of the current part-time position.	Above Current	35,998	1.00
Restoration of Part-Time Staff - Tier 2 Satellite Park Sites	Would restore 3,328 hours annually of part-time staffing at Tier 2 Satellite Park Sites. This will reduce staff hours for general park management and maintenance, litter control and grounds maintenance, park rules and City Code monitoring and enforcement, and require temporary closure of public restrooms at Beach Garden Park and the Lake Smith/Lake Lawson Boat Ramp and natural area.	Current	27,048	1.60

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
Restoration of the City Wide Athletics Programs and Supplies	This would fund the restoration of the Adult Basketball League and Spring Coed Sand Football League. If funding is not restored for the basketball league, citizens have the opportunity to participate in year-round open gym play at city recreation centers and in near year-round league play at private facilities (i.e. VB Fieldhouse). The Fall Coed Sand Football League will be maintained. Fall scheduling and beach access is more flexible in the fall (versus the spring). Failure to restore the funding for supplies would have a direct impact on the quality and quantity of game equipment. It will limit the ability to provide quality leather basketballs, footballs, and volleyballs for youth and adult league play and one dozen game balls will no longer be provided to each youth fast pitch team. Rather than annual replacement purchases, serviceable balls will be used for two years.	Current	34,211	0.00
Restoration of Supplies and Services - Recreation Centers	This would fund the restoration of various operating accounts for the six recreation centers. These centers operate seven days per week with an annual attendance of 1,814,176. Restoration of these accounts would fund the re-upholstery and replacement parts for weight room equipment, re-felting and replacement parts for billiard tables, replacement parts for lockers, purchase of chemicals for pools at four recreation centers, supplies and parts for making repairs in the recreation centers, and food service supplies for programs including senior, preschool, aquatic, fitness and athletic programs. Programming impacted includes music, video and graphic arts programming in the Media Room for teens and adults at Williams Farm and the 21st Century Learning Grant students from Bayside Middle School.	Current	48,563	0.00
Restoration of Recreational Supplies - Owls Creek Tennis Center	This will restore funding for recreational supplies and professional services at the Owl's Creek Tennis Center. Funding is for tennis professional services, the replacement of tennis nets, wind screens and practice balls for the hitting machines. If this funding is not restored, these items will have to be replaced on an as needed basis. This will have an effect on customer service, perceived facility value and facility appearance.	Current	28,200	0.00
Restoration of Part-Time Inclusion Support Staff	This would restore funding for 0.45 FTE of Recreation Aide III and 0.30 FTE of Recreation Aide IV. These positions serve as support staff to individuals with disabilities who participate in general recreation programs. The participants with disabilities need the additional assistance from staff to be successful participating in our programs. The ability to serve these individuals will be limited if these positions are not restored. In FY 2012-13, staff provided 295 accommodations to individuals with disabilities. Through the first quarter of FY 2013-14, staff have provided 222 accommodations.	Current	15,768	0.75
Restoration of Supplies - Human Resources Division	This would restore various office supplies for the Department's Human Resources Division.	Current	2,000	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				
Expansion of Youth Development Programs and Special Events	This request is for increased funding to engage more members of the private and not for profit sector, via the Mayor's Summer Jobs Challenge Program, in order to increase summer youth employment opportunities. Companies' participation will be sought at a challenge breakfast and their involvement recognized at a luncheon. Additional youth and employee participants will result in increased costs related to printing, mail, venue/catering, awards/plaques. In 2013, six businesses hired 13 youth and paid their salaries. The goal is to recruit a minimum of 50 companies for the challenge in 2015. 2015 will represent the 37th annual Virginia Beach Best All Around Award Ceremony which recognizes youth, adults, and businesses for their approach and commitment to youth development. Additional funds are also requested for costs related to an increase in number of guests, including businesses, awardees, and better quality awards.	Above Current	10,500	0.00
Program Technology Enhancement - Therapeutic Recreation and Forever Young Center	This would provide funding for the purchase of tablet computers and software/apps to be used in Therapeutic Recreation Programs, Forever Young Centers and Special Events. These tablets will allow individuals with disabilities and seniors to access technology, promote communication, provide new experiences and increase fine motor, recognitions and decision making skills. The tablets will be shared with the Special Events unit to allow on-site access to survey and evaluations during events.	Above Current	6,000	0.00
Adoption and Implementation of Comprehensive Quality Improvement System (QIS) Program for OST	In order to effectively evaluate and improve our child and youth development programs, meet CAPRA requirements, and keep pace with industry standards for qualitative and quantitative measurements, Out of School Time (OST) must adopt a quality improvement system. Implementation of a School Age Quality Improvement System will ensure program quality and positive youth development outcomes. In addition, per CAPRA requirements, effective implementation of evaluation and research functions requires that all personnel involved in evaluation be properly trained. Implementation of this system will provide a robust set of tools and approaches for training approximately 29 supervisors and over 400 site staff members responsible for 66 program sites.	Above Current	35,305	0.00
Increased Roadway Maintenance Frequency	Landscape maintenance frequencies for divided roadways would improve from every 21 days to every 18 days to provide a more aesthetically acceptable appearance. Ferrell Parkway, First Colonial Road, and Lynnhaven Parkway would be placed under contract and all other landscape contracts would increase by one cycle.	Above Current	181,415	0.00
Restoration of Building Supervisor	This would restore a Building Supervisor position. The position is currently assigned to Kempsville Recreation Center. Due to the impending closure of this facility in November 2014 for reconstruction, the position will be eliminated until the new Kempsville Recreation Center is complete.	Current	67,579	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				
Restoration of Various Operating Accounts - Marketing and Resource Development	This would provide funding to restore reductions to various operating accounts in the Department's Marketing and Resource Development division.	Current	58,679	0.00
	Total Cultural and Recreational Opportunities		**2,460,959**	**19.07**

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Convention and Visitors Bureau				
Tourism Development Advocacy Program	Would provide additional funding from the Tourism Investment Program (TIP) Fund for expansion of tourism advocacy efforts beyond the existing five-year old Locals Campaign/Gift of Tourism website, which is currently funded by $100,000 from the TIP Fund. Without the additional $100,000, the Convention and Visitors Bureau cannot expand beyond its current web campaign into a more integrated campaign utilizing a variety of communication channels including media relations, grassroots activities, and interactive messaging to more effectively reach its audience unless it uses funding from the Tourism Advertising Program Fund that is needed for other marketing efforts. An additional $100,000 from the TIP Fund will provide a stimulus for partnerships to develop.	Above Current	100,000	0.00
Economic Development				
Office Assistant II	Provides one new full-time Office Assistant II and related support costs (furniture and computer) to serve as a receptionist; answer phones (50-55 calls daily); schedule appointments and department conference rooms used by over 47 groups; set-up/tear-down conference rooms for the numerous meetings; order food for functions; process leave slips (20-25 per pay period); and perform other clerical duties as needed. The department has 3 support staff assisting 1 Director, 1 Accountant and 13 marketing staff members equaling a ratio of 1 support staff to 5 professional staff. With the addition of one Office Assistant II, this ratio becomes 1-to-3.75.	Above Current	43,063	1.00
Business Development Rep II	Provides one full-time Business Development Representative II and some related support costs (furniture and computer) to fill gaps in service within the Project Development group, which has two staff members. The department does not have sufficient staffing capacity to address issues within the Virginia Beach Development Authority (VBDA)-owned parks and enforce the Covenants and Restrictions that transferred with the sale of property to current property owners. This staff member will work in VBDA park oversight to include building and site plan review, signage review, landscaping issues, exterior building improvement or building expansions, and associated record keeping. As the VBDA and department begin to repurpose the business parks, this position will play an important role in those efforts. This position will make formal presentational to the VBDA on related items. Additionally, this position will work closely with the SGA office in terms of implementing SGA concepts into actual Economic Development projects.	Above Current	75,052	1.00
GrowSmart Development Specialist	Provides a full-time GrowSmart Development Specialist and related support costs to pursue and manage public and private grants/funding for expanded childhood literacy programs for GrowSmart to include initiatives such as ‘Third Grade Reads”, and assist with recruitment and development of a new Board of Directors for a soon-to-be-created GrowSmart Foundation (non-profit 501(c)(3) organization), which is required in order to apply for most state, federal and private grants.	Above Current	70,384	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Economic Development				
GrowSmart Office Assistant II	Would provide one full-time Office Assistant II for the GrowSmart Program in lieu of using contracted manpower to reduce high turnover and excess time spent training and re-training new individuals as well as incomplete level of assistance. For example, a non-City employee is not permitted to access the City's automated financial system to run reports or assist in paying invoices or budgeting. This means that the GrowSmart Coordinator must either do this work, which is not an efficient use of staff time given other higher priority work, or request support from one of three department assistants, who support other departmental tasks for 14 staff members. With the provision of a full-time office assistant, the budget for Contracted Manpower could be reallocated to this position ($22,580) reducing the request to $20,223.	Above Current	42,463	1.00
Retail Consultant	Would provide funding for a retail consultant to perform a retail market assessment of Virginia Beach on the influences factors that make up the Virginia Beach retail market, a strengths, weaknesses, opportunities, and threats analysis, and other applicable analyses to show that resources are targeted to the appropriate efforts within the Retail Industry sector. The last study was done in 2004 at a cost of $125,115.	Above Current	150,000	0.00
Cyber Security Center for Excellence	Would provide funding for a joint venture between ODU, Valkyrie, and the City of Virginia Beach to launch a commercial center that would utilize expertise to work with Virginia Beach, regional & state businesses and municipalities to strengthen their vulnerability to cyber attacks.	Above Current	200,000	0.00
GrowSmart Restore Funding Contractual Services, Media Advertising/Publicity	Would provide funding for teacher scholarships and Provider Training Series, and media advertising/publicity for GrowSmart Program.	Current	6,845	0.00
GrowSmart - Restoration of Contracted Manpower	Would restore funding for contracted manpower, which provides administrative assistance to the GrowSmart program as well as to the entire department of Economic Development.	Current	6,000	0.00
Housing and Neighborhood Preservation				
Contracted Manpower - Director's Office	The staff of the Director's office has been reduced by three positions over the past five years. In FY 2014-15, the Department will conduct multiple analyses required for a new Department of Housing and Urban Development (HUD) 5 Year Consolidated Plan. This funding will help supplement staff efforts for these required analyses.	Current	16,790	0.00
Contracted Manpower - Rental Housing Division	Due to the loss of federal revenue, the department is requesting funding from the City to restore contracted manpower in the rental housing division.	Current	32,783	0.00
Code Enforcement Inspector	The Code Enforcement division has reduced a Code Enforcement Inspector position in order to meet City funding limits. In FY 2012-13, this position was transferred from Housing Development to the Code Enforcement division. If this position is not restored, the workload within the Code Enforcement Division will move back to the levels experienced by the Inspectors in FY 2012-13.	Current	60,910	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Housing and Neighborhood Preservation				
Housing Investment Trust Fund	Funding is requested to establish a Housing Investment Trust Fund (HITF). Predictable funding will make it possible to engage in long-range planning and goal setting, with an expectation that resources will be available to support new program initiatives that move the community closer to reaching the goals laid out in those plans. Examples of activities that could be made possible through funding from a Virginia Beach HITF are 1) Expansion of the stock of quality, affordable housing options (including multi-family developments, single room occupancies, housing for participants in Department of Human Services programs, as well as other categories of affordable housing). 2) Acquisition and rehabilitation of aged, existing multi-family properties that would both create new affordable housing and improve neighborhood quality. 3) Capital improvements / development of essential service facilities, such as the proposed Housing Resource Center or regional Healing Place. 4) Ongoing operations of essential housing service facilities. 5) Implementation of a comprehensive and sustained approach to addressing the issue of homelessness in Virginia Beach / implementation of system-wide improvements recommended in the Virginia Beach Homeless Crisis Response System Study. Some of the advantages of a Virginia Beach Housing Trust Fund include: 1) Local funding provides the flexibility necessary to address specific, local needs rather than being limited by the restrictions associated with federal housing funds. 2) Creates the potential for outside investment and leveraging of public funds (local funding would increase the competitiveness of applications from Virginia Beach for grants from the newly created Virginia State Housing Trust Fund). 3) Would create additional opportunities for the construction of housing units, which will create jobs and stimulate the local economy.	Above Current	4,739,420	0.00
Expansion of Winter Shelter Program	This request would provide additional funding to provide overnight shelter year round. Year round shelter for the homeless population remains a vital need in our community. Long waiting lists remain at the only other area shelter at JCOC, due to high demand. An expansion of the overnight emergency shelter program would assist and stabilize many persons. This would reduce the number of homeless who are sleeping outdoors in the oceanfront areas, boardwalk benches, around the Lighthouse Center and at the Convention Center property. Persons who have had to exit the Winter Shelter program at its' closing in early April, and who have had no other option, are living outdoors. These individuals would have a continued sheltering option for their own safety and wellbeing. In addition, they would stay more closely connected to services, as well as monitored in daily care, to work toward housing and stabilization.	Above Current	218,977	0.00
Strategic Growth Area				

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Strategic Growth Area				
Media and Communications Coordinator II	The Strategic Growth Area Department's (SGA) mission is to ensure Virginia Beach's sustainable growth through the implementation of strategically located urban centers. Innovative land use planning, design, transportation, parking, marketing, and financial tools are utilized to achieve the mission. By 2014, light rail, SGA implementation projects, parking infrastructure, and resort promotions will require considerable media relations, network building, publication creation, marketing, civic interaction, and webpage updating. To date, the SGA department has relied upon the goodwill of other departments to assist with some of these efforts; however, since 2008, all departments have been affected by considerable annual budget reductions, and this has diminished goodwill efforts. The addition of a media and communications coordinator would become the primary SGA source for disseminating project, policy, and activity information to Virginia Beach residents and business entities. The FTE would support the SGA office, Transportation Planning unit, Resort Management office, and Parking enterprise fund; moreover interdepartmental efforts are frequent and necessary, and the FTE would support these communication needs.	Above Current	64,465	1.00
Planner II	The Planner's responsibilities will include conceptually detailed site development planning tasks, periodical SGA plan reviews, plan modification recommendations, professional trend advice, SGA capital improvement project implementation oversight, private developer coordination and negotiation, project brief preparation, progression presentations, and City, State, and Federal agency integration efforts.	Above Current	71,157	1.00
Planner III	The Planner's responsibilities will include advanced conceptually detailed site development planning tasks, periodical SGA plan reviews, plan modification recommendations, professional trend advice, SGA capital improvement project implementation oversight, private developer coordination and negotiation, project brief preparation, progression presentations, and City, State, and Federal agency integration efforts. The Planner III FTE will require certifications to meet the needs of advanced planning requests	Above Current	78,544	1.00
Arc Software	In support of the SGA's planning and financial responsibilities, one ArcView software application and maintenance agreement is needed. The Desktop Basic version cost is $3,150. ArcGIS software provides the capability to create custom maps and store, track, and analyze geospatial data. This is one program to be shared amongst SGA planners.	Above Current	3,150	0.00
Transportation Planning Coordinator Mileage Reimbursement	While in the Planning Department, the Transportation Planning Coordinator had a transportation/mileage budget. SGA requested the transfer of funding, but it did not follow the FTE transfer.	Above Current	5,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Strategic Growth Area				
Bus Route 38 - Corporate Landing/Oceana	Geico and Liberty Tax at Corporate Landing Commerce Park are requesting bus service within the park, because employees are not located within a reasonable walking distance of an existing bus route. This is an ongoing request. HRT has suggested a route serving the businesses, Landstown Commons Shopping Center, Oceana Naval Air Station, and Oceana Naval Air Station Dam Neck Annex with a terminus transfer at Tidewater Community College.	Above Current	200,000	0.00
Baxter Road Bus Service	NCO Financial Systems and Bryant and Stratton College requested HRT bus service at the Baxter Road Centre Point Corporate area. The proposed stop would be located on Baxter Road southwest of the intersection with Independence Boulevard. In addition to commercial ridership, several large multi-family developments are adjacent to the proposed stop. Currently, to access the bus stops on the east side of Independence Boulevard, it is a long and unsafe walk for employees, students and residents.	Above Current	100,000	0.00
	Total Economic Vitality		**6,285,003**	**8.00**

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Family and Youth Opportunities				
Human Services				
Contract to Full Time Conversion for MH and DS Clinicians	This request is to convert 9 contract staff into 9 full-time FTE workforce in the Mental Health and Developmental Services Division. Of the 9 FTEs, 3 are for MH Case Management, 3 are for DS Early Intervention and 3 are for DS ICF programs. Contracted manpower could be reallocated to these positions ($543,815) reducing this request to zero. These programs largely experience high turnovers from hiring contracted manpower and therefore incur excessive hiring and training costs. For example, the MHSA Case Management program experience turnover on their staff on an average between 6 to 12 months which is practically the training time it takes for new staff. The DS Infant Program on the other hand provides early intervention supports and services to infants and toddlers from birth through age two who are not developing as expected. The program has city and contract staff sharing equitable workloads and funded by same state, federal and local funding sources, and meeting federal performance targets at the same level. In the DS Intensive Care Facilities program. These staff work varied shifts to cover the 24 hour care needed to operate. Many of these staff only work for a short period of time and require extensive training before they begin - and during the early stages of employment. This makes for extensive work for the supervisors as they spend many additional hours of training in a year with several different staff for one position. Many contract staff work several jobs to make ends meet and leave contract employment when other employers offer permanent work.	Above Current	543,815	9.00
PT to FT Conversion for Staff Psychiatrists	Currently MHSA Adult Outpatient Program has a Part Time pool of Staff Psychiatrists. The pool currently consists of 2 filled PT Psychiatrist and 1 vacant part time doctors. One of the PT doctors is retiring, allowing for this conversion. Part-time salaries would be reallocated to this position reducing this request to zero. The psychiatrist positions have been challenging to recruit due to job market demands. Combining the position into a full time at this time will enable us to attract and recruit qualified candidates to serve the mission of helping individuals with mental health disabilities.	Above Current	244,470	1.00
Planners/Strategic Advisors	This request is for two planning positions at a total cost of $184,770 with a general fund requirement of $166,331. These two FTEs are not revenue eligible, however, the department plans to offset with sum sufficient federal revenue totaling $18,439 to offset.	Above Current	183,256	2.00
	Total Family and Youth Opportunities		**971,541**	**12.00**

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Education and Lifelong Learning				
Library				
Staff for Early Literacy Outreach Program	As a result of implementing an Automated Materials Handling system at the Central Library and four branches, the Library Department was able to eliminate 8.5 positions. This would restore and re-purpose one eliminated position for Early Literacy Outreach (ELO) Program, which would allow the mini-van to operate an additional 14 hours a week and serve as additional 495 students and teachers at 23 schools.	Current	46,079	1.00
Bayside Library Special Services Software Upgrade	Upgrade circulation software to better support visually impaired patrons. The current software is outdated and freezes, and its search feature is cumbersome and often produces incomplete results.	Above Current	33,755	0.00
Books and Subscriptions	This minor reduction (2.3%) in books and subscriptions may not have any notable impact on waiting list times for popular titles.	Current	57,000	0.00
	Total Quality Education and Lifelong Learning		**136,834**	**1.00**

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
City Auditor				
Senior Auditor Position	A Senior Auditor position to address the backlog in audits, and more proactively audit city contracts, information technology systems, and the capital budget.	Above Current	83,255	1.00
Commissioner of the Revenue				
Additional Postage	Request for additional funding to pay for postage related to the Tax Relief for the Elderly and Disabled Veterans programs. Without additional funding, communication with applicants will be hindered and applicants may be denied relief due to poor communications via mail. Approximately 25,000 pieces were mailed out from the COR during the last enrollment.	Above Current	2,849	0.00
Part-time Health Insurance	Request for part-time health insurance for three part-time positions. The Office has experienced a high level of turn over in recent years. Offering health insurance to part-time positions is anticipated to increase employee longevity.	Above Current	18,000	0.00
Communications and Information Technology				
Elimination of Administrative Assistant for Multimedia	Reduction in Multimedia Services. This reduces one FTE from the ComIT Business Center that supports Multimedia Services and Business Center support. This will eliminate the reception and administrative functions. Visitor's to Multimedia Services will need to ring a buzzer and wait for a staff to provide access to the facility. Additionally, administrative support for VBTV schedule review, VBTV viewer survey, process documentation, HS graduation DVD sales tracking and management, as well as citizen communication regarding TV and online services will be impacted.	Current	43,860	1.00
Gartner Strategic Plan & Roadmap - Systems Engineer II-Network & Connectivity	Additional funding requested for 1.0 Systems Engineer II for the Telecommunications Division as part of the Gartner assessment. Gartner has identified the Telecommunications Division of ComIT as being understaffed by a Systems Engineer II. This engineer would be utilized to improve and manage service delivery for all City agencies. This new request addresses a portion of Gartner's strategic plan and roadmap for ComIT in FY 15.	Above Current	102,325	1.00
Professional Improvement Increased Funding	Funding requested for professional improvement for the Technology Services, Systems Support and Telecommunications divisions. ComIT is experiencing an increased demand for professional improvement from its members as new and developing technologies emerge. Due to budget constraints in past years and without additional funding, professional improvement funds are not readily available to provide ComIT members with the proper training and developmental knowledge base to remain current on new and future technology without this funding.	Above Current	73,140	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Communications and Information Technology				
Gartner Strategic Plan & Roadmap -Systems Engineer III/Systems Analyst III (2.0 FTE) -InSI	Additional funding requested for 1.0 Systems Engineer III and 1.0 Systems Analyst III for the Applications Support Division as part of the Gartner assessment. Gartner has identified that ComIT is understaffed in support of the City's financial system. The Systems Engineer III would be utilized for logical database engineering and the Systems Analyst III would be utilized for process management, quality assurance and testing, and service administration. This new request addresses a portion of Gartner's strategic plan and roadmap for ComIT in FY 15.	Above Current	214,520	2.00
Gartner Strategic Plan & Roadmap- End-User Enterprise Application Training- Building Bette	Additional funding requested for end-user training as part of the Gartner assessment. Gartner has identified the need to provide end-user training for the City's enterprise applications such as SharePoint, InSITE, Hansen, Accela, etc. Funds would support development and delivery of training for end-users. Efficiency and effectiveness of the training will be measured in order to identify opportunities for improvement. This new request addresses a portion of Gartner's strategic plan and roadmap for ComIT in FY 15.	Above Current	165,000	0.00
CGIS Base Map Updating	Additional funding requested to maintain the City's GIS base maps. CGIS base maps are used by almost every City department for numerous City services including emergency dispatch, work order processing, asset management and revenue collection and assessment. Funding will be used to update the City's base map on an annual basis to provide the most up-to-date information available.	Above Current	180,000	0.00
Reduction of Oracle Support for City Financials	This funding reduction would reduce Information Technology Services (Consulting) funding in the Applications Support Division for InSITE/Oracle. The impact of not funding this budget issue will result in a multitude of support items not occurring, for example, payroll production support, supporting new capabilities to print critical payroll documents, payroll year-end processing support, open enrollment support, support and development of nightly jobs to automate security tasks.	Current	86,279	0.00
Reduction of Tier 2/3 Consultant Support	This funding reduction would reduce Information Technology Services (consulting) funding in the Applications Support Division for Tier 2/3 services such as support that is provided to the Virginia Beach Convention Center (repair, operations, maintenance and new services implementation). The impact of not funding this budget issue will result in a loss of institutional knowledge for the organization. Additionally, customer departments will need to provide their own contractual staffing funding to enhance, maintain, implement and repair services.	Current	138,431	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Communications and Information Technology				
Reduction of Service Call Support	This funding reduction eliminates two contracted staff members providing service call resolution services from the Systems Support Division. The impact of this reduced funding will result in existing staff having to perform desktop support for customers throughout the organization. Knowledge capital will be lost resulting initially in reduced customer satisfaction and increased times to resolve issues. It will also delay technology repairs for customers as 40% of this function is being eliminated.	Current	140,000	0.00
Oracle Financial Services Funding	Additional funding requested to provide Information Technology Services (consulting) funding for Oracle financial services and benefit services. Benefit changes will be required in FY15 and the City will need contracting assistance with these changes.	Above Current	57,361	0.00
Financial/Payroll System Test Environment Funding	Additional funding requested in software support and maintenance to support the need for additional saved copies of the City's financial/payroll system. Saved copies are required when changes are made to the system such as Bi-Weekly payroll implementation as well as applications the City currently has but are not fully utilized (Oracle Learning Management, iRecruitment). If additional funding is not provided, alternative funding sources will need to be identified to fund these saved copies in the future as new requirements are mandated regarding Human Resources, Finance, and Benefits.	Above Current	81,732	0.00
Reduction of Employee Self-Service InSITE Support	This funding reduction would reduce Software Support and Maintenance in the Applications Support Division which funds employee self service and management self service enhancements of the InSITE system. The self service section of InSITE provides employees direct access to information such as leave balances, pay, and tax details. The impact of not funding this budget issue will result in the current level of service remaining as status quo with no funding for modifications or enhancements. Finance, Human Resources, and Benefits will have to pay for any changes.	Current	41,800	0.00
Technical Staffing for Support Center	Additional funding requested in Technology Services for the City's Support Center to augment ad-hoc staff in order reduce call wait times and provide staffing augmentation during peak service hours for technology repair and service restoration.	Above Current	19,809	0.00
Web Help Desk Additional Licenses	Additional funding request for software support and maintenance of new Web Help Desk licensing costs.	Above Current	20,250	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Communications and Information Technology				
Business Relationship Managers (2.0 FTEs)	Additional funding is requested for 2.0 FTEs (Systems Analyst II) as part of the Gartner assessment to create a Business Relationship Management (BRM) role that will proactively engage with City departments to learn their business issues and work collaboratively in planning, designing, deploying and enhancing Information Technology applications and services. These positions will serve as the business relationship linkage between the customer departments and ComIT and communicate decisions, priorities, and relevant project information to appropriate levels of staff. The BRM duties will focus on strategic initiatives and plans and provide significant value to business units. They will facilitate the planning and execution of business changes through the use of technology and serve a lead role in enabling the business to achieve their objectives. Gartner has indicated that ComIT needs to undertake service transformation to align IT and business needs. This new request addresses a portion (2 of 7 FTEs) for Gartner's strategic plan and roadmap for ComIT in FY 15.	Above Current	204,649	2.00
Finance				
Waste Management Enterprise Fund	Waste Management Enterprise Accounting - This is a core municipal function that has grown in cost and complexity, requiring additional Comptroller Division management of the enterprise fund's accounting. The transfer to a Waste Management Enterprise fund is a high profile accounting effort that will be greatly scrutinized. This enterprise fund requires a consistent, detailed approach to ensure that the functions, customer costs and program services are balanced with the revenues and adjustments during the accounting management.	Above Current	85,084	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Finance				
Procurement Application	As the largest, most progressive City in the state, and the 35th largest city in the country, it is imperative that systems affecting its business practices, and the ability of its business partners and contractors to be able to conduct City business in the most efficient manner possible. It is time for the City to enter the modern era of electronic procurement. When the City purchased Oracle Financials and implemented the system in the late 1990's, a decision was made to include the Oracle Purchasing module as a replacement for the existing purchasing system deployed at that time. Over the years since that implementation, there have been several system upgrades, but no substantive improvement to the requisition and purchase order components. The City of Virginia Beach Purchasing Division is in need of a complete, end to end, electronic procurement system that is integrated with the National Institute of Government Procurement commodity code classification system, and with full capabilities for vendor management, sourcing, contract management, business intelligence and reporting, requisition approval/work flow, solicitation functionality, electronic order placement, invoicing, matching and other typical features found in current technology, best of breed procurement software systems. This request for funding will support an analysis of the business requirements for a comprehensive procurement solution. Once requirements are developed, the City will be positioned to address how to incrementally improve procurement operations city-wide.	Above Current	75,000	0.00
Human Resources				
WAVE Contract Increase	WAVE contract increase-The renewal pricing for the 2014-15 contract with PeopleAdmin reflects a 3% increase from last year's expense. PeopleAdmin provides the automated Internet based Applicant Tracking System for accepting and processing employment applications. They provide and maintain the systems established to maintain this service. The system allows job candidates to complete and submit employment applications online; allows the candidates to review the status of their employment application online; allows staff to electronically screen candidates for the minimum qualifications; allows hiring managers to create requisitions online and to receive candidates online.	Current	6,788	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Human Resources				
FMLA Program	Administration of the Family Medical Leave Act (FMLA) was the subject of an audit last year by the City Auditor's Office. Primary recommendations from the City Auditor included centralizing the overall administration of the Family Medical Leave Act within Human Resources, and moving from the roll forward to the "roll back" approach to measuring FML eligibility. These changes were recommended to promote stronger compliance with the Act, ensure eligibility is determined in a fair and consistent manner throughout the City, and to further reduce the risk of family medical leave abuse. Implementation of these recommendations cannot be accomplished with the current staffing complement. To implement these recommendations, Human Resources requests funding to support one HR Analyst dedicated to determining eligibility, ensuring City-wide compliance with the Act's communication requirements, and monitoring FML leave use. Additionally, they will work with the InSite Team in developing new tools, such as report development and multiple status designations.	Above Current	64,629	1.00
Municipal Council				
Restoration of Funding for City Council Consultant	Restores funding to FY 2013-14 levels for an outside consultant facilitate the City Council's goal setting workshops, annual retreat, and a community summit. With the reduction, it is likely City Council will be able to have, at a minimum, one goal setting workshop and one community summitt.	Current	964	0.00
	Total Quality Organization		**1,905,725**	**9.00**

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Planning				
Comprehensive Plan Review and Update	Per the Code of Virginia, at least once every five years the local comprehensive plan must be reviewed by the local planning commission to determine whether it is advisable to amend the plan. The City's current plan was adopted by City Council in 2009. During FY 2014-15 the Planning Commission will review the plan and make recommendation to City Council on an update. Public meetings will be held in addition to public hearings for adoption, requiring media advertisement and meeting materials. Printing costs will be incurred for meeting materials and plan documents, and outside professional services may be procured to assist with graphic design and web-based formatting.	Above Current	95,000	0.00
Total Maximum Daily Load (TMDL) Activity Tracking System	Tracking of City and community water quality initiatives would help document and credit the City for actions that help to meet TMDL water quality federal and State mandates. The tracking system requirements have been identified and evaluated by the City's Clean Waters Task Force. This item is included on City Council's Pending Items List as "Total Maximum Daily Load Environmental Tracking", and it is anticipated that the tracking system would begin producing reports before the end of calendar year 2014.	Above Current	50,000	0.00
Public Utilities				
Monthly Billing	This initiative will change the current billing period for the city's Combined Services Bill from Bi Monthly to Monthly.	Above Current	1,143,161	1.00
Public Works				
Professional Overtime	Professional Overtime - 4hrs/month. This provides funding necessary to meet staff responses, during off hours, to emergency and urgent issues related to the city's access system which is now in 33 buildings throughout the city. This also provides limited funding to provide OT for staff to support the EOC during times of activation.	Above Current	1,293	0.00
Clerical Overtime	Clerical Overtime - 4hrs/month This provides funding necessary to meet staff responses to emergency and urgent issues, during off hours, related to the city's access system which is now in 33 buildings throughout the city. This also provides limited funding to provide OT for staff to support the EOC during times of activation.	Above Current	1,010	0.00
Vehicle Procurement	Procure a Mid-Sized Vehicle which will be shared and used by the Facilities Management Office staff to visit various job sites and buildings during demolitions, access system installations/issues, Meet with staff in other agencies in offices and places off campus. Meeting with property managers/agents on lease issues as well as meeting citizens and businesses as necessary.	Above Current	22,884	0.00
Engineering Technician I	Engineering Technician I position needed to prepare routine drafting, design, and minor computations utilizing CADD (Computer Aided Drafting and Design). Plans needed for space management requests and to update building space layouts by department. Plans also needed to update Lenel access system maps of current and future buildings requesting the system.	Above Current	55,590	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Lenel System Maintenance	An increase in funding is needed in order to restore the current Lenel system maintenance program. One of the primary causes for the increase from FY14 is due to the addition of the Judicial Center Camera System (only 6 months in this FY increased the budget by $16,660). The other primary cause for the increase is the many new Lenel Access Systems installed in the following buildings: Building 20, the Leroy Drive Garage, the Holland Road Garage, Building 14, the Special Ops. Building, Town Center Fire Station, Chesapeake Beach Fire Station, LETA, Fire & EMS Training Center, Building 18, Building 22, and Additional Readers in Building 9.	Current	43,088	0.00
Professional Improvement	As part of the requirements of being able to attend professional organizations, staff was advised that they would have to be active members, become officers, join the committees, provide support and recognition to the IRWA and City. The staff has joined in the attendance of the meetings, not only going to the classes, but also bringing the classes, forums and promoting the Annual Conference here in Virginia Beach.	Above Current	25,796	0.00
Appraisals	Order appraisals to comply with Council requests for unfunded appraisals needed for special land acquisition purchases they are considering.	Current	6,000	0.00
Monthly Billing	This initiative will change the current billing period for the city's Combined Services Bill from Bi Monthly to Monthly.	Above Current	292,396	0.00
Arc Flash Apparel and Equipment Rental	In brief, the Arc Flash Mitigation is an OSHA requirement to have a city wide assessment of electrical panels, switches and main distribution facilities to establish hazardous arc flash points. Also required (as flash points are being currently established (CIP 3508) is the wearing and cleaning of apparel which include shirts, pants, undergarments, hoodies, jackets of which must be 100% non-conductive material. This includes thread, buttons, zippers and city patches. Personal equipment kits (PPE's) which includes gloves, coveralls and flash hoods also must be worn whenever in contact with an electrical source and also be of non-conductive material. It was determined the most cost effective means of obtaining and maintaining the care of these clothes and equipment was through the city's uniform contractor.	Current	70,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Electrician	This request is for one (1) Electrician I FTE and one work van to address the electrical issues associated with the near completion the Moscad/Intrac alarm system replacement. Bosch fire panels and security detectors have been installed and are designed to apply multiple intelligent criteria to ensure early, reliable detection for various types of security in the city's buildings. A large number of detectors are connected and networked to cover multiple locations and structures. These panels require specialized and detailed maintenance. Building Maintenance is currently mandating some of their key personnel be trained for maintenance of these panels in order to avoid the high cost of contracted specialized maintenance. While this training assures that the system will be maintained, it continues to leave a gap in performing it in a timely manner due to manpower. Lack of addressing any security system immediately is not an option. Also, Building Maintenance continues to delegate FTEs to retrofit facilities with energy reducing lighting and controls while at the same time address the ageing infrastructure backlog. In addition to the security system change over, energy saving retrofitting, and infrastructure backlog, other facilities such as the Police Special Operations Property and Evidence Storage facility , Chesapeake Beach and Thaila Fire Stations (now referred to as Town Center Fire Station) and the conversion of the old Thaila Fire Station will add to the present workload . As these facilities are completed and come on line, the current amount of employees in this trade will not be able to address the issues that are inherent with new facilities while at the same time continue to maintain the various, unique types of electrical maintenance.	Above Current	74,536	1.00
HVAC Appliance Technician	HVAC TECHNICIAN II - Presently, there are 540 appliances that require daily repair, maintenance and refurbishment within the city. This equipment is essential to the daily operations of the city and includes such appliances as large commercial stoves and ovens, walk in refrigerators and freezers, washers/dryers, icemakers, dishwashers, warmers, and many non-commercial appliances that occupy areas such as all fire and police stations and in all city buildings. The commercial appliances are located within the Correction Centers, Juvenile Detention Center, Fire Stations, VA Aquarium, and all locations where there is a large concentration of people such as the Farmers Market, Judicial Center, and various Human Services facilities. We currently have one FTE of which in addition to his regular duties as a Heating/Air-Conditioning technician, attempts to manage the most critical repairs of these appliances. It has become increasingly difficult to 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	77,910	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Janitorial Service Reduction	The custodial department is responsible for maintaining the cleanliness of city facilities for all “off campus” locations by using contracted janitorial service companies. This service is vital to maintain cleaning standards the City of Virginia Beach sets for its facility conditions for the public and its employees. In FY 12/13, three of the five cleaning contracts were renegotiated for a 5 year term. This resulted in requesting and receiving additional funds in FY13/14 to maintain these contracts throughout the next 5 year term. The reduction of this funding will result in cutbacks in the amount of basic daily janitorial services provided. It will also reduce specialized cleaning such as routine carpet maintenance, floor buffing, polishing, stripping etc. The end result will most likely be a reduction in the amount of times per year this service is performed. This is particularly important in buildings such as libraries, Human Services, Animal Shelter facility, Police precincts, oceanfront restroom facilities (which must be cleaned and inspected several times per day) and various other high traffic buildings. Reduction in these services will most certainly impact these facilities and present a substandard level of appearance by employees and public.	Current	170,000	0.00
Bronze Art Maintenance	This funding is for the specific maintenance and conservation to prevent further deterioration of the fifteen (15) bronze sculptures mostly located in the green belt adjacent to the boardwalk and connector parks and at the Town Center. The inventory ranges from statues that are new (The Wave) , to the Norwegian Lady which has sustained significant element exposure. The conservation treatment will be a corrective structural or surface alteration in-painting, patina repair, replacement of parts, removal and replacement of protective coatings and extensive removal of graffiti. At this time (FY 13/14) , a preservation company is being tasked with performing a condition assessment of these sculptures to establish a benchmark condition to which each artwork should be maintained. Once the artwork is restored to benchmark condition, funding will be required to maintain the minimum condition. A staggered maintenance schedule will be established to allow for predictable budget forecasting. Note: The newest statue, "the Wave" is under warranty until Oct 2014 at which time, funding will be necessary to maintain this complex sculpture due to its electrical and plumbing components.	Above Current	55,000	0.00
Sandbridge Beach Operations Quality Service	Additional staffing and equipment to enhance the level of beach cleaning, grooming and trash collections at Sandbridge Beach. Maintaining this beach on a daily basis would require additional personnel and equipment.	Above Current	609,785	3.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Beach Operations Contracted Manpower Restoration	Restoration of 6 contract workers for the summer work force. Limited funding decreased personnel from 40 to 34. The 15% reduction in staffing will affect meeting time lines for special events. The current increase in Resort area special events yearly, along with previous budget year cuts, resulted in an over extended cost in Beach Operations contracted manpower account of 131K for FY13 and will also be the case in FY14 as special events are projected to remain the same or increase even more.	Current	130,000	0.00
Big Belly Pilot Project	Three Part-time contract Labor temps, 20 Big Belly compaction bins, and liners for each bin.	Above Current	83,400	0.00
Large Format Color Plotter for Facilities Design	The A&E industry has just about gone completely digitally in the production and delivery of construction documents, i.e. plan sheets and specification. The traditional method of delivering printed documents is no longer efficient nor productive. When these documents are delivered digitally, only those sheets specifically needed can be printed for field use. However, a printer/plotter is needed for full size sheets (20” x 30”) in lieu of the typical printer capable of 11 x 17 pages. The Facilities Design and Construction Division is located in Building 8, which is not convenient to the plotter in PW/Engineering in Building 2. A printer/plotter for the Division in Building 8 would resolve this deficiency with an efficient and effective method to print construction documents.	Above Current	13,600	0.00
Overtime for Inspection of CIP Projects	The Engineering and Construction management Services budget unit provides construction management services to the entire City’s Roadway’s, Storm Water, and Coastal projects as well as most of the buildings projects and many Parks & Recreation, Sewer, and Water projects. The construction contract documents for each project designate the Inspector assigned to the project from this budget unit as the City’s representative on the project. The Inspector must be on the project site to inspect the work, perform construction contract administration, maintain the daily log of contractor activities, negotiate and process change orders, coordinate with private utility companies, and perform many other related duties. It is imperative that the Inspector be on the job whenever the contractor is working – including evenings and weekends if the contractor works. If not, the City has no assurance that the work completed by the contractor during such times conforms to the construction documents, nor does the City have a log of activities performed. Such a log is critical in responding to claims from the contractor and to defend the City should there be litigation related to construction. Thus, the Inspector must frequently work overtime. However, there is no overtime in the operating budget for this budget unit. Therefore, in order to safeguard the City’s investment in its capital projects, overtime funding is being requested for this budget unit in order to allow for the inspectors to be present whenever the contractor is working.	Above Current	40,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Administrative Assistant position for PW Engineering Group	The Department of Public Works requires the assistance of a clerical staff, with strong customer service and clerical skills to provide support in assisting middle managers in the Public Works Engineering Group as well as middles managers in the Public Works Business Center, Real Estate, and Traffic Engineering areas and to perform related work as required.The position is key in providing much needed customer service to the high volume of walk-in customers and incoming calls, via a multi-line switchboard, for the 3rd floor of Building 2. The person will schedule meetings for supervisors and other staff; answer routine work related questions from customers, and direct all walk-in customers to the appropriate areas; prepare correspondence for engineering staff (as assigned by supervisor) according to the City's correspondence standards; prepare parking permits for manager's signature; assist with log-in entries of contracts for surveys; attend meetings assigned by supervisor for recording and preparing minutes accurately; receive incoming mail – date stamp, sort, and distribute mail as required; prepare packages and other mail items for Fed-X / UPS receiving; prepare bulk mailings; coordinate with ComIT rep for all copier maintenance calls and toner replacement; maintain accurate log of incoming A/E proposals as well as motor pool log; and effectively train other clerical assistants working at the Front Desk; position will be supervised by the Administrative Specialist I for the PW/Engineering Group.	Above Current	43,426	1.00
Overtime for Inspection of CIP Projects	The Engineering and Construction management Services budget unit (10516) provides construction management services to the entire City's Roadway's, Storm Water, and Coastal projects as well as most of the buildings projects and many Parks & Recreation, Sewer, and Water projects. The construction contract documents for each project designate the Inspector assigned to the project from this budget unit as the City's representative on the project. The Inspector must be on the project site to inspect the work, perform construction contract administration, maintain the daily log of contractor activities, negotiate and process change orders, coordinate with private utility companies, and perform many other related duties. It is imperative that the Inspector be on the job whenever the contractor is working – including evenings and weekends if the contractor works. If not, the City has no assurance that the work completed by the contractor during such times conforms to the construction documents, nor does the City have a log of activities performed. Such a log is critical in responding to claims from the contractor and to defend the City should there be litigation related to construction. Thus, the Inspector must frequently work overtime. However, there is no overtime in the operating budget for this budget unit. Therefore, in order to safeguard the City's investment in its capital projects, overtime funding is being requested for this budget unit in order to allow for the inspectors to be present whenever the contractor is working.	Above Current	15,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Mandated Certification for Construction Inspectors	The Engineering and Construction Management Services budget unit (10516) provides construction management services to the entire City's Roadway's, Storm Water, and Coastal projects as well as most of the buildings projects and many Parks & Recreation, Sewer, and Water projects. The City mandated requirements for construction Inspectors requires that all inspections personnel complete and maintain various technical training and obtain certifications of competency. These certifications are also mandated by the by the Federal Highway Administration and the Virginia Department of Transportation for inspections of projects with federal and state funding. Additionally, all projects must be routinely inspected for compliance with the Virginia Stormwater Management Program that requires that all City of Virginia Beach inspectors be certified through the Virginia Department of Environmental Quality as Erosion Control Inspectors.	Current	3,828	0.00
Restoration of Furniture, Fixtures, and Other Equipment Fund	Public Works/Operations' Dam Neck, Pungo, Dredge Maintenance, and Beach Operations facilities are staffed with total of 330 FTEs. This budget issue is intended to restore funding that was cut from the program. This issue would restore $100,000 provide furniture, fixtures and Other Equipment in support to Public Works/Operations' staff.	Current	100,000	0.00
Mosquito Adulticiding Operation Manpower Funding	Restoration of contracted manpower funding for Mosquito Control.	Current	23,383	0.00
Chemical Supplies/Mosquito Adulticiding Operation	Restoration of chemical supply funding so current services can be realized in the mosquito control adulticiding operation.	Current	74,734	0.00
LAKE MANAGEMENT - Dredging Program	The lake dredging program funded through CIP 7-415 involves the monitoring of the BMP inspection program and construction inspection services for the lake dredging. This CIP received a significant increase in funding in FY12 which resulted in the implementation of an active dredging program. Previous funding levels required the accrual of funds over multiple fiscal years to construct one lake maintenance dredging project. The current funding levels will be able to fund construction of 2 to 5 lakes annually. The construction of the lake dredging maintenance work has increased to the point that there are minimal delays between lake dredging project construction phases. This requires additional staff to provide inspection support for the construction. This program relies on the accurate collection of the condition survey data for the lakes to be able to identify the lakes which will be considered in the dredging program. This need will require additional staff to provide support for the maintenance records and condition survey data that is collected by the BMP inspectors. The additional staff will collect the inspection data, review the data for completeness, enter the required data into the work management system and monitor and support enforcement of maintenance activities.	Above Current	194,839	2.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Recreation Center Custodial Service Reduction	Reduction in funding for the custodial service presently provided to the recreation centers. This is essential in providing an environment that is safe, clean, healthy, and promotes the overall goal of the Recreation Centers. Some system maintenance or special services such as annual refinishing of gym floors, bowling alleys, pool repair or any other particular need is also provided through this funding.	Current	65,405	0.00
Street/Dike & Infrastructure Maintenance	Contract Support to provide various types of repairs to infrastructure including Brick Paver Repairs to crosswalks, sidewalks, medians, ADA ramps. Concrete repairs to sidewalks, ramps, aprons, and curbing. Beach access repairs after storms.	Current	50,000	0.00
Construction Materials	Purchasing Construction Materials such as Rock Salt (sodium chloride) Class (A) Washed Sand to create Abrasives used in treating our roads and bridges each year for frost patrol and snow storms. Although snow storms may not affect the City each year there is a need to keep various yards stocked with fresh products to respond to icy bridges for frost patrol every year during falling temperatures at 35 degrees and less as needed. Also during any snow events no matter how small.	Current	50,000	0.00
Partial Restoration of Navigational Aid Funds	Public Works Dredge Operations installs and maintains navigational aids throughout the City's navigational waterways. This issue is intended to restore some funding that was cut from this program. This issue would restore $20,000 of the $70,000 that was cut.	Above Current	90,000	0.00
Environmental Maintenance Crew - Storm Water	The number of assets that need to be maintained by Storm Water Maintenance is continually increasing. In the past 2 years, two major pump stations and their accompanying maintenance and operations have been added. Additionally, water quality structures are being added throughout the City on an ongoing basis. The structures require scheduled and repeated maintenance to function properly. The use of backflow preventer/valves at the end of pipes has become an accepted solution for tidally flooded areas. Consequently, many more will soon be installed, but are useless unless they receive routine maintenance. The existing two-person pump station crew is insufficient to handle the expansion of the Storm Water assets. Five additional positions specializing in the scheduled and emergency maintenance of these specific assets are requested.	Above Current	709,026	5.00
Traffic Signal Construction Staff	Re-establish the traffic signal construction staff through the addition of five (5) FTE's to the Traffic Signal Shop. These positions were eliminated four years ago and this function was contracted to a private company. The contract has since been terminated due to a budget reduction. The 1,300 preventive maintenance tasks performed previously by City staff and then the contractor are now performed by eight Traffic Signal Electronic Technicians resulting in an increase in work backlog and staff overtime use.	Above Current	504,018	5.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Traffic Signal Rehabilitation Program	Reduce the number of technologically outdated signal intersections. The City currently has 90 intersections that require upgrading. The outdated intersections are maintenance-intensive, especially in this coastal environment, requiring labor every 6 months. The typical newer model mast arm installations only require inspection every 16 months and are more aesthetically pleasing. This program was partially funded; however full funding was not available. The funding provided will enable intersection upgrades to occur over the next 4 to 5 years.	Above Current	750,000	0.00
Intelligent Transportation System Program	Continue implementation of the Intelligent Transportation System, including 1) distribution of the intersection video from 45 CCTV cameras at key intersections around the City to EOC/911 Center, Police, Fire, EMS, CVB Traffic Engineering Bureau, Department of the Navy and motoring public; 2) Installation of road surface temperature, wind speed, and flood level sensors at select high water locations, bridge decks and crucial arterial roads to relay weather messages to Public Works personnel monitoring freezing roads and roadway flooding levels and to the public to inform better travel decisions. Messages can be posted on the City Dynamic Message signs, e-mail, City cable TV stations, and web sites.	Above Current	300,000	0.00
Traffic Management Center Staffing	Additional staffing for Traffic Management Center. 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. Maintenance of 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. Will also assist in analyzing driver tendency data and the regular retiming of traffic signals.	Above Current	210,675	2.00
Restoration of Contracted Manpower Funds	Contracted Manpower is needed to supplement permanent staff due to seasonal fluctuations in workload.	Current	37,500	0.00
Restoration of Other Contractual Services Funds	Public Works Traffic Management Operations requires use of outside contracted services to perform services that can not be done by City staff.	Current	37,500	0.00
Restoration of Directional Signs and Supplies	The Directional Signs/Supplies fund provides funds to purchase materials necessary to fabricate, install and maintain highway signs throughout the City.	Current	75,000	0.00
Automated Personnel & Equip Tracking System	Automated Personnel and Equipment Tracking System For Waste Management	Above Current	196,797	0.00
Computer Tablets	Computer Tablets for Route Coordinators to Access Database and GPS from their trucks.	Above Current	31,599	0.00
	Total Quality Physical Environment		**6,623,179**	**22.00**

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Courts and Courts' Support				
Reduction in Various Operating Accounts	Reduction in various operating accounts such as books and subscriptions and office supplies.	Current	22,612	0.00
Emergency Communications and Citizen Services				
911 Operations Supervisor	Request for an additional Operation Supervisor position to supervise staff, systems, and processes at the floor level of the 9-1-1 Operations Center. This position will strengthen services within the 9-1-1 call center by reducing the overtime demands burdening existing staff and possibly reducing turnover within the Department.	Above Current	71,157	1.00
Business Application Specialist I	Request for a full-time Business Application Specialist I to provide technology support/liaison for public safety systems. This position will supplement the remaining workload that the existing Business Application Specialist II cannot accomplish alone. In addition to providing these services, this position will handle additional applications to come on board in the future. These include 3-1-1 applications both in-house and from partner agencies, the scheduling solution, backup recording solution and performance management solutions. The cost of this position could be offset through the reduction of $52,439 in contractual services.	Above Current	58,403	1.00
Public Safety Analyst II	Request for a full-time Public Safety Analyst to fulfill the roles of Workforce Planning and Data Analysis. These roles are currently being filled by 911/311 Operations Supervisors and various support staff. The addition of this Public Safety Analyst II will provide the department with the opportunity to make more data driven decisions as there will be adequate staff time to dedicate to the purpose of analyzing and researching trends.	Above Current	67,729	1.00
Life Safety Supervisor	Request for a full-time Life Safety Supervisor for oversight of academy and department training unit. These roles are currently filled by 911 Operations Supervisor. Ability to fill this position would allow existing staff to return to the 911 Operations Floor.	Above Current	67,729	1.00
Administrative Technician FOIA & Records Admin	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. The role of FOIA support/liaison is currently filled by a 911 Public Safety Emergency Telecommunicator III who has an additional assignment of CAD maintenance. The addition of a full-time Administrative Technician would allow the position currently assigned these tasks to return to the 911 operations floor.	Above Current	45,624	1.00
Smart 911	Request for additional funds to support the operating budget impact associated with CIT Project #3-609 Smart 911. This project will provide the VB911 Emergency Telecommunicators with valuable information about callers who use their cell phones to make a 911 call. The scope of the project will include subscribing to a hosted solution to gain access to a national database containing information provided by citizens who have voluntarily created profiles. In addition, the project will include informing the public on how to register their information into Smart911 and the benefits of providing their information to the national database.	Above Current	188,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Emergency Medical Services				
Additional Thalia Paramedics	Would provide two additional medics to fully staff the C and D duty-shifts to complete the multi-year phase-in of career medics to the Thalia station. These additional medics will ensure EMS will be able to maintain an ambulance presence 24-hours a day with current volunteer staffing capability.	Above Current	134,043	2.00
Captain for Sandbridge Lifeguard Service	Would provide one full-time EMS Captain to establish supervisory structure and control over the EMS Sandbridge Lifeguard Service including conducting recruitment; hiring of over 70 part-time staff (lifeguards and 10 part-time lifeguard supervisors); performing the base line water rescue tests for candidates, scheduling and time-keeping; direct supervision of the program; retention of employees; setting up and shutting down the program; coordinating equipment purchase, operation and maintenance; and coordinating community services/public awareness initiatives (Junior Lifeguard Camp, national competitions) program for half a year. Thereafter the Captain would spend the remaining 6-months assisting field units in staffing and field supervision, which would aid the department in working toward the 1-to-12 supervisor ratio.	Above Current	77,395	1.00
Additional Zone Cars	Would provide two additional zone cars totaling 7 cars on average citywide, which will reduce the geographical area covered by each vehicle from an average 62 miles per zone to an average of 44 square miles per zone, and reduce the workload per car from one car per 4,875 EMS calls for service to one per 3,900 EMS calls for service. Additionally, the availability (and deployment) of two additional Zone Cars will provide a faster on-scene time for Advanced Life Support providers and quicker critical interventions, improving the overall sudden cardiac arrest survival rate ensuring rapid ALS response and improve the overall ALS response time by upwards of 15%.	Above Current	88,326	0.00
Lifeguard Tower Stands	Would replace 3 of the 14 lifeguard stands at key areas of Sandbridge Beach (at Market Beach, north-side of Little Island pier and south-side of Little Island pier) with 3 taller non-permanent lifeguard-tower structures with full 270-degree visibility to double the surveillance capacity/vantage point of the lifeguard and increase visibility above the surf-line to the horizon in the worst surf conditions. The towers will also provide a central focus point for EMS care rendered by the guards in case of medical emergencies and central storage for supplies. In addition, the towers will provide a focal point for missing children, ocean condition information, lifeguard hours, and current tide and weather conditions.	Above Current	90,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Emergency Medical Services				
Oxygen Fill Stations	Provides retrofits for five Fire and Rescue stations for oxygen containment fill systems to address safety issues with proper storage and use of these systems to meet City standards for compressed gas fill stations: Ocean Park, Courthouse, Plaza, Sandbridge and Creeds. The Chesapeake Beach and Blackwater Volunteer Rescue Squads also need replacement systems. These systems are used to refill portable oxygen cylinders, which are deployed on Fire Department apparatus as well as rescue squad ambulances. The volunteer rescue squads pay the cost oxygen refills. No funding is available in the Fire Rehabilitation capital project for this need.	Above Current	80,000	0.00
Diamondback Airboat	Provides an airboat to enable EMS to provide emergency medical response to low-lying and flood-prone areas in the City, which cannot be accessed by EMS' traditional rescue boats, which have outboard engines. To access these areas requires medics to wade through flood-waters to reach patients, which is very dangerous given unknown underwater hazards. Also transporting non-ambulatory patients out of flooded areas without use of a boat becomes problematic. No City agency has an airboat and these boats are not available for lease. Military surplus may be an option to reduce the cost. Grants may be a possibility but are not guaranteed.	Above Current	36,000	0.00
Fire				
Resource Management Relocation	The Fire Department requests funding for an annual lease to relocate the Fire Department's Resource Management facility and to provide warehouse space to house emergency preparedness supplies for the City. If approved, Resource Management and Emergency Management would move to a warehouse space that would provide an improved platform and location to provide resource management functions, allow for the sharing of resources during emergencies, and would free up space at the Fire/EMS Training Center so that it can be renovated to create additional capacity. In addition, the following benefits will be realized: 1) Additional space will enable the department to take advantage of bulk order pricing and save money for equipment and supplies 2) Decreased lag time for receipt of needed equipment/supplies due to the ability to keep more on hand (i.e., hoses, ladders, nozzles often take up to three weeks to ship) 3) Increased ability to repair and maintain equipment due to increased space to keep equipment on hand 4) Provide capability for storing/providing emergency supplies in the quantities needed in the event of a City-wide emergency 5) Fire Department already possesses the expertise needed (in the immediate vicinity) for large scale logistics and coordination of storage and dissemination in emergency events.	Above Current	200,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Fire				
Health and Safety Program Funding	This request is for funding to improve the health, safety, and wellness of Fire Department personnel. Firefighting is an extremely demanding job both physically and mentally, and firefighters must be able to maintain extreme levels of cardiovascular, muscular and metabolic endurance. This funding will provide the equipment and training needed to ensure that firefighters can achieve and maintain these necessary levels of endurance. An additional benefit is potential cost savings through a reduction in firefighter injuries as a result of counseling, training programs, the health and wellness initiatives and monitoring.	Above Current	125,850	0.00
Emergency Management Exercises	This request is for funding to perform a full scale emergency management exercise. Exercises would be conducted every three to four years to meet the goal of providing a full scale city wide exercise on a regular basis. This exercise would differ from exercises that the City currently performs in that it would be developed and administered by an external consultant. Such an exercise would allow for a more comprehensive testing of emergency preparedness functions and allow staff who normally develop exercises to participate in the scenario.	Above Current	50,000	0.00
Police				
Neighborhood Community Policing Resources	Would provide 15 Police Officers and 2 Sergeants to be assigned full-time to community policing efforts in the City's most challenging neighborhoods to create or expand upon partnerships formed within those communities in an effort to reduce crime and enhance their feeling of safety. These officers will work with other City staff such as Housing and Neighborhood Preservation, Human Services, Parks and Recreation, and Public Works, as well as various faith based and civic organizations to develop long-term solutions to crime, disorder, and fear of crime within these neighborhoods.	Above Current	1,766,381	17.00
Central Business District Police Resources	Funding for 15 additional sworn positions (1 Sergeant and 14 Police 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	1,616,319	15.80
Oceanfront Resources	Would provide additional dedicated staffing at the oceanfront to address the increasing demand for Police services generated by the increased special events and visitation at the resort area. This would prevent temporarily assigning officers from other areas of the City and reduce burning-out existing officers, who are working excessive amounts of over-time at the resort area. Staffing will include: 20 Police Officers, 2 Sergeants, 4 Intelligence Officers to gather information about planned activities at the resort and monitor crowds, and 15 part-time seasonal Courtesy Patrol staff to assist officers in lower priority police tasks.	Above Current	2,933,918	38.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Additional Police Overtime	Would provide additional funding to cover increased overtime for sworn personnel based on the FY 2012-13 expenditure-level. The department spent $4.4 million for over-time for FY 2012-13, which was $698,266 over budgeted amounts. This funding is derived from vacant positions. The department is budgeted for overtime in FY 2014-15 at $3,895,338.	Above Current	756,914	0.00
Animal Control Positions	Would add 2 part-time clerical positions (20 hours per week each) to assist the existing four full-time clerks in fully covering two lobbies to improve customer service, and provide data entry assistance for 6 business days to address a 30% increase in demand for services since the Shelter opened December 2011. In addition, would fund three part-time caretaker positions at 25 hours per week each to address shortcomings in caretaker coverage. The Humane Society of the United States (HSUS) has set standards for shelter animal care staffing primarily based on cleaning and feeding times. The Shelter is often near capacity at 267 animals. The HSUS standard calls for an additional 1.5 caretakers. A City Auditor's report dated February 12, 2014 recommended additional staff to improve animal-care, customer service and accuracy of record-keeping.	Above Current	75,212	2.90
Account Clerk - Supply Unit	Funding for one Account Clerk II to assist the Storekeeper in operating Uniform and Supply to separate functions of ordering and distributing of uniform, supplies and equipment from processing related financial transactions and maintaining proper inventory controls. Addition of this position will result in fewer mistakes in tracking inventory and reduce the risk for fraud and theft.	Above Current	39,342	1.00
Part-Time Helicopter Pilots	Funding for two part-time positions (1.6 FTEs at 32 hours per week) in the Helicopter Unit to supplement current sworn staffing as pilots. This would allow return of one existing sworn pilot position to patrol duties.	Above Current	73,838	1.60
Street Crime/Gang Unit	Funding for nine additional sworn positions (one Sergeant and eight Police 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. They will be responsible for investigating and taking action on criminal street gang activity. 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	923,733	9.00
Central Business District Resources - Overtime Alternative	Would provide funding for over-time for expanded police officer staffing of the Central Business District Town Center area 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	336,406	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Part-Time Administrative Technician - Training Staff	Funding for a part-time civilian position to assist the Academy staff in processing police officer applications and other aspects of the selection process. Currently, one part-time background investigator has been handling this process, depleting hours needed to conduct background investigations of police applicants.	Above Current	34,303	0.80
Civilian Part-Time VCIN Trainer	Funding for a civilian instructor for the Virginia Crime Information System (VCIN) (0.8 FTE), who will provide state and federal mandated VCIN instruction to all sworn and many civilian personnel in various departments. This will permit the return of the existing sworn instructor to street duty. The Virginia State Police requires all users of the VCIN to complete various mandated training before they are approved to use the system and to continue its use. Initial certification training involves 3 full days of instruction. Recertification is required every other year with 4 hours of instruction. Approximately 900 police employees are certified as either Level A or B VCIN users. The Police Department has one sworn instructor assigned to the Law Enforcement Training Academy and one part time instructor with other full time duties. The Police Department regularly works with civilian VCIN instructors assigned to the Sheriff's Office and to the Department of Emergency Communications and Citizens Services in offering VCIN training classes.	Above Current	42,918	0.80
Cold Case Investigations Expansion	Would increase hours of the department's two part-time cold case investigators from 20 hours per week to 28 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	18,460	0.40
Additional Precinct Desk Officer	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., which will provide 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	45,624	1.00
Forensic Specialist	Funding for one Forensic Specialist for the Digital Evidence Section of the Forensics Unit. The Forensics Unit has improved and added additional forensic capabilities to analyze evidence associated with criminal investigations including video, mobile devices, and computers. An additional Specialist is needed to fully support these services, maintain quality assurance, decrease case back-logs, and provide court testimony. Currently, there are 10 Forensic Specialists in this Unit.	Above Current	50,359	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Police Storekeeper	Would provide funding for one full-time Storekeeper to address increased workload and processes due to opening of new long-term Property and Evidence Facility on Leroy Drive that opened November, 2013. This new position 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. This position 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. There are approximately 64,000 current items of evidence and 45,000 vouchers, of which about 50% or more will need to be initially moved to the new facility. If funding is not provided, existing staff would provide this support.	Above Current	40,659	1.00
Police Civilian Special Events Coordinator	Would provide funding for a part-time Civilian Special Events Coordinator to work about 25 hours a week and handle approximately 40 events annually. This position would free up existing sworn officers, who 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.	Above Current	29,073	0.63
Safety Officer	Provides one Safety Officer as is in-use by the Fire Department to manage and track employees, who are on limited duty to ensure employees return to full-duty in a timely manner, and are given appropriate guidance on City policies and procedures. Currently, this is a shared department responsibility between the employees' direct supervisors and command staff. The Police Department has had an average of about 35 and as many as 47 sworn and civilian employees on limited duty at any one time. Managing and tracking these employees can be challenging and involve complex issues, especially when a number of them have conditions that require surgery, physical therapy, and significant time recovering away from the workplace. In several instances, the department has worked closely with staff from Occupational Health Services, Risk Management, City Attorney’s Office, and Human Resources to determine the appropriate direction.	Above Current	69,995	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Business Application Specialist - Integrated Public Safety Records Management System	Funding for one full-time Business Application Specialist II position to support expansion of responsibilities associated with the new Police Integrated Public Safety Records Management System (RMS) capital project. RMS will enhance the Computer Aided Dispatch and Records Management Systems, and acquire and implement field reporting and electronic ticketing applications. Also, the position 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	58,403	1.00
Part-Time Telephone Reporting Unit Staff	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	221,513	4.80
Public Safety Data Services Assistant - Forensics	Funding for a full-time Public Safety Data Services Assistant to the Forensics Unit at the new Leroy Drive facility, which opened November, 2013. The Forensics Unit will operate in a new facility while the majority of the support staff will remain at Police Headquarters to provide Civil/Criminal Identification Services to the public. Without this position, there will be no administrative support available on location to provide assistance to the forensic staff.	Above Current	39,342	1.00
In Car Digital Camera Replacements	Funding to replace 41 digital in car cameras in marked police vehicles with cameras capable of wireless automatic transmission of images that 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, a cumbersome and time-consuming manual process is being used to import these video files from the in-car cameras to mass storage devices. The Data Storage capital project will automate this process by using wireless communication. The other 83 in-car cameras have wireless capabilities.	Above Current	165,025	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Tablet Devices for Integrated Public Safety Records Management System Project	Funding for tablet devices to realize the full potential of mobile field reporting once the Police Integrated Public Safety Record Management System (see project 3-095 in the Safe Community section of the Capital Improvement Program document) capital project is implemented. This project will replace the current Computer-Aided Dispatching and Police Records Management Systems, and provide the capability for police officers to prepare and enter police reports into the new Records Management System before the end of their duty-shift. Tablet devices would allow the officer and detective to take notes and begin their reports at the scene of the incident. Although the capability would also be available on the mobile data computers in their car, a tablet device would provide much greater flexibility. It is unknown whether the capital project will have sufficient funding to include the purchase and implementation of tablet devices.	Above Current	250,000	0.00
E-Ticketing Devices for Integrated Public Safety Records Management System Project	Funding for e-ticketing devices associated with the Police Integrated Public Safety Record Management System capital project (see project 3-095 in the Safe Community section of the Capital Improvement Program document). It is unknown whether the capital project will have sufficient funding to include the purchase and implementation of these devices.	Above Current	390,000	0.00
Sheriff and Corrections				
Additional Deputies & Clerk for Correctional Center	Request for an additional 20 Deputies, 4 Master Deputies, 8 Sergeant Deputies and 4 Clerk I positions to staff and operate the correctional facility. Included in this request is cost associated with uniforms, equipment and supplies necessary for each position to perform their duties. The need for these positions is driven by state reductions and the implementation and expansion of correctional facility services related to providing better mental health care.	Above Current	2,236,234	36.00
Human Resources New Programs	Request for a full-time Account Clerk I position and additional funding to have a Job Task Analysis performed. The Account Clerk I position will aid the Sheriff's HR division which has been tasked with several new programs and reduce the workload demand placed on existing staff. Not funding this budget issue could result in an increased error rate in the processing of timecards and payroll. The Job Task Analysis will be performed through a contract and will assist the department in determining which employees are best fit for specific jobs, assess training needs and build promotion tests. This tool will be beneficial in helping the organization maximize staff talent.	Above Current	281,341	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
Full-time Position in Inmate Service Records	Additional funding request for a full-time Clerk I position to work within the Inmate Services and Records (ISR) division of the Sheriff's Office. The Virginia Beach Sheriff's Office's current procedure includes the use of two part-time positions to scan documents into the management system. This task is approximately two months behind schedule in the scanning for inmate files. This task requires more manpower in order for the Sheriff's Office to be current on the scanning of these documents. These documents are often needed for the legal defense of the Sheriff's Office. If the information is not scanned into the data management system, it is a tedious task that consumes a lot of manpower hours to ensure all pertinent information is gathered properly.	Above Current	26,979	1.00
Additional Inmate Service Records Positions	Request additional funding for two Deputy Sheriff positions and one Clerk position to work in the Sheriff's Office Inmate Services Records division. These positions will provide additional support in the classification of inmates, provide additional assignment coverage throughout the division and support the division in complying with new Department of Corrections (DOC) standard of delivering mail to inmates on Saturdays.	Above Current	143,007	3.00
Hot Server for IT	Request for additional funding to implement a "Hot Server" to meet the Sheriff's Office IT needs. The Sheriff's office runs its own IT network. By purchasing a "Hot Server", the Sheriff's Office would have the capability of continuing operations in the event of an IT failure. Hot servers are systems that continuously retrieve data allowing the system to be up to date at the first moment its use is necessary. Accurate data is essential in the correctional facility especially when dealing with the entry/release of inmates or inmates with medical needs.	Above Current	664,331	0.00
Lease of Firearm Range	Additional funds to lease a firearms range in the event that the Sheriff's Office was no longer able to train at the existing leased facility.	Above Current	600,000	0.00
Inmate Systems Replacement/Upgrade	Request for additional funds to replace/upgrade the inmate video visitation hardware and software, inmate phone system, software to manage jail/inmate security check and Inmate Offender Management System. The Offender Management system is over 10 years old and inadequate to meet the correctional facility's needs. The replacement system will be more compatible with the State's system allowing full automated reporting of inmate statistics which are used to determine reimbursements to the Sheriff's Office.	Above Current	3,210,500	0.00
Additional Part-time Clerks	Request additional funding for 1.3 part-time Clerk I positions to handle all the incoming calls of the Sheriff's Office that will relieve the Inmate Services and Records Division (ISR) of the high volume of calls that takes time away from their main job responsibility. The records divisions receives most of these calls while maintaining the responsibility for the calculation of the Inmate Release Dates. Relieving existing personnel of these call duties will allot staff more time to complete more critical tasks.	Above Current	27,420	1.30

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
New software and equipment	Request for additional funds to purchase three Microsoft surface tablets and speech recognizing software. The use of Speak to document service will allow investigators to transcribe interviews quicker and more efficiently. Existing staff are spending long periods of time transcribing cases taking away from the amount of manpower available to investigate.	Above Current	18,000	0.00
Additional Vehicle & Security System for Correctional Center	Requests additional funding for the purchase of three new vehicles and a security tracking system. Two additional sedans are needed for Corrections and a truck for the Maintenance division. The Corrections division is in need of additional vehicles to provide transport for inmates to/from hospitals. The maintenance division is not currently assigned a work truck and is in need of one to pick up supplies and equipment. The security tracking system, requested by the Sheriff's Office, will interface with the jail management system. This system will automate the tracking and electronic recording of security checks, inmate movement, recreation, feeding, and administrative segregation activities.	Above Current	280,600	0.00
Correctional Center Renovations & Replacement of Equipment	Request for additional funding to replace various items throughout the correctional facility. These items include: replacement of staff workout and gym equipment, replacement of chairs, counter tops, and sections of the correctional facility that permit the entrance of civilians, staff, contractors, volunteers and visitors. Additionally this request includes the funding for 100 replacement radios and a new magnetometer used to screen person, bags, and packages entering the facility.	Current	525,316	0.00
IT Computer Supplies	Request for additional funding to replace existing computer supplies and equipment within the Sheriff's Office. Items to be replaced include 82 computers, monitors, ipads and other related computer accessories. Because of the lack of funding in previous years, the Sheriff's Office is incapable of replacing this equipment within their current budget.	Above Current	250,895	0.00
Additional Vehicle in Classification	Request for additional funding to purchase an additional vehicle for the Classification division of the Sheriff's Office. Instead of vans this vehicle will be used in the event of inclement weather.	Above Current	21,950	0.00
Increase Training Operations	Request for additional funding to increase the training operations within the Sheriff's Office. Included within this request are five Corporals, computers, vehicles and other related operating supplies. These positions will manage training operations. The level of training provided will be enhanced to include classes for Incident Command Systems, Terrorism and Learning Management System classes.	Above Current	463,897	5.00
Additional Part-time positions	Additional funding request for 2.25 part-time Clerk I positions and a .5 part-time Public Safety Investigator. The Accreditation department has historically been supported by personnel that were on light duty and never had a permanent staff. The work load for this department as well as the Intel Office and Civil Process have increased over the years and the addition of these positions will reduce the work load demands on existing staff, provide efficient services and complete work in a timely manner.	Above Current	81,156	2.75

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
Maintenance Contract for LETA	Request for additional funds to purchase a maintenance contract on equipment located in the gym and auditorium. Included in this equipment is the camera and security alarm at the Law Enforcement Training Academy. The preventive maintenance will prolong the useful and shelf life of the equipment.	Current	21,520	0.00
Additional Deputies for Work Force	Requests for an additional Corporal and two deputies to work within the Sheriff's Workforce Division. It is anticipated that the Sheriff's Workforce will be receiving the work associated with Nimmo-Princess Anne to Fire Station, Princess Anne Road from Dam Neck to the Courthouse area, Seaboard Road to Nimmo, and Landstown Centre Way in FY 2014-2015. These services areas total around 84 acres which will need to be maintained by the Sheriff's Workforce.	Above Current	182,045	3.00
Additional Corporal for DARE	Funding request to hire an additional Corporal for the DARE unit. The additional position will help to ensure coverage for all school classes and provide the Deputies the supervision and backing needed when coordinating and teaching classes. This position will also assist the Sergeant in scheduling community events and other administrative tasks. Request includes computer, supplies, training and vehicle cost.	Above Current	117,810	1.00
Additional Equipment & Audio Visual for LETA	Request for additional funding to increase equipment for physical fitness training and to aid in the presentation of instruction classes to the VBSO, VBPD and other agencies.	Above Current	8,000	0.00
Reduction in operating accounts	Restoration of funds to multiple supply and operating accounts that were reduced in order to balance the Sheriff's Special Revenue Fund. If these accounts are not restored, the Sheriff's Office will be limited in the supplies needed to operate the correctional facility based on the historical needs.	Current	74,767	0.00
	Total Safe Community		**20,616,373**	**160.78**
	Total Requested But Not Funded		**38,999,614**	**231.85**

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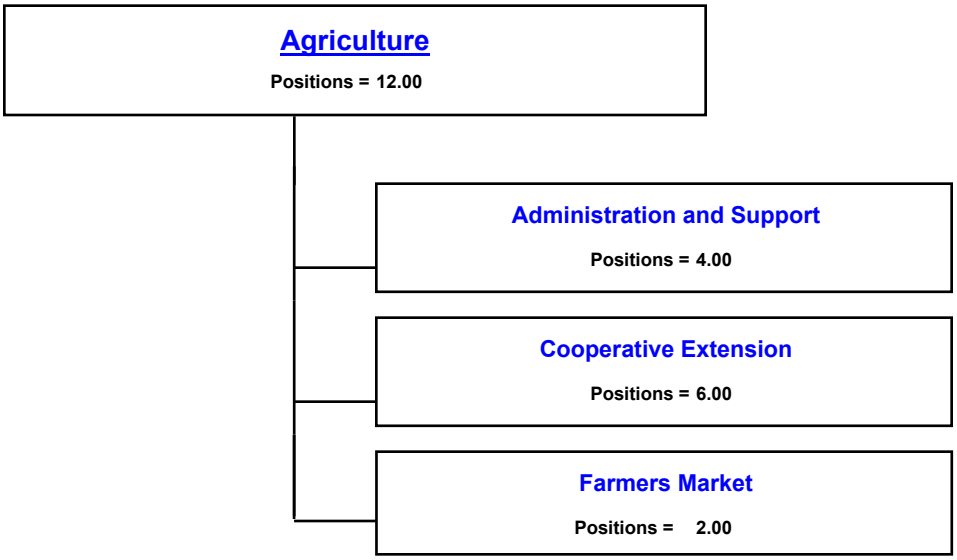

Agriculture
Positions = 12.00
Administration and Support
Positions = 4.00
Cooperative Extension
Positions = 6.00
Farmers Market
Positions = 2.00

Agriculture

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

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Marketing/Promote the Farmers Market						
Children/Students Attending Events at Farmers Market	#	5,000.0	3,700.0	8,303.0	8,500.0	8,500.0
Events at the Farmers Market	#	100.0	129.0	150.0	170.0	170.0
Process Agriculture Reserve (ARP) Applications						
Acres in the Agricultural Reserve Program	#	300.0	8,906.4	9,223.6	9,823.6	10,124.0
Financial						
Recruit, Train and Manage Volunteers						
Educational Programs Provided by Volunteers	#	40.0	50.0	50.0	50.0	50.0
Maintain the number of volunteers	#	1,000.0	1,095.0	1,200.0	1,270.0	1,270.0
Internal Process						
Retain & Grow Businesses at Farmers Market						
Farmers Market Space Leased	%	100.0	100.0	100.0	100.0	100.0

Agriculture

Major Changes

The FY 2013-14 General Fund portion of the Department of Agriculture's operating budget totals $815,543, an increase of $23,243 or 2.9% over the previous year. The Agricultural Reserve Program (ARP) Fund is a component of the overall Agriculture department operating budget. For FY 2014-15, ARP totals $4,474,353, an increase of $162,536 or 3.8% from the previous year, primarily due to the anticipated purchase of additional developmental rights. This operating budget funds the existing 12 FTEs and all existing programs are expected to continue at current levels.

Departmental Overview

The core services of the department of Agriculture fall into four areas:

- **Director's Office -** Provides overall direction, coordination and administrative support to the department; leadership in developing and implementing the Agricultural Reserve Program; working with the Agriculture community on marketing opportunities to sell their products and expand their business (i.e. Why Not Wednesdays, other venues and events to bring the farm to the citizens); technical assistance to the agricultural community to ensure that agriculture is a viable segment of the city's economy and competitive with nearby areas; support to the Agricultural Advisory Commission; recommendations and assistance to the Planning department regarding the Comprehensive Plan, compliance with Chesapeake Bay Area Preservation mandates, Southern Watershed Ordinance, Transition Area, and Open Space; recommendations for the future direction of the Farmers Market; coordination of city services for agricultural related special events (i.e. Strawberry Festival, Harvest Fair); assistance in developing and implementing strategy to address the issue of aesthetics; assistance in preserving the city's agricultural heritage; installation, maintenance and management of the road-side farm sign program; site plan review for projects in the southern portion of the city; technical advice to the Clean Water Task Force, and Wild Horse Committee; and recommendations regarding rural drainage.

- **Cooperative Extension Program -** Provides research, technical and marketing assistance and community education for all residents regarding agriculture, horticulture, soils, family issue programming, and home management. It administers two mandated programs, Agriculture Disaster Reporting and Pesticide Applicator Certification Recertification education. The city and Virginia Polytechnic Institute and State University jointly fund this program with the city funding one-third of the costs of two Agricultural Extension Agents, 45% of the cost of one agent and 100% of the costs of a fourth agent as well as two administrative support staff.

- **Agricultural Reserve Program (ARP) -** The goal of the program is to preserve and protect 20,000 acres of farm and forested lands in the southern part of the city. Council established the program in May 1995. The ARP is a voluntary program. Landowners, who enroll their agricultural land, help to preserve the rural quality of the southern part of the city, and preserve the agricultural land base of the city's third largest industry for future generations. The ARP protects agricultural lands from increased residential, commercial and industrial development through the purchase of development rights in the form of perpetual preservation easements, and reduces the need to extend city services. Eligibility requirements include: the parcels can be no less than ten developable acres; zoned for agricultural use; and cannot contain land used for recreational or open space purposes. Funding for this program is dedicated from 0.9 cent of the real estate tax.

- **Farmers Market -** Leases space to vendors to sell agricultural and complementary products, provides agricultural based education programs (K-5th grade) for students and rural heritage programming for students, citizens and visitors. Market staff provides programming that is agriculturally based and educational, in a safe, family friendly environment. The Market provides for over 500,000 visitors a year. In 2013 Farmers Market revenues covered the operating cost and provided a small surplus back to the General Fund.

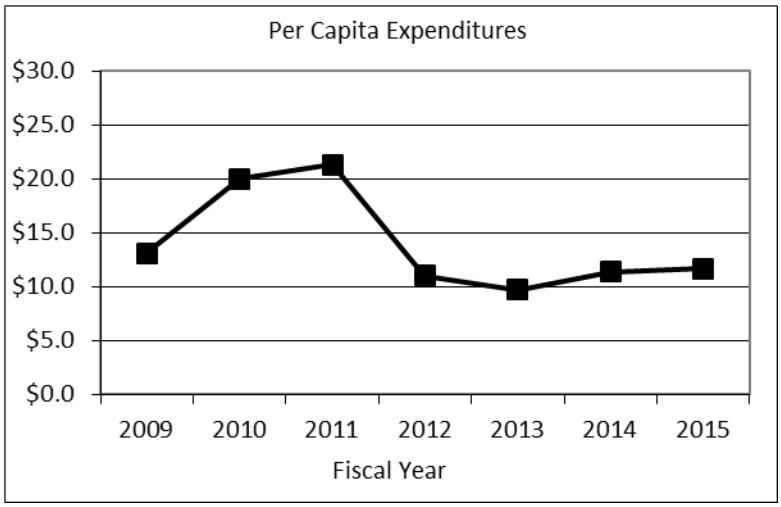
The department's initiatives align with and support the Envision Virginia Beach 2040 Committee Report as well as the city's A Community Plan for Sustainable Future Report; focus areas including:

- Goal 8 – Support traditional sections of our economy. Objective 8.2 – Promote the sustainable growth of our agriculture, fishing, and aquaculture sections. This goal ties in to a vision of life in Virginia Beach in 2040, with one aspect of a thriving regional economy in which the agriculture presence remains significant due to proactive strategies and initiatives. One of the ways this department works toward ensuring that vision is through the administration of the Agriculture Reserve Program as well as other programs and services. This program seeks to preserve agriculture as the third largest industry in Virginia Beach. To date, 9,223.61 acres have been enrolled in ARP.

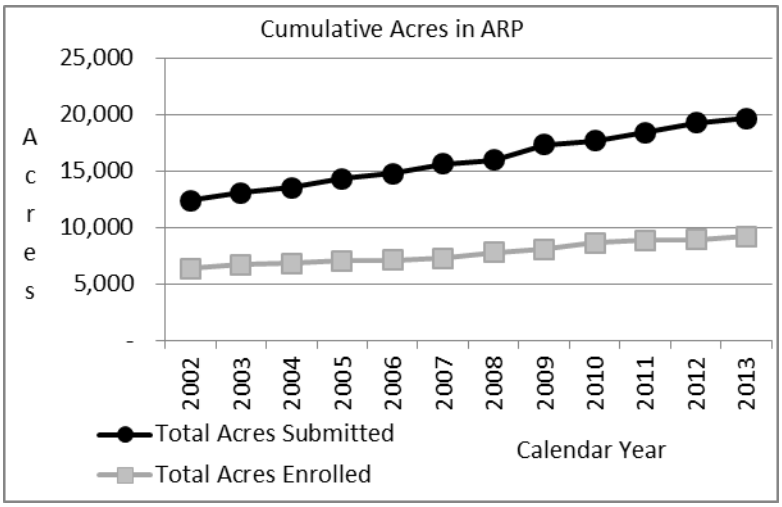
- Goal 21 – Support a balanced land use to allow the city's growth while preserving our agricultural land and open space for future generations. Objective 21.2 – Promote the long-term preservation and conservation of our open spaces and natural areas throughout the city. Through the Cooperative Extension Division, the City works with Virginia's Pesticide Disposal Program for the proper disposal of unwanted pesticides at no cost to eligible participants. Objective 21.3 – Support of local farmers to ensure preservation of agricultural land and increased demand for locally grown crops. Objective 21.4 – Connect the City's agricultural heritage with urban and suburban communities through farmers' markets. In addition to the ARP, the city provides local vendors an opportunity to sell their agricultural products at the Farmers Market, area libraries, and Town Center as part of the *Why Not Wednesday* Program.

Trends and Issues

- In the Per Capita Expenditures chart, the peaks are due to City Council's use of fund balance from the Agricultural Reserve Program for transfers to the General Fund and the Capital Improvement Program to support budget and CIP related issues. In FY 2013-14, per capita expenditures will decrease slightly from $9.69 to $9.58.



- The Farmers Market is fully occupied with 14 leaseholders and two permanent vendors, who have located their own buildings on site. In 2012 Business License gross dollars exceeded $2.5 million. Special events and family activities are very popular at the Market and include hoedowns, with a total estimated attendance of over 500,000 visitors per year. During FY 2012-13, changes were made to Market operations to increase operational efficiency, and renovations were made to enhance security for staff and visitors.

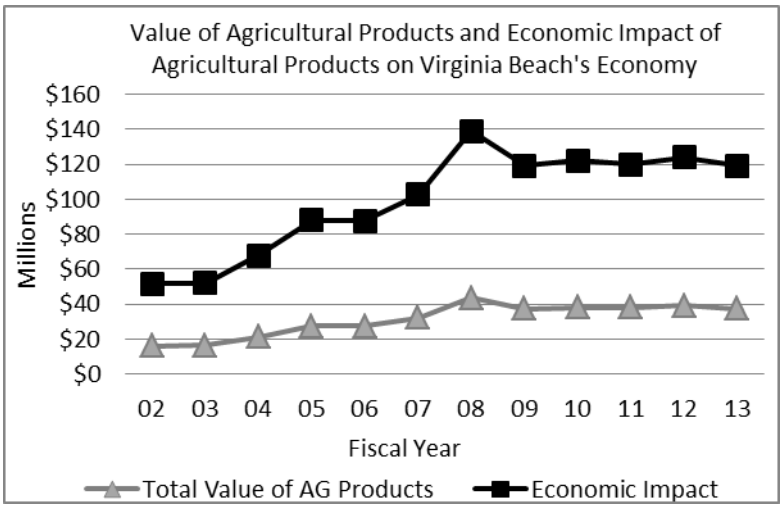


- By the end of 2013, the City had purchased 811 development rights from 9,223.61 acres. The Department anticipates adding 600 acres in 2014. Over time, approximately 50% of the applications submitted have been closed. On occasions the City receives grant funding from the Virginia Department of Agriculture and Consumer Services (VDACS) to help offset ARP easement acquisition costs. When

available, funds are appropriated through City Council ordinance and added to the ARP Fund. To date, VDACS has reimbursed the City a total of $642,911.66 to help further local dollars invested, with additional reimbursement anticipated in the future.

- In 2013, the Virginia Beach 4-H Program enrolled 499 volunteers in its programs. Volunteers in the 4-H Program provided 9,156 hours of service valued at over $178,634.

- The city continues to support the agricultural industry through programs and services offered by the Agriculture Department. In 2013 agricultural products had an economic impact of over $119 million to Virginia Beach's economy. This department works with the Virginia Department of Agriculture and Consumer Services and the General Assembly and Senate on State and Federal Agriculture issues and opportunities.



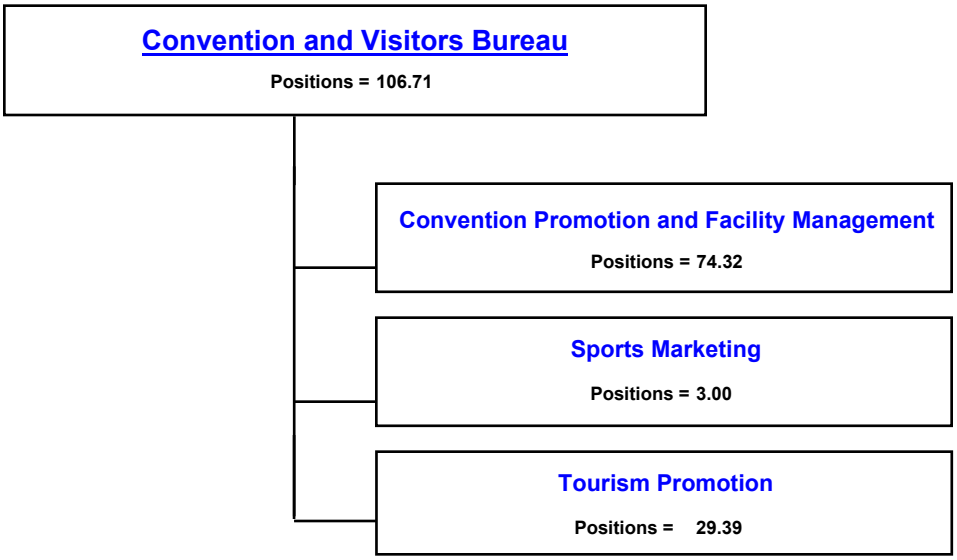
- Cooperative Extension provided farmer educational programs in grain, fruit, vegetable and strawberry production to support the city's agriculture industry. Extension agents provided education on quarantined fire ants and Beach Vitex, while monitoring the threat of Asian Soybean Rust. They maintain awareness of other diseases, and received national recognition as the first to detect Anthracnose Crown Rot in strawberry plants in Virginia.

- In 2013, there were 260 active Virginia Beach Master Gardener (VBMG) volunteers that collectively contributed approximately 22,719 hours of service valued at $443,248, and provided horticultural information to over 32,014 residents. VBMG volunteers worked in 25 program areas including: "Ready, Set, Grow", an environmental stewardship program which reached 2,600 Virginia Beach City Public School students and teachers; "VBMG Speakers Bureau" which delivered 65 presentations to 1,553 members of civic groups; and the "VBMG Help Desk/Plant Doctor" which provided information via email, telephone, or personal contact to 1,350 citizens.

Agriculture - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	259,962	283,744	303,702	19,958
Cooperative Extension Program	260,736	278,030	278,433	403
Farmers Market	210,353	230,526	233,408	2,882
Total Expenditures	731,051	792,300	815,543	23,243
Revenues				
Fees	162,295	179,560	186,641	7,081
Total Revenues	162,295	179,560	186,641	7,081
General City Support	568,756	612,740	628,902	16,162
161 Agriculture Reserve Program Special Revenue Fund				
Expenditures				
Agricultural Reserve Program	146,346	216,720	220,108	3,388
Debt Service	3,255,583	3,838,198	4,101,097	262,899
Reserve for Contingencies - ARP	0	256,899	153,148	(103,751)
Total Expenditures	3,401,928	4,311,817	4,474,353	162,536
Revenues				
Local Taxes	4,213,715	4,311,817	4,474,353	162,536
State	278,859	0	0	0
Total Revenues	4,492,575	4,311,817	4,474,353	162,536
General City Support	(1,090,647)	0	0	0
Total Department Expenditure	4,132,980	5,104,117	5,289,896	185,779
Total Department Revenue	4,654,870	4,491,377	4,660,994	169,617
Total General City Support	(521,891)	612,740	628,902	16,162

Position Summary by Program				
002 General Fund				
Director's Office	2.52	2.52	2.52	0.00
Cooperative Extension Program	6.00	6.00	6.00	0.00
Farmers Market	2.00	2.00	2.00	0.00
Total	10.52	10.52	10.52	0.00
161 Agriculture Reserve Program Special Revenue Fund				
Agricultural Reserve Program	1.48	1.48	1.48	0.00
Total	1.48	1.48	1.48	0.00
Total Position Summary	12.00	12.00	12.00	0.00


Convention and Visitors Bureau
Positions = 106.71
Convention Promotion and Facility Management
Positions = 74.32
Sports Marketing
Positions = 3.00
Tourism Promotion
Positions = 29.39

Convention and Visitors Bureau

The Virginia Beach Convention and Visitors Bureau develops and promotes Virginia Beach as a first-class, year-round travel destination that contributes to the city's quality of life and its diverse economy.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Increase Visitor Spending						
City and State Tax Revenue (in millions)	$	103	100	102	103	103
Public Relations Advertising Equivalency (in millions)	$	9	7	8	9	9
Visitor Spending (in millions)	$	1,280	1,180	1,203	1,227	1,280
Tourism and Tourist Development Advocacy						
Unique Web Visits to Advocacy Portion of Website (in thousands)	#	2.6	3.2	2.6	2.6	2.6
Customer						
Host Events at the Virginia Beach Convention Center						
Virginia Beach Convention Center Revenue (in millions)	$	4	3	3	4	4
Room Nights Booked						
Internet Inquiries (in millions)	#	2.3	1.9	1.9	2.2	2.3
Visitors Assisted at Visitor Centers and Kiosks	#	181,550.0	164,556.0	161,265.0	179,753.0	181,550.0
Year Round Hotel Occupancy Rate	%	58.0	61.0	60.0	60.0	58.0

Convention and Visitors Bureau

Major Changes

The Department of Convention and Visitors Bureau's (CVB) FY 2014-15 operating budget totals $49,643,485 including the General Fund, Tourism Investment Program (TIP) Special Revenue Fund, and Tourism Advertising Program (TAP) Special Revenue Fund. This reflects an overall increase of 0.7% or $331,802 compared with the FY 2013-14 operating budget due to a combination of increased personnel and operating costs and decrease in debt service costs in the TIP Fund.

Change	Impact
Adjusted various part-time positions with a net reduction of 3.81 FTEs for the Virginia Beach Convention Center.	• Contracted manpower will replace some part-time custodial worker positions (4.31 FTE's) producing a savings of $80,632, which were reallocated to other support needs, such as building system maintenance and repair. No degradation to maintenance services at the Convention Center is anticipated.

Departmental Overview

The department's 106.71 FTEs support, maintain and expand the leisure travel, meeting and convention markets in the city in order to develop and promote Virginia Beach as a first-class, year-round travel destination that contributes to the city's quality of life and its diverse economy. The three core areas of CVB are:

- **Convention Promotion and Facility Management –** These staff members total 74.32 FTEs and provide the management, operations and marketing for the city's Convention Center as a destination for conventions, trade shows, and meetings. Staff members promote the city and Convention Center on a nation-wide basis with the objective of increasing the number and quality of events.

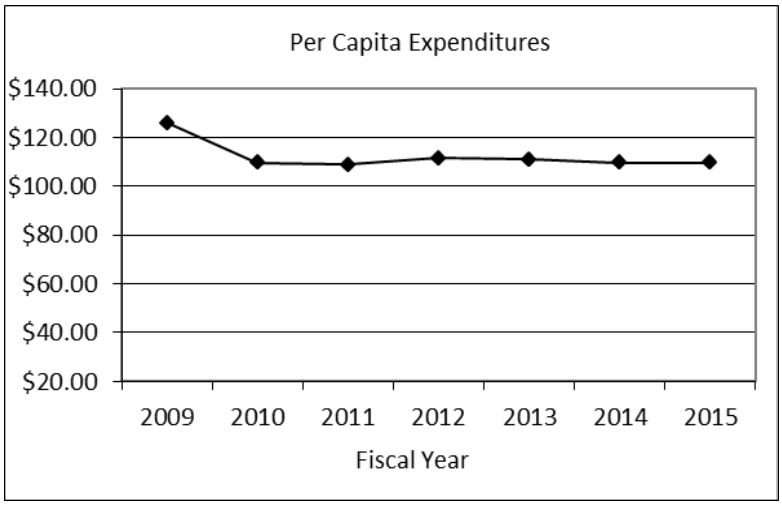
- **Tourism and Sports Marketing Promotion –** These services are provided by 9.0 FTEs and include developing domestic and international tour operator, family reunion and travel agent sales contacts, leads and sales opportunities, and developing and servicing sports events and sports related meetings and conventions. These sales leads and opportunities are generated from trade shows, trade advertising, telemarketing, in-person sales calls, and site inspection visits. The sales leads are converted to bookings by the local hospitality industry.

- **Tourism Promotion and Advertising –** Advertising for the City of Virginia Beach and visitor information are provided by 11.39 FTEs through a dedicated funding stream in the TAP Fund. The fund dedicates revenues from one cent of the transient lodging tax, one half cent of the restaurant meal tax, and a flat lodging tax of one dollar per night to support the city's advertising and marketing program and related activities, including the operation of the Visitor Information Center. The Communications Division of CVB is largely in charge of building relationships on a local and regional level, and disseminating tourism-related information to our residents, industry partners and regional partners. This includes overseeing the public relations efforts to encourage out-of-market tourism, targeting leisure, meetings and conventions, sports marketing, group tour and international visitors. Media relations efforts in 2013 reached a circulation of 1,867,192,711, and generated $4,765,896 in media value equivalency. The advertising campaign uses a combination of magazine, internet, and television advertising to promote tourist visitation. Since mobile media and social media are increasingly more popular with consumers, CVB has adapted many of its marketing initiatives for social media platforms and mobile marketing. Other marketing strategies include a convention sales program, sports marketing initiatives, a public relations program, a comprehensive research program and related collateral materials. The development of new markets is important to maintain and to increase the number of visitors to the city, especially during the shoulder seasons.

- **Tourism Investment Program** – This program is funded by the TIP Fund, which provides a dedicated resource for future projects in Strategic Growth Areas; maintenance of the resort area including the beach and boardwalk; beach special events and entertainment; a local tourism marketing campaign; transit service to the resort; debt service for Economic Development and Tourism related projects and initiatives including the replacement of the Convention Center, addition of the Sandler Center for the Performing Arts, and the expansion of the Virginia Aquarium parking facilities. Also, this funding stream provides funding to the General Fund and Sandbridge SSD Special Revenue Fund. Major sources of funding for the TIP Fund include: 5-cents from the hotel tax, 1.06 cents from restaurant meal tax, 5-cents from the cigarette tax, 10% admissions tax, and parking ticket revenues.

Trends and Issues

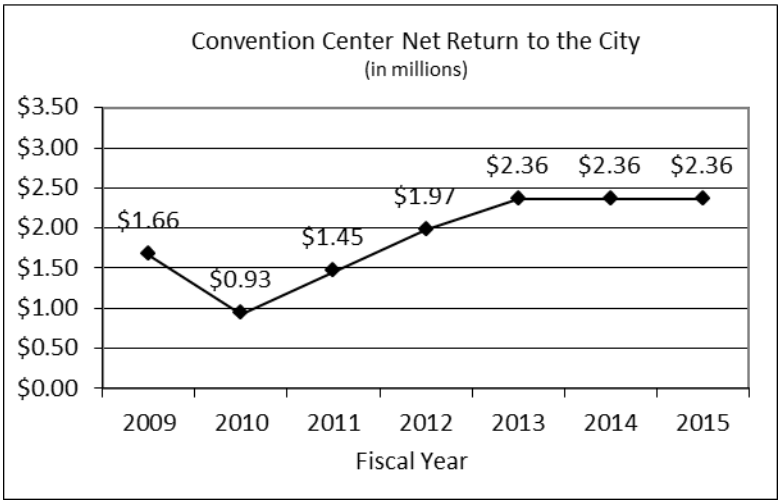
- The per capita expenditures for FY 2008-09 have been adjusted to reflect the transfer of the Parking Enterprise Fund and oceanfront entertainment budget from Convention and Visitors Bureau to the Strategic Growth Area Office. The downward trends from FY 2008-09 through FY 2009-10 reflect the decline in Convention Center utilization due to the economic recession. The per capita cost for CVB in FY 2014-15 is $109, which is the same as it was in FY 2013-14.



- The department's expenditures are comprised mainly (49%) of debt service costs totaling $24.2 million related to the capital projects funded by the TIP Fund (e.g., Convention Center, Sandler Center for the Performing Arts, Aquarium parking expansion). TIP Fund debt will increase in future budgets due to debt issuance for CIP project 2-045 Pacific Avenue Improvements. Operating costs including tourism, sports, and convention marketing and advertising comprise $13.1 million (26%) of the department's operating budget, while personnel costs total about $7 million (14%), reserves total 908,611 (2%) and transfers total $4.5 million (9%) for services provided by other agencies to the resort as well as the transfer hotel tax revenue generated by Sandbridge to the Sandbridge SSD Special Revenue Fund.

- According to the latest data available, approximately 5.9 million overnight visitors arrived in Virginia Beach in calendar year 2012, and an additional 6.8 million day visitors were also hosted by the city. Total 2012 visitor spending figures from the U.S. Travel Association were at a record high level with a spending volume of $1.28 billion. Visitor activity generated $102 million in City and State revenues in 2012. Inquiries to the city's website and Visitor Center increased to 2.7 million in 2013 from 2.2 million in 2012.

- The Virginia Beach Convention Center held 331 events in FY 2012-13 resulting in 103,869 room nights, and produced $43 million in direct delegate spending, which generated $3.7 million in tax revenues. Total revenue to the city generated by the Convention Center was $7.9 million in FY 2012-13. As shown on the graph, revenues to the city net of operating expenses increased to $2.36 million in FY 2012-13 compared with $1.97 million in FY 2011-12. While event bookings are likely to rise for FY 2013-14 and FY 2014-15, related revenues are projected to be relatively flat, due in part to the continued downward trend with larger conventions. These events, which typically have more out of town attendees and are more lucrative than smaller events, are being replaced with consumer shows and smaller one day events geared towards a local audience.



- Visitor spending on overnight accommodations (including hotels, cottages, campgrounds, and timeshare/condo rentals) is the one of the best indicators of the overall health of the city's tourism industry. Based on data collected by the Virginia Beach Commissioner of the Revenue, total annual lodging sales were more than $299.9 million in 2013, reflecting a slight decrease of 0.6% compared to the record high level set in 2012.

Hotel/Industry Performance CY 2013 Compared with CY 2012 (% Change)	
Hotel Occupancy	From 57.3% to 54.3% (5.3% decrease)
Average Daily Rate	From $114.58 to $119.01 (3.8% increase)
Revenue Per Average Room (RevPAR)	From $65.76 to $64.64 (1.7% decrease)
Room Nights Booked	4.2% decrease

- CVB's continued focus on international tourism as a growth market is producing results. Quebec has emerged as the #4 market of origin in terms of 2013 summer visitation. In the second half of 2013, unique visitors to the International Web Site increased 186% compared to the same period of 2012. Page views increased by almost 200% from 2012 to 2013.

- Other target market segments are feeling the effects of intense competitive pressure as other cities focus on tourism product development and tourism funding. More and more convention groups are choosing destinations with better packages of product amenities for their attendees, which contributed to a significant drop in meetings and conventions definite room nights booked in FY 2012-13. Additionally, competitive cities which have received additional tourism funding in recent years are showing tangible signs of significant growth in areas like RevPAR. With an increase in competition across all tourism sectors, we are exploring product development opportunities for Virginia Beach in areas that the City has designated as strategic growth areas.

- CVB recently completed their Strategic Plan for 2013-18, which was created by a cross-functional team through facilitation with the city's Office of Developmental Organization and a national hospitality industry consultant. This plan has been validated by survey & research results from over 150 stakeholders and staff, and is specifically aligned with all related recommendations of the Envision Virginia Beach 2040 Committee Final Report, and the City's Sustainability Plan entitled "A Community Plan for Sustainable Future".

- In 2013, CVB was awarded accreditation by the Destination Marketing Accreditation Program (DMAP) of the Destination Marketing Association International. To receive accreditation, CVB successfully complied with fifty-eight mandatory and thirty voluntary standards in areas that include governance, finance, human resources, sales, communications, destination development, and research. In this award, CVB was recognized as "exemplary" for their Strategic Plan and also for innovation based on Convention Center sustainability efforts and related results. This is the second time CVB has achieved accreditation, which lasts for four years.

- Given CVB's promotion of the City and its unique environmental and cultural assets to attract domestic and international visitors, conventions, sporting events, and collaboration with regional partners to attract visitors to Hampton Roads, the department's mission and operations directly support various key areas of focus in the "Envision Virginia Beach 2040 Committee Report" including: Unique Environment, Active Lifestyle, Thriving Economy, as well as the goals and objectives of the City's Sustainability Plan entitled "A Community Plan for Sustainable Future". Specific examples of linkages to the Sustainability Plan include:

    - Goal 3 - We will have unique, vibrant, and attractive gathering places in our rural, suburban, and urban centers that are accessible to and treasured by residents, visitors, and guests. 3.3 Promote green certification (e.g., LEED) for the construction and retrofitting of our structures and centers. Specifically, the Convention Center is a LEED certified Gold facility, and will apply for recertification of this status in FY 2014-15. And, the Visitor Information Center is applying for LEED certification in FY 2014-15.

    - Goal 5 - We will become a top-quality, year-round destination for domestic and international visitors. Objective 5.1 Grow our ecotourism potential by developing, marketing, and investing to enhance our existing natural resources.

- Goal 8 - We will support and value the traditional sectors as the foundation of our economy. Objective 8.1 Continue to grow and diversify our tourism sector into a year-round economic driver by marketing our unique environment and history. An example of linkage to Goals 5 and 8: dedicated funding totaling $9.5 million from the Tourism Advertising Program and $100,000 from the Tourism Investment Program Funds provides CVB resources to market and promote the City's resources to residents, national and international markets. In FY 2014-15, $110,000 from the TAP Fund will be used to provide incentive grants to various organizations to hold sporting and other events in the City including competitions/tournaments in rugby, soccer, softball, surfing, fitness, wrestling, and dance.

Convention and Visitors Bureau - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	1,060,296	1,171,799	1,293,438	121,639
Resort Programs & Special Events	91	0	0	0
Tourism Marketing and Sales	451,920	482,550	491,310	8,760
Sports Marketing	251,333	256,016	267,729	11,713
Convention Marketing and Sales	914,068	913,061	872,641	(40,420)
Virginia Beach Convention Center	5,489,228	6,147,594	6,260,772	113,178
Total Expenditures	8,166,936	8,971,020	9,185,890	214,870
Revenues				
Fees	3,903,126	3,518,450	3,684,950	166,500
Total Revenues	3,903,126	3,518,450	3,684,950	166,500
General City Support	4,263,810	5,452,570	5,500,940	48,370
152 Tourism Investment Program Fund				
Expenditures				
TIP - Oceanfront Special Events	163,663	100,000	100,000	0
Debt Service	26,063,812	25,041,384	24,229,882	(811,502)
Reserve for Contingencies	0	134,902	5,317	(129,585)
Transfer to Other Funds	4,326,391	4,349,015	5,307,824	958,809
Total Expenditures	30,553,866	29,625,301	29,643,023	17,722
Revenues				
Local Taxes	26,453,331	28,547,941	29,634,923	1,086,982
Fees	288,323	1,077,360	8,100	(1,069,260)
Transfers	250,000	0	0	0
Total Revenues	26,991,654	29,625,301	29,643,023	17,722
General City Support	3,562,212	0	0	0
163 Tourism Advertising Program Special Revenue Fund				
Expenditures				
Visitor Information Center	1,025,907	1,228,938	1,221,547	(7,391)
Tourism and Convention Advertising	9,167,503	9,428,417	9,534,577	106,160
Reserve for Contingencies	0	1,169	1,610	441
Transfer to Other Funds	56,838	56,838	56,838	0
Total Expenditures	10,250,248	10,715,362	10,814,572	99,210
Revenues				
Local Taxes	10,041,840	10,530,022	10,640,275	110,253
Fees	169,647	185,340	174,297	(11,043)
Total Revenues	10,211,487	10,715,362	10,814,572	99,210
General City Support	38,761	0	0	0
Total Department Expenditure	48,971,050	49,311,683	49,643,485	331,802
Total Department Revenue	41,106,267	43,859,113	44,142,545	283,432
Total General City Support	7,864,784	5,452,570	5,500,940	48,370

Position Summary by Program

002 General Fund

Convention and Visitors Bureau - Departmental Resource Summary

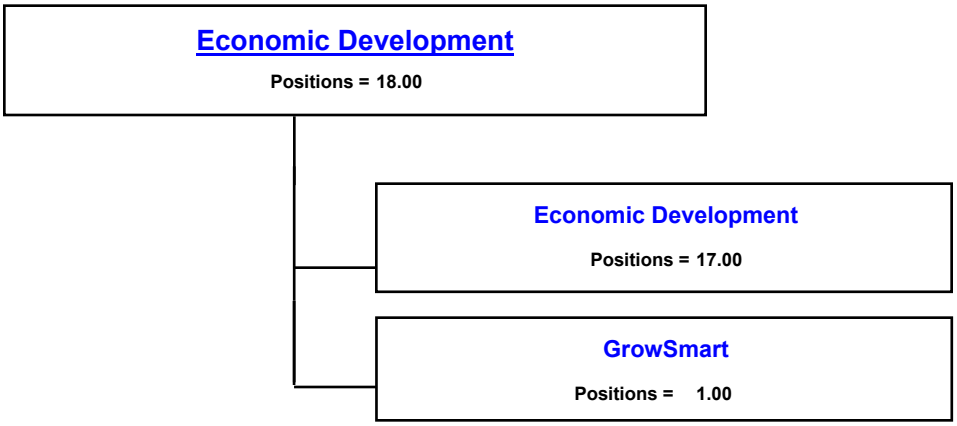
	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
002 General Fund				
Director's Office	10.00	10.00	12.00	2.00
Tourism Marketing and Sales	6.00	6.00	6.00	0.00
Sports Marketing	3.00	3.00	3.00	0.00
Convention Marketing and Sales	12.00	11.00	10.00	-1.00
Virginia Beach Convention Center	72.13	69.13	64.32	-4.81
Total	103.13	99.13	95.32	-3.81
163 Tourism Advertising Program Special Revenue Fund				
Visitor Information Center	10.39	11.39	11.39	0.00
Total	10.39	11.39	11.39	0.00
Total Position Summary	113.52	110.52	106.71	-3.81

Resource Summary Notes

Expenditures for the Director's Office increased $121,639 due to the net effect of compensation increases and transfers to the Director's Office of two technology-related staff members from Convention Marketing and Sales, and the Convention Center, and reduction in some operating accounts such as software support and maintenance, visitor promotion and marketing travel, which were shifted to the TAP Fund. Convention Center operating costs increased $113,178 due to the net impact of increased maintenance and repair costs for various building systems.

Funding in the Tourism Investment Program Fund for the local tourism advertising campaign remains at $100,000 for FY 2014-15 compared with FY 2013-14. Debt service declined $811,502 because previously issued debt was retired, while the reserve for future CIP commitments increased $772,099. TIP Fund debt is anticipated to increase in future budgets due to debt issuance for capital project 2-045, Pacific Avenue Improvements. Transfers to other funds from the Tourism Investment Program Fund increased $57,125 due to the return of hotel taxes generated to the Sandbridge Special Services District for its share of hotel taxes generated in Sandbridge that is collected in the TIP Fund.

Local tax and fee revenue increased in the Tourism Advertising Program Fund allocated in the Convention and Visitors Bureau budget by a net of $99,210 mainly from increases in the restaurant meal tax revenue.


Economic Development
Positions = 18.00
Economic Development
Positions = 17.00
GrowSmart
Positions = 1.00

Economic Development

The mission of the Department of Economic Development is to develop, implement and maintain programs that facilitate the creation of a diversified, continually expanding dynamic economy through the development of and investment in new, targeted businesses and enhance existing businesses. This will lead to the creation of quality jobs, higher wages, and lower tax rates, as well as encouraging the retention and expansion of activities and enhancing the overall quality of life in Virginia Beach.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Collaborate with the School Division to Ensure Children Read Proficiently by Third Grade						
3rd Grade Students Passing SOLs in Reading	%	100.0	88.0	77.0	77.0	77.0
3rd Grade Students Reading On or Above Grade Level	%	100.0	87.0	73.0	73.0	73.0
Elementary Schools Implementing "Third Grade Reads" Blueprint	#	2.0	0.0	0.0	2.0	1.0
Customer						
Create New Capital Investment						
Value of New Capital Investment (in millions)	$	100	122	260	100	107
Create New Employment Opportunities						
Employment Opportunities Created	#	1,500.0	1,019.0	2,200.0	1,500.0	1,500.0
Expand Existing Target Industries						
Company Prospects (Existing Companies)	#	50.0	54.0	47.0	50.0	52.0
Existing Companies Expanded	#	40.0	32.0	29.0	35.0	37.0
Locate New Target Industries						
New Companies Located	#	18.0	15.0	25.0	20.0	22.0
New Company Prospects	#	75.0	69.0	70.0	75.0	77.0
New Women and Minority Firms Located	#	6.0	9.0	8.0	8.0	8.0
Promote High-Quality and Financially Viable Virginia Beach Childcare Centers						
Childcare Centers Receiving Business Training	#	6.0	7.0	8.0	6.0	6.0
Children Enrolled in High-quality Childcare Centers	#	3,000.0	2,619.0	3,450.0	4,000.0	3,700.0
Teacher Scholarships Awarded to Early Education Professionals	#	10.0	0.0	10.0	10.0	10.0
Promote School Readiness						
Children Entering Kindergarten Ready to Learn	%	92.0	92.0	91.0	91.0	90.0
Teachers Receiving Professional Development in School Readiness	#	250.0	65.0	294.0	250.0	150.0
Providing On-Line and Print Parenting Resources						
Facebook Views	#	20,000.0	24,599.0	17,062.0	17,062.0	17,062.0
Ready, Set, Learn Newsletters Distributed	#	10,800.0	10,800.0	10,800.0	10,800.0	10,368.0
Visitors to Vbparents website	#	15,000.0	13,598.0	21,185.0	22,000.0	22,000.0
Learning & Growth						
Develop Staff Technology Proficiency (Director's Office)						
Hours of IT Training Per Employee (Director's Office)	#	3.0	3.0	3.0	3.0	4.0
Improve Professional Development (Director's Office)						
Employees Completing Career Enhancing Opportunities	%	50.0	40.0	50.0	50.0	50.0

Economic Development

Major Changes

The Economic Development Department's FY 2013-14 operating budget totals $13,330,702, including all funds (General Fund, Central Business District (CBD) South Tax Increment Financing Fund (TIF), the Town Center Special Service District Fund (SSD), and the Capital Projects Internal Service Fund). Overall, the department's budget increased by 23.9% or $2,571,816 compared with the amended FY 2013-14 operating budget mainly due to increased debt service (increase from $5.9 million to $7.7 million) and operating and maintenance costs (increase from $1.9 million to $2.4 million) related to Phase V of Town Center, which includes an additional parking garage with 1,384 spaces. Also included is revenue of $400,000 annually from the developer of Town Center – Phase V to be paid from FY 2014-15 through FY 2022-23, which reflects his obligation to ensure the debt service is met. Other major changes in the department's budget are shown in the table below.

Change	Impact
Funding of $200,000 for an Innovation/Incubator Center	• This Center will offer various business-oriented services to foster development of new businesses. Small and emerging companies are critical for the future long term economic development growth and prosperity of Virginia Beach. The department is in the process of evaluating various incubator models in efforts of providing the highest success rate. It is also exploring partnering opportunities with various incubator operators, who could add a Virginia Beach incubator into their existing network of incubators and provide a wide range of business collaboration for potential emerging companies. This initiative is anticipated to increase capital investment by $11 million from the expansion of 12 existing companies, and the addition of 4 new companies, which should create approximately 100 full-time jobs in the City. This program is funded through the reduction of the Hampton Roads Economic Alliance regional grant.
Increased local grant match for the fifth year of the 5-year Early Learning Challenge Grant provided by Smart Beginnings of South Hampton Roads	• Of the total $200,000 FY 2014-15 grant, the City's share should increase from $140,000 in FY 2013-14 to $180,000 in FY 2014-15; however a $33,141 increase was provided in operating support as some of the local match was funded in advance in FY 2013-14. The increase will be used for the Small Business Development Center program for child care centers and instructional supplies.

Departmental Overview

The department encourages and assists in the attraction of new businesses, retention and expansion of existing businesses and international trade opportunities. Specific outcomes of the Economic Development Program are: 1) a growing local economy, 2) economic opportunity and prosperity for residents, and 3) revenue growth to fund city services. About 23% of the department's operating budget is funded by general city revenues, and 77% is supported funds dedicated to pay the debt service and operating and maintenance costs for the Town Center project, which are reflected in the Central Business District (CBD) South Tax Increment Financing District and the Town Center Special Services District. Shown below are the main focus areas of the department.

- **Staff Support to the Virginia Beach Development Authority (VBDA) -** The VBDA was appointed by the City Council, with the goal of facilitating the expansion of the tax base through increased business investment. The VBDA facilitates business/industry location and retention by acquiring, developing and reselling land, and issuing Industrial Revenue Bonds. The VBDA also administers the Economic Development Investment Program (EDIP) that is funded through a capital project (project number 9-141) in the city's Capital Improvement Program. This program provides a dedicated funding stream (16 cents of the 70 cents cigarette tax) to pay the costs of offsite utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, site preparation, and other uses for projects that expand the tax base. To qualify for use of EDIP funds, a company must meet certain criteria, which enhance the economic development of the city.

- **Minority Business Program -** Virginia Beach is home to more than 30% of all women and minority-owned businesses in the area, a number that continues to grow. Established in 2007, the Minority Business Development program works to generate new capital investment and employment opportunities among small, women-owned, minority-owned, and service disabled veteran-owned businesses. The program helps existing businesses identify resources that will stimulate entrepreneurial growth, create opportunities, and ensure success of local businesses. Small businesses are responsible for the creation of many jobs in Virginia Beach's economy, and most of the women owned and minority businesses are small businesses. Nurturing these businesses can help create jobs and expand the city's tax base. By providing some business development services such as referrals, "one stop" services, and incentives, minority owned businesses will be encouraged to develop in or relocate to Virginia Beach. As part of this program, the department provides gratis office space for SCORE (Service Corps of Retired Executives) counselors to offer free, confidential business counseling to entrepreneurs and small businesses. The department has a permanent Business Development Manager for this program.

- **Workforce Development -** Several years ago, Virginia Beach was the first city in the region to establish a dedicated workforce development program, and is now recognized as one of the most successful local programs in the country. It directly engages the VBDA and educational systems with local business on a daily basis. This program focuses resources on the development of a qualified workforce to include retention of existing military and facilitating the skills enhancement of the existing workforce, and matching the needs of employers and potential employees. The department works closely with area businesses and public and private training providers to determine what skill sets are in demand. It helps shape secondary and post-secondary school and training program curricula to meet the ever-changing needs of the marketplace. Technical and Career Education students of Virginia Beach City Public Schools earned industry-recognized certifications and obtained certification in 21st Century Skills for Workplace Success. These certifications confirm the students have the skills essential to employers. In addition, the department maintains a strong partnership with Opportunity, Inc., which is the regional workforce development board that helps create training programs for a variety of industries, serves as a "one-stop shop" for people seeking employment, and guides employers through the process of finding and hiring properly skilled employees.

  Workforce Development also includes the Virginia Beach GrowSmart program, which is an early childhood development program that strives to promote and improve healthy development and school readiness for the prenatal to age-8 population in Virginia Beach as well as ensure reading proficiency by the third grade, which will lead to a better educated workforce. GrowSmart and the Hampton Roads Chamber of Commerce Small Business Development Center have partnered to provide intensive, customized business training and one-on-one mentorship to up to seven local child care centers and preschools per year. The GrowSmart program is partially funded by a five-year $500,000 Early Learning Challenge grant (from FY 2010-11 through FY 2014-15) from Smart Beginnings South Hampton Roads, which requires equal matching funds from the city and/or private funding sources.

- **Central Business District-South Tax Increment Financing (TIF) Fund -** This funding mechanism was established by City Council on November 23, 1999, to fund all or part of public facilities and infrastructure, and to promote development in the Pembroke area of the city. With a TIF, real estate revenues above a base amount can be used to fund improvements within the TIF area.

- **Town Center Special Service District (SSD) Fund –** This fund was established by City Council on May 14, 2002 in accordance with the Town Center Development Agreement. Currently, 9 of the 17 blocks (3, 4, 5, 6, 7, 8, 10, 11, and 12) of the Town Center core area are in the SSD, and the district will expand as other blocks are developed. Property owners living within the SSD pay additional real estate taxes to cover the costs associated with garage maintenance and enhanced services (e.g., security, street sweeping, pressure washing sidewalks, landscaping, and refuse collection at public waste receptacles within the Town Center core area), while building a long-term maintenance reserve. The real estate tax surcharge was adopted by Council totaling 57 cents annually based on estimated operations and maintenance costs. Over time, this rate has changed as other projects were completed and based on the level of maintenance desired by the property owners. In FY 2007-08, the rate was lowered to 50 cents. The FY 2008-09 operating budget lowered the rate to 45 cents. Rates will continue to be adjusted based on costs and current funding capacity.

All of the department's initiatives align with and support the "Envision Virginia Beach 2040 Committee Report" as well as the city's "A Community Plan for Sustainable Future" report focus areas including:

- Learning Community/increase investment in early childhood education (e.g. GrowSmart program), Diverse Community (e.g. minority business program), and Thriving Economy (e.g. strategic marketing to targeted industries, international marketing program).

- Goal 5 - Top-quality, year-round destination for domestic and international visitors. Objective 5.5 - Pursue public-private partnerships that can broaden the array of facilities and attractions (e.g. Town Center, Phase V, proposed Dome site family entertainment center).

- Goal 6 - Quality life-long learning and educational opportunities. Objective 6.1- Increase the level of commitment and investment in early childhood education, beginning at birth (e.g. GrowSmart Program).

- Goal 7 - Skilled and educated workforce. Objective 7.2 - Expand the partnering of our public schools with technical/vocational training, higher learning institutions, and local businesses to coordinate our workforce skills with current and projected future job base (e.g. workforce development initiatives).

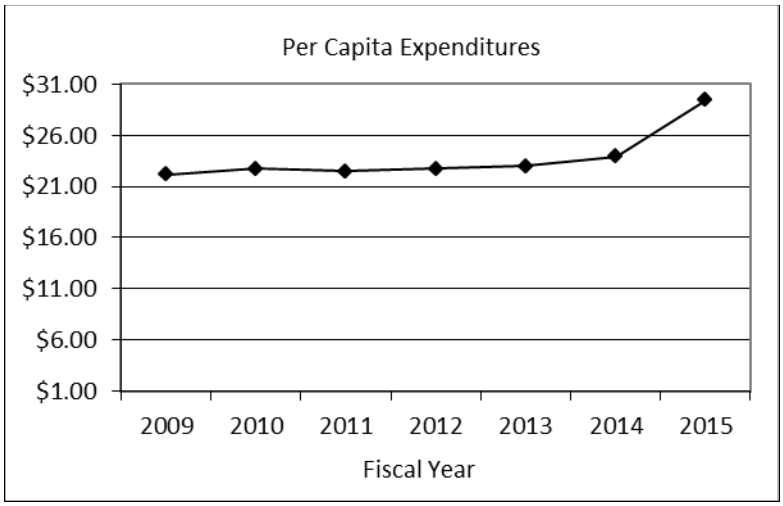
- Goal 8 - Support traditional sectors of our economy. Objective 8.3 - Coordinate and balance the needs of our Department of Defense partners with the civilian community. Objective 8.4: Support our business community with favorable local government policies. An example supporting both objectives is YesOceana, the city's award-winning Oceana Land Use Conformity Program, which was created to help reduce the incompatible land uses surrounding Naval Air Station Oceana, the Navy's East Coast Master Jet Base. To date, a total of 52 non-conforming commercial properties have been eliminated in Accident Potential Zone 1 (APZ-1) and the City has committed more than $2.4 million in incentives and economic development grants to 25 businesses to promote compatible uses within the Zone. Of that total, the Development Authority has awarded $1.7 million in Economic Development Investment Program (EDIP) grants for projects under the YesOceana program, leveraging more than $16.5 million in new private investment. Objective 8.5 - Promote existing businesses to expand as a world-leading economic marketplace. Examples include: existing Virginia Beach businesses and partners have free access to two classrooms at the Advanced Technology Center on the Virginia Beach Tidewater Community College campus for training and meeting purposes. The VBDA provides incentives to businesses to expand or relocate through the Economic Development Investment Program (EDIP by which a total of $4,190,000 was awarded by the VBDA in FY 2012-13 and leveraged over $121 million in capital investment) and Industrial Revenue Bonds. In FY 2012-13 the department hired a consultant to serve as the international representative in Europe to increase international business presence in the city. Objective 8.6 - Expand beyond traditional business sectors by fostering opportunities for investment in alternative energy, marine sciences, and environmental research (e.g. funding of the Bio-Medical and HealthCare consultant in FY 2013-14 to attract firms in this target sector, and inclusion of alternative energy businesses in its focus on attracting high-performance manufacturing industry).

- Goal 9 - Attract new businesses, entrepreneurs, and startups (e.g. Innovation/Incubator Center to be started in FY 2014-15 will foster business start-ups, as well as Economic Gardening initiative administered by the department and funded by the VBDA offers specialized services to established, second-stage, high-growth-potential companies; the department's strategic marketing plan will focus on targeted industries; and the department hired an international consultant to expand and attract international firms to Virginia Beach). Objective 9.1 Ensure the workforce has the skill set necessary for jobs of the future (e.g., workforce development program). Objective 9.4 - Attract quality employers, offering well-paid jobs, good health benefits, and following sustainable business practices, with favorable local government policies. The department is focusing its marketing efforts on primary target industry sectors including Professional, Scientific & Technical Services, Information Services, Company and Enterprise Management with support continuing for Defense/Security, Maritime & Retail sectors. Objective 9.5 - Attract green industry and jobs that benefit the environment or conserve natural resources (e.g. alternative energy businesses are part of the focus in the high-performance manufacturing target sector). Objective 9.7 - Attract entrepreneurs and support the successful development of business start-ups (e.g. Innovation/Incubator Center, Economic Gardening initiative administered by the department and funded by the VBDA, SCORE counselors for small and minority-owned businesses).

- Goal 24 - Work with our regional partners to promote our community resources that make Hampton Roads a great place to live and locate a business. Objective 24.2 - Work with our regional partners to promote Hampton Roads as a center of excellence in healthcare, technology, marine science, maritime industry, and agriculture/aquaculture. Examples of regional organizations the department is actively involved with include Hampton Roads Economic Development Alliance, Hampton Roads Partnership and the Hampton Roads Military and Federal Facilities Alliance.

Trends and Issues

- The per capita expenditure for the department of Economic Development will increase 23.2% from $23.93 in FY 2013-14 to $29.47 in FY 2014-15 or by 9.1% annually from FY 2012 to FY 2015, mainly due to the impact of increased debt service and maintenance costs for Town Center- Phase V. The biggest cost driver in Economic Development's budget is the debt service cost related to Town Center, which comprises 57.8% or $7.7 million of the department's overall budget, followed by support costs at 24.7% or $3.3 million (of which $2.35 million is for maintenance costs for Town Center), personnel costs at 13.4% or $1.79 million, and transfers to other agencies for services provided to the Town Center SSD at 4.0% or $536,199 (e.g. street sweeping, police parking enforcement, landscape maintenance, plant material installation and litter removal).



- Economic Development is implementing a strategy to create a diversified, continually expanding, dynamic economy through the development of new, target businesses and the enhancement of existing businesses. In FY 2012-13, the department was successful in locating 25 new companies and expanding 29 existing companies; creating 2,200 new jobs; retaining 1,300 jobs through expansion of existing businesses; and directly adding $260 million in new capital investment to the City's tax base. The largest capital investment was the $105 million expansion of Town Center – Phase V. Examples of recent initiatives include: Green Flash Brewing, LifeNet Health Center for Regenerative Medicine, IMS Gear, Prufrex USA, Inc., and DaiEi Papers.

- Also in FY 2012-13, the department's GrowSmart Program received national recognition with the Outstanding Achievement in Innovation Award. Through GrowSmart, the department provided five teacher scholarships to Tidewater Community College and professional development to over 250 early-childhood educators; funded the Hampton Roads Chamber of Commerce Small Business Development Center's work to provide business training, mentoring and support for 6 new small, women and minority-owned businesses; and assisted child care center owners increase revenues by 18%, create 35 jobs and retain 169 jobs.

Economic Development - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	2,138,254	2,531,309	2,752,079	220,770
GrowSmart	205,719	278,424	307,836	29,412
Total Expenditures	2,343,973	2,809,733	3,059,915	250,182
General City Support	2,343,973	2,809,733	3,059,915	250,182
169 Central Business District-South TIF (Twn Cntr) Fd				
Expenditures				
Debt Service	5,579,549	5,866,866	7,704,794	1,837,928
Transfer to Other Funds for Debt Service	150,000	150,000	150,000	0
Total Expenditures	5,729,549	6,016,866	7,854,794	1,837,928
Revenues				
Local Taxes	5,755,106	5,708,136	5,867,921	159,785
Fees	2,502,393	900	402,000	401,100
Fund Balance	0	307,830	1,584,873	1,277,043
Total Revenues	8,257,498	6,016,866	7,854,794	1,837,928
General City Support	(2,527,949)	0	0	0
174 Town Center Special Service District				
Expenditures				
Town Center Parking Operations	1,417,525	1,531,700	1,963,600	431,900
Transfer to Other Funds	337,197	337,197	386,199	49,002
Total Expenditures	1,754,722	1,868,897	2,349,799	480,902
Revenues				
Local Taxes	1,506,179	1,449,962	1,502,255	52,293
Fees	2,791	2,600	1,000	(1,600)
Transfers	150,000	150,000	150,000	0
Fund Balance	0	266,335	696,544	430,209
Total Revenues	1,658,970	1,868,897	2,349,799	480,902
General City Support	95,752	0	0	0
610 Capital Projects Internal Service Fund				
Expenditures				
Capital Projects - Economic Development	13,358	63,390	66,194	2,804
Total Expenditures	13,358	63,390	66,194	2,804
Revenues				
Fees	13,358	63,390	66,194	2,804
Total Revenues	13,358	63,390	66,194	2,804
General City Support	0	0	0	0
Total Department Expenditure	9,841,602	10,758,886	13,330,702	2,571,816
Total Department Revenue	9,929,826	7,949,153	10,270,787	2,321,634
Total General City Support	(88,224)	2,809,733	3,059,915	250,182

Economic Development - Departmental Resource Summary

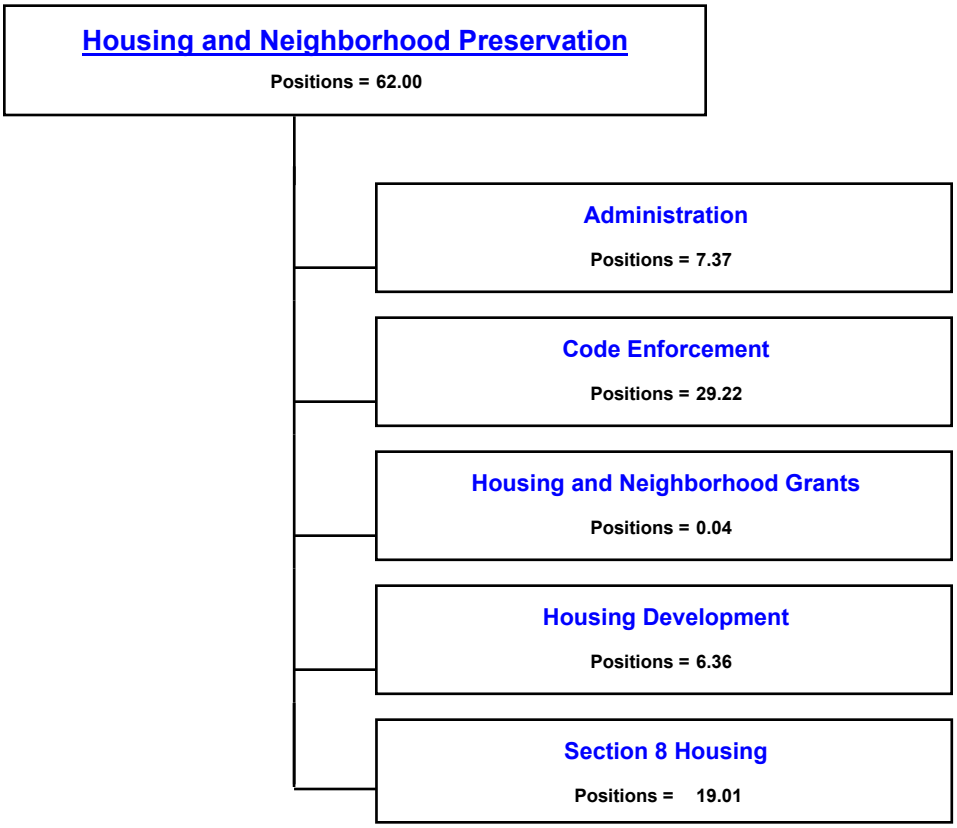
	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Position Summary by Program				
002 General Fund				
Director's Office	16.00	16.00	16.00	0.00
GrowSmart	1.00	1.00	1.00	0.00
Total	17.00	17.00	17.00	0.00
610 Capital Projects Internal Service Fund				
Capital Projects - Economic Development	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00
Total Position Summary	18.00	18.00	18.00	0.00

Resource Summary Notes

The cost increase for the Director's Office is mainly due to the addition of $200,000 for an Innovation Incubator Center to offer various business-oriented services to foster development of new businesses and increased cost to maintain the "yesvirginiabeach.com website. Funding was reduced to the Hampton Roads Economic Development Alliance (located in the Quality Organization section of this document) to fund the Innovation/Incubator Center.

The cost increase for the GrowSmart program is due primarily to the grant match for Small Business Development Center and instructional supplies. The City's grant match for the 5th year of the 5-year Early Learning Challenge Grant with Smart Beginnings of South Hampton Roads increases by $40,000 to $180,000 with Smart Beginnings share at $20,000. Some of the City's grant match was pre-funded in FY 2013-14 from the funding provided to the Joint Use Library for early childhood literacy from outside sources including the Friends of the Virginia Beach Public Libraries and Library Foundation.

The increase in the Central Business District South TIF Operating Budget is due to increased debt service (increase from $5.9 million to $7.7 million) and operating and maintenance costs (increase from $1.9 million to $2.4 million) related to Phase V of Town Center, which includes an additional parking garage with 1,384 spaces. Also included is revenue of $400,000 from a payment from the developer to be paid from FY 2014-15 through FY 2022-23, which reflects his obligation to ensure the debt service is met. Increased use of fund balance was required in FY 2014-15 from both the Central Business District South TIF and Town Center Special Service District Special Revenue Funds to cover the increased debt and operating/maintenance costs of Town Center - Phase V.


Housing and Neighborhood Preservation
Positions = 62.00
Administration
Positions = 7.37
Code Enforcement
Positions = 29.22
Housing and Neighborhood Grants
Positions = 0.04
Housing Development
Positions = 6.36
Section 8 Housing
Positions = 19.01

Housing and Neighborhood Preservation

The Department of Housing and Neighborhood Preservation's mission is to create quality solutions that expand housing opportunities and promote vibrant, well maintained neighborhoods.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Preserve & Expand the Supply of Affordable Housing Opportunities for Income Qualified Households						
Affordable Housing Units Created/Rehabbed	#	50.0	14.0	47.0	42.0	190.0
Homes Improved or Provided Rehab/Emergency Repair	#	35.0	38.0	42.0	37.0	46.0
HOPWA - Eligible Households Provided Assistance	#	290.0	507.0	292.0	290.0	290.0
Households Assisted with Security Deposits to Obtain Housing	#	8.0	7.0	15.0	8.0	8.0
Households in Unsafe Housing Assisted (Optional Relocation)	#	2.0	0.0	3.0	3.0	3.0
Households Provided Long-Term Housing Stability	#	1,925.0	2,006.0	1,978.0	1,971.0	1,918.0
Households Receiving Emergency Assistance (HEP)	#	40.0	106.0	40.0	30.0	30.0
Households Receiving Transitional Housing (VBCDC THP)	#	145.0	151.0	145.0	145.0	145.0
Years of Housing Stability Created	#	3,950.0	2,996.0	4,018.0	3,786.0	8,308.0
Prevent & End Homelessness for those Experiencing a Housing Crisis						
Calls for Housing Assistance through a Central Hotline	#	12,000.0	11,370.0	10,513.0	12,000.0	12,000.0
Formerly Homeless Persons Accessing Permanent Housing	#	50.0	8.0	13.0	65.0	65.0
Permanent Supportive Housing Units Available	#	175.0	161.0	166.0	198.0	230.0
Promote the Preservation & Enhancement of Neighborhoods & Privately Owned Structures & Properties						
Building Maintenance Code Violations Cited	#	11,500.0	11,708.0	12,449.0	12,500.0	12,000.0
Dwelling Receiving Certificate of Compliance Inspections	%	15.0	17.0	11.0	16.0	16.0
Graffiti Cases Referred to City Contractor	#	75.0	72.0	72.0	75.0	75.0
Initial Certificate of Compliance Inspections	#	1,750.0	1,835.0	1,205.0	1,750.0	1,750.0
Inoperable Vehicles Citied for Code Violations	#	4,500.0	4,866.0	5,151.0	5,050.0	5,050.0
Property Maintenance Code Violations Cited	#	14,000.0	14,201.0	18,202.0	14,500.0	14,000.0

Housing and Neighborhood Preservation

City Council Amendment

On May 13, 2014, City Council voted to adjust federal revenue by a net of $555,395 based on current estimates.

Major Changes

The FY 2014-15 operating budget for the Department of Housing and Neighborhood Preservation totals $ 26,405,960. This represents an increase of $858,727 or 3.4% from the adjusted FY 2013-14 budget. The department's expenditures are comprised of $4.6 million (17.6%) in personnel costs, which funds 62 FTEs, and $21.8 million (82.4%) in operating costs. Federal funding covers 79.7% of the cost of this department's services, with the city providing 10.6% and fees making up 9.0%. The remaining 0.7% comes from loan proceeds.

Change	Impact
Reduction of One Code Enforcement Inspector	• The Code Enforcement division has reduced a Code Enforcement Inspector position in order to meet City funding limits. In FY 2012-13, this position was transferred from Housing Development to the Code Enforcement division. This will increase the workload within the Code Enforcement Division back to the levels experienced by the Inspectors in FY 2012-13. With the elimination of this position, the Department will have reduced 7.0 FTEs since FY 2008-09.
Section 8 Portability Program	• Within the Federal Section 8 Housing Choice Voucher program is a Portability Program that allows clients who have vouchers to move from one jurisdiction to another without losing their rental subsidy. Over the past few years, there has been tremendous growth in the number of Section 8 voucher recipients moving into Virginia Beach. Due to the fact that the Vouchers the City has are all being utilized when these clients move into the City, the Department of Housing and Neighborhood Preservation must bill the jurisdiction from which the client is moving from. The City initially must pay the rental subsidies on behalf of the sending jurisdiction and then is repaid the full amount of the subsidy in addition to a small administrative fee. While these fees appear to be increasing the amount of revenue that the City is receiving, all of this revenue, excluding a small amount for administrative costs, is used to directly cover rental subsidies.
Increased City Support for Homeless Initiatives	• In FY 2014-15, the City will be providing funding of $100,000 to contract with a non-profit homeless services agency to provide a central assessment function for the Virginia Beach Continuum of Care. The function will insure that applicants for homeless services, regardless of where they apply, will be assessed uniformly and consistently using a form adopted for that purpose. The function will most likely be integrated with the existing Connection Point Central call center. The agency that receives the contract will utilize staff from existing agencies, recruiting and training volunteers, creating agreements with universities for ongoing internship placements, and as a last resort, using contracted staffing to insure an ongoing assessment function that meets the needs of the community.

Departmental Overview

The services provided by the Department of Housing and Neighborhood Preservation are:

- **Code Enforcement** - The 29.22 FTEs in this division are responsible for the enforcement of the Virginia Maintenance code and the city's property maintenance codes. Duties and responsibilities include: city wide patrol inspections, citizen complaint response, systematic exterior inspections of entire communities, Certificate of Compliance Rental Inspections, monitoring of commercial trash collection in the resort area, inspections of all hotels and motels in the

city, issuing citations for code violations such as the accumulation of trash/junk, overgrown grass/weeds, buildings and structures in disrepair, inoperable vehicles, unsafe natural gas and electrical appliances, graffiti, and illegally parked recreational equipment and commercial vehicles.

- **Rental Housing** - Includes various rental subsidy programs to provide affordable rental housing, mainly the Federal Section 8 Housing Choice Voucher Program, and includes Family Self Sufficiency, Portability, Project Based HUD vouchers, Home Funded Tenant-Based Rental Assistance, CDBG funded Optional Relocation, and special allocations for groups such as the disabled and homeless veterans. Property Inspections for the Section 8 Program are also conducted. Housing counseling services related to the Section 8 Program are provided to existing renters and those seeking rental housing. This division is comprised of 19.01 FTEs.

- **Housing Development** - The 6.4 FTEs in this division assist low and moderate-income homeowners with rehabilitation and emergency repair assistance. In addition, they coordinate work force housing planning, development and review, creation of the Neighborhood Pattern book and other activities related to the Neighborhood Preservation Plan, and assist in the provision of Federal funding to non-profit organizations for housing acquisition and rehabilitation to provide affordable housing for low and moderate-income households. Additionally, this division coordinates the community response to homelessness.

- **Director's Office** - The 7.37 FTE's in this office contract for key services, provide overall direction and resource development, and administrative and support functions for the department. This includes obtaining and administering multiple Federal grants that provide approximately 80% of the department's funding, finance, accounting, budgeting and reporting for one of the most complex finance systems in the city, obtaining information, performing analysis, and reporting in order to track trends in the community, contract administration and compliance review for over 15 different grantees, information technology support, and community outreach and communication with the public and multiple stakeholder groups. Included in the grant administration work is the administration of the Housing Opportunities for People with Aids grant which provides short and long-term housing assistance and support services to over 290 households regionally.

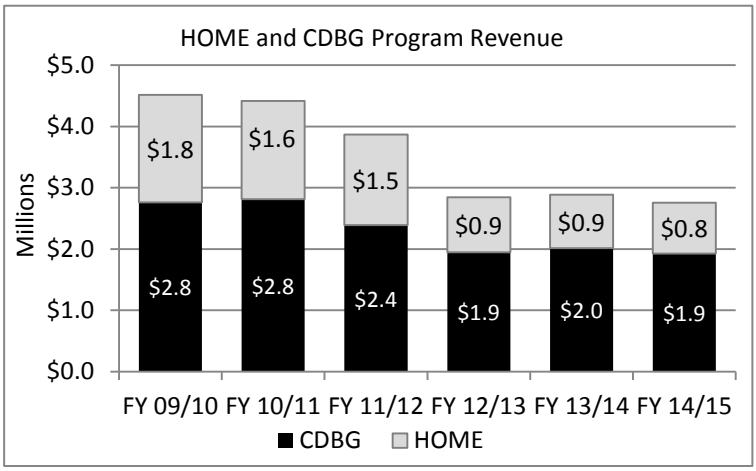
Several of the programs and services provided by the Housing and Neighborhood Preservation department contribute directly to the attainment of "Envision 2040" and the City's Sustainability Plan. In terms of reaching the Community's vision for 2040, Housing and Neighborhood Preservation contributes by:

- **Connected Community** - The Department is proactive in the enforcement of building and property maintenance codes, which will keep neighborhoods and business districts free of blight and aesthetically pleasing to the eye.

- **Diverse Community** - The Department provides opportunities for low income individuals to access affordable housing in the community. Homeless prevention and remediation programs also play a role in assisting those of the lowest socio-economic standing. By assisting those in housing crisis, a significant barrier to individual or family stability is removed. This can help citizens to reduce gaps in earning potential, unemployment, and overall economic vitality.

Trends and Issues

- An architect has been selected and the design process for the Housing Resource Center will begin in the late winter of 2014. In October 2013, City Council adopted a new Strategic Plan to End Homelessness. Using the guidance of the strategic plan, and community and stakeholder input, both the "program" of activities at the Housing Resource Center and the physical design for the facility will be completed in FY 2014-15. Both the physical design of the space and the programs offered through the Housing Resource Center will have implications on the funding

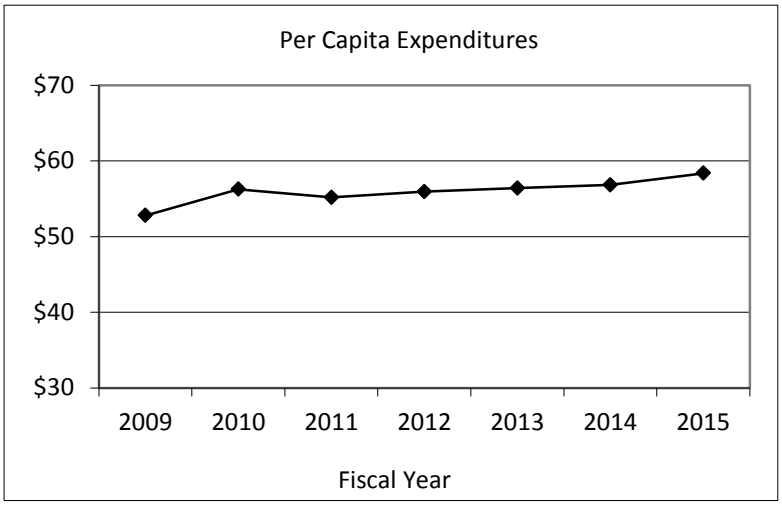


required to operate and maintain the facility. In addition to the design of the Housing Resource Center, the City and its partner agencies are moving to make our system fully compliant with and competitive for Federal funding. In prior years, the city has funded one of the key requirements for Federal compliance – a central intake system. The development and operation of this system was awarded to Samaritan House in 2011, and is 100% locally funded. A second critical component is the use of a uniform assessment form (discussed above) that captures all required information from applicants. That has been developed and implemented by participating agencies at no cost. A third component of this is the ability to use that uniform assessment form across all agencies and for all applicants.

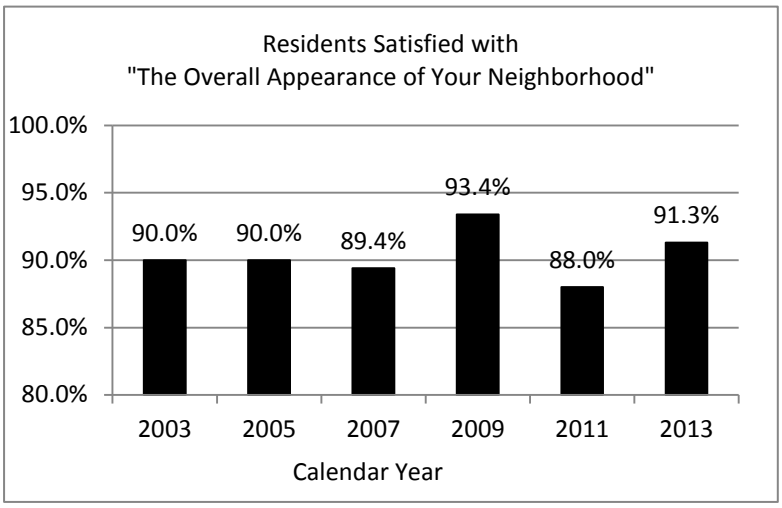
- Federal funding represents approximately 80% of the department's budget. Since FY 2009-10, funding for programs that provide discretion in how they are used, primarily CDBG and HOME funds, has declined by $1.9 million, or approximately 41% With the Department's significant reliance on federal revenue, these reductions directly correlate to the need for the additional city funding for homeless services.

- In the past, City funding was used almost exclusively to fund only a portion of the Code Enforcement division and administrative costs not eligible for funding by various Federal grants. However, due to increased federal requirements for homeless systems and decreased funding, FY 2011-12 began a trend of utilizing city funds to provide certain critical homeless services. Currently funded services include Connection Point, a central call center for emergency housing assistance; $60,000 to provide funding to a six local non-profits that provide a variety of services to the local community including Samaritan House (children's services support, VBCDC for the Homeless Management Information System), Volunteers of America (winter shelter program and day services), Seton House (shelter operations/support), and Virginia Supportive Housing (Cloverleaf operations support); and $59,000 for an Administrative Specialist position that coordinates the City's Continuum of Care funding and assists with the Department's homelessness programs.

- After growing steadily from FY 2010-11 to FY 2013-14, expenditures per capita (based on all funding sources) are expected to grow by $1.56 in FY 2014-15. A large portion of this increase is due to the growth of the Portability program within Section 8.



- The desired outcome of the Department's Affordable Housing program is to help individuals and families to achieve "Housing Stability". Housing stability is achieved when a family is provided with a dwelling unit that does not create a cost burden on the family for a full year. In FY 2013-14, Cedar Grove apartments, providing 32 units of permanent supportive housing, was opened by the Virginia Beach Community Development Corp. This project received both capital funding and the assignment of housing choice vouchers from the department. As a new construction project with an expected life of 30 years, this project will provide 960 years of housing stability for veterans who are disabled or previously homeless.



- Code Enforcement operations continue to be a valuable instrument for the preservation and enhancement of neighborhoods. Without the property maintenance and building improvements that are undertaken due to Code

Enforcement, our housing and neighborhoods would not be as well-maintained and attractive as they are. From 2003 to 2013, there have been five Citizen Satisfaction Survey's conducted to gauge resident's level of satisfaction with a number of services provided by the City. One of questions that survey participants are asked, is to rate their level of satisfaction with "The Overall Appearance of Your Neighborhood". This graph shows the percentage of residents reporting that they are satisfied with the overall appearance of their neighborhood. While it is recognized that neighborhood appearance is not completely attributable to the Code Enforcement Program, lower scores may be indicative that the City's Code Enforcement program is not meeting citizen's expectations.

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Code Enforcement	1,683,167	1,790,989	1,801,299	10,310
Homeless Initiative	25,105	0	0	0
Total Expenditures	1,708,272	1,790,989	1,801,299	10,310
Revenues				
Fees	164,232	85,800	155,800	70,000
Total Revenues	164,232	85,800	155,800	70,000
General City Support	1,544,040	1,705,189	1,645,499	(59,690)
147 Federal Section 8 Program Special Revenue Fund				
Expenditures				
Mainstream Vouchers	1,293,726	0	0	0
VASH Vouchers	400,361	521,588	783,000	261,412
Section 8 Operating	1,774,112	1,731,266	1,596,320	(134,946)
Cloverleaf SRO Vouchers	89,389	90,000	90,000	0
Portability Payments	1,558,764	800,000	2,074,500	1,274,500
Section 8 Vouchers - Housing Choice	14,783,437	15,552,540	15,641,405	88,865
Total Expenditures	19,899,788	18,695,394	20,185,225	1,489,831
Revenues				
Fees	1,636,096	877,600	2,214,374	1,336,774
Federal	17,063,813	17,448,950	17,731,193	282,243
Transfers	240,474	229,215	239,658	10,443
Fund Balance	0	139,629	0	(139,629)
Total Revenues	18,940,383	18,695,394	20,185,225	1,489,831
General City Support	959,406	0	0	0
180 Community Development Special Revenue Fund				
Expenditures				
Certificate of Compliance Program	710,051	709,547	639,798	(69,749)
Rehabilitation and Construction	521,954	446,967	449,668	2,701
Director's Office	764,471	808,810	707,932	(100,878)
Strategy, Policy and Resource Division	14	0	0	0
Transfer to Other Funds	128,858	128,858	128,858	0
Total Expenditures	2,125,348	2,094,182	1,926,256	(167,926)
Revenues				
Fees	51,399	70,000	0	(70,000)
Federal	1,529,884	1,291,730	1,290,671	(1,059)
Transfers	708,683	732,452	635,585	(96,867)
Total Revenues	2,289,966	2,094,182	1,926,256	(167,926)
General City Support	(164,618)	0	0	0

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
181 CD Loan and Grant Fund				
Expenditures				
Loan and Grants	729,534	699,104	839,091	139,987
Total Expenditures	729,534	699,104	839,091	139,987
Revenues				
Fees	142,459	100,000	125,000	25,000
Federal	401,921	484,175	469,967	(14,208)
Transfers	125,000	114,929	244,124	129,195
Total Revenues	669,380	699,104	839,091	139,987
General City Support	60,154	0	0	0
182 Federal Housing Assistance Grant Fund				
Expenditures				
Federal HOME Grants	1,337,547	900,639	912,891	12,252
Total Expenditures	1,337,547	900,639	912,891	12,252
Revenues				
Fees	97,582	70,000	70,000	0
Federal	1,720,776	830,639	842,891	12,252
Total Revenues	1,818,358	900,639	912,891	12,252
General City Support	(480,810)	0	0	0
183 Grants Consolidated Fund				
Expenditures				
Housing Grants	842,333	1,089,753	1,078,550	(11,203)
Housing Grants - ESG	123,122	190,313	149,914	(40,399)
COC Permanent Housing Bonus	44,420	76,859	63,129	(13,730)
Total Expenditures	1,009,875	1,356,925	1,291,593	(65,332)
Revenues				
Federal	1,003,938	1,356,508	1,291,593	(64,915)
Transfers	1,761	417	0	(417)
Total Revenues	1,005,699	1,356,925	1,291,593	(65,332)
General City Support	4,176	0	0	0
910 Parking Meters - Homeless Donation Fund				
Expenditures				
Parking Meter Donations	644	10,000	5,000	(5,000)
Total Expenditures	644	10,000	5,000	(5,000)
Revenues				
Fees	2,691	10,000	5,000	(5,000)
Total Revenues	2,691	10,000	5,000	(5,000)
General City Support	(2,047)	0	0	0
Total Department Expenditure	26,811,007	25,547,233	26,961,355	1,414,122
Total Department Revenue	24,890,707	23,842,044	25,315,856	1,473,812
Total General City Support	1,920,300	1,705,189	1,645,499	(59,690)

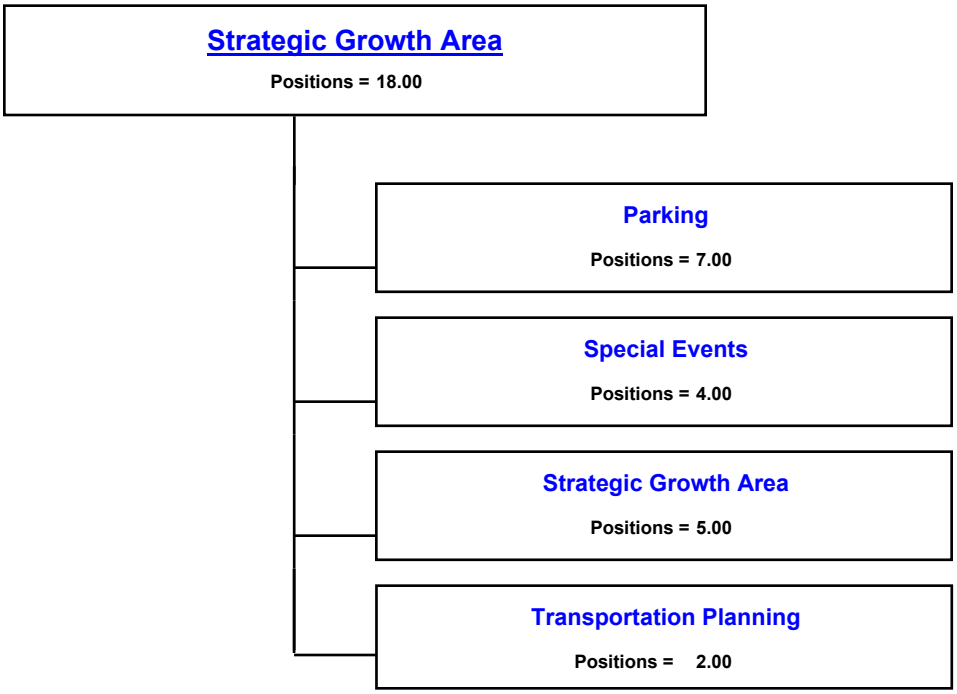
Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Position Summary by Program				
002 General Fund				
Code Enforcement	19.98	21.32	21.20	-0.12
Total	19.98	21.32	21.20	-0.12
147 Federal Section 8 Program Special Revenue Fund				
Section 8 Operating	20.32	19.21	19.01	-0.20
Total	20.32	19.21	19.01	-0.20
180 Community Development Special Revenue Fund				
Certificate of Compliance Program	9.02	8.48	8.02	-0.46
Rehabilitation and Construction	5.48	5.02	5.39	0.37
Director's Office	7.61	7.03	6.97	-0.06
Total	22.11	20.53	20.38	-0.15
182 Federal Housing Assistance Grant Fund				
Federal HOME Grants	1.03	1.12	0.97	-0.15
Total	1.03	1.12	0.97	-0.15
183 Grants Consolidated Fund				
Housing Grants	0.36	0.33	0.29	-0.04
Housing Grants - ESG	0.20	0.21	0.11	-0.10
COC Permanent Housing Bonus	0.00	0.28	0.04	-0.24
Total	0.56	0.82	0.44	-0.38
Total Position Summary	64.00	63.00	62.00	-1.00

Resource Summary Notes

Last year, HUD reviewed the Department's CDBG Code Enforcement Program and it was determined that the Rental Inspections Program conducted by the City is not a component of the CDBG Code Enforcement Program. Thus the collection of fees for this program should not be realized as CDBG Program Income, but rather a City Revenue. Therefore, the estimated $70,000 in revenues from the Rental Inspection Fees was moved to the General Fund Code Enforcement.

Due to the various types of Federal funding that the Department of Housing and Neighborhood Preservation receives, and the permitted uses of those dollars, full-time positions, in many cases, are split among two or more Funds to account for the portion of salary that is eligible through that funding source. For example, the Director's position is split between the 180 Fund (0.25 FTE) and the 147 Fund (0.75 FTE).


Strategic Growth Area
Positions = 18.00
Parking
Positions = 7.00
Special Events
Positions = 4.00
Strategic Growth Area
Positions = 5.00
Transportation Planning
Positions = 2.00

Strategic Growth Area

The mission of the Strategic Growth Area Office, in conjunction with the Resort Management Office, is to ensure that Virginia Beach is economically sustainable through planning, developing and managing key areas of the City for future growth.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Collect Special Events Permit and Late Fee Revenue (NEW)						
15 Day Processing Application Rate	%	100.0	0.0	0.0	100.0	100.0
Collection Rate	%	100.0	0.0	0.0	100.0	100.0
Submission by 5th Business Day Each Month	%	100.0	0.0	0.0	100.0	100.0
Enforce Violations for On-Street Parking Spaces						
Enforcement Hours	#	16,500.0	16,700.0	14,940.0	14,000.0	14,000.0
Parking Violations Issued	#	21,000.0	23,748.0	27,081.0	25,000.0	25,000.0
Violations Issued per Hours	#	1.1	1.4	1.8	1.8	1.8
Manage Off-Street Parking in Garages						
Parking Space Turnover Rate	#	0.7	0.6	0.6	0.7	0.7
Revenue per Day	$	3,500	4,003	4,228	4,200	4,200
Vehicles per Day	#	750.0	720.0	729.0	750.0	750.0
Manage Off-Street Parking on Surface Lots						
Parking Space Turnover Rate	#	1.1	0.9	0.7	0.8	0.8
Revenue per Day	$	7,200	7,270	8,079	8,000	8,065
Vehicles per Day	#	1,600.0	1,445.0	1,212.0	1,200.0	1,200.0

Strategic Growth Area

City Council Amendment

On May 13, 2014, City Council voted to reduce funding for mass transit by $181,913 to match HRT's (Hampton Roads Transit) request.

Major Changes

In total, the Strategic Growth Area's budget is $14,559,839. This represents an overall increase of $150,736, or 1% when compared to the FY 2013-14 amended budget. The increase is primarily the result of increased indirect costs, health insurance and mass transit operations costs in FY 2014-15.

Change	Impact

Mass Transit Operations	• The estimated net change between FY 2013-14 and FY 2014-15 is $525,099. This increase is primarily due to increased advanced capital contribution (ACC) funding (+50%), paratransit costs (+2.6%), HRT's proposed changes to existing service (-1.8%) and increased operating costs (+0.7%).
	• HRT's proposed changes to existing service in FY 2014-15 include the following:
	  • **Elimination of Route 28** due to low ridership. Route 28 which runs from New Town road to the Oceanfront averages 8 riders per trip. Since this route has minimal transfers and there is limited possibility to increase ridership, it is no longer cost effective. Elimination will reduce costs by $207,750.
	  • **New trial shuttle service to Museum of Contemporary Art** (route 32/Lynnhaven Mall) which is cost neutral.
	  • **Increased evening service** for routes 12 (Indian River), 29 (Great Neck/ Lynnhaven, 71,164) and 33 (General Booth Boulevard). Currently, routes 29 and 33 operate until 6:00 pm and route 12 operates until 7:00 p.m. This reinvestment of service hours will increase costs by $225,381.
	  • Additionally, HRT commission expense to continue the MAX Silverleaf Express (routes 918 and 919) were not included in the FY 2014-15 operating budget.
	  • The true-up amount represents the variance between the budgeted and actual costs within one fiscal year. The FY 2012-13 true-up variance indicated an additional $193,684 was due to Hampton Roads Transit (HRT). This amount is included in the FY 2014-15 budget and will be paid at the start of FY 2014-15.
	• HRT recently approved a fare policy adjustment phased in Fiscal Years 2014-15 and again in 2016-17. Adjustments to farebox revenue are being calculated and are not reflected in these amounts.

Resort Programs and Special Events	• Due to a slight decrease in TIP hotel related revenues, the Oceanfront Events budget was reduced by $60,278. • The Central Business District (CBD) is a tourism destination and is supported by two hotels and restaurants. $70,000 of the Oceanfront Events (600413) budget was allocated to the CBD event program. Historically, Town Center sponsored events have not been funded in Oceanfront Events (600413) account. Oceanfront Events (600413) budget is consistent with FY 2013-14 funding levels and FY 2014-15 TIP fund revenue estimates.
Parking Enterprise Fund	• The self-supporting Parking Enterprise Fund budget has decreased by $325,075. The change is primarily due to the reduction (-$500,000) of the transfer to Economic and Tourism CIP. In FY 2013-14, this transfer was increased from $300,000 to $800,000 to cover one-time parking meter technology purchases. In FY 2014-15, budgeted costs total $300,000.

Change	Impact
	• A comprehensive parking strategy including enforcement, infrastructure replacement and maintenance was implemented in FY 2013-14. The following rates are proposed to increase in FY 2014-15: • On-street parking meter rate fee will increase from $1.50 to $2.00 per hour with additional revenue totaling $340,000. This measure is being implemented to encourage off-street parking during peak tourism season, equalize on-street and off-street parking fees and address parking supply and demand issues. • Resident Discount rate fee (Residential Parking Permit program) will increase from $2.00 to $3.00 with additional revenue totaling $144,000. The department is requesting a fee increase to offset costs for new software to facilitate the residential parking permit application process. Currently, the Residential Parking Permit Program (RPPP) and residential discount rate programs are manually processed. • Parking Fine dedication to Parking Enterprise fund with additional revenue totaling $180,000. In 1993, prior to the establishment of the Parking Enterprise fund (PEF), an ordinance was passed designating all parking fines to the TGIF fund (now the TIP fund). Subsequently, when the PEF was established, the department was tasked with parking violation enforcement and incurred the entire cost of the enforcement effort to the Parking Enterprise Fund; however, the enforcement revenues remained allocated to the TGIF (now TIP) fund. On September 24, 2013, an increase in Residential Parking Permit Program (RPPP) fines (from $35 to $70 for violations paid within 14 days; and from $70 to $140 for violations paid after 14 days per § 21-358 of the City Code) was requested and approved. Due to seasonal timing, collection of the new fines at the increased rate has not begun. The additional revenue will be redirected to the Parking Enterprise fund to address increasing costs for the Parking Enforcement program. Additional staff and resources may be needed in future years, as parking demand grows. This measure would have neutral impact upon TIP fund parking fine revenue, show net increase in TIP fund penalties revenue and would ensure that the Parking Enterprise fund is more self-supporting. • Additionally, the approved ordinance on September 24, 2013, also increased parking violation fines for parking in metered spaces illegally from $12.00 to $20.00 for each hour or fraction thereof for violations paid within 14 days; and from $24.00 to $40.00 for each hour or fraction thereof for violations paid after 14 days per § 21-329 of the City Code. This additional revenue will also be redirected to the Parking Enterprise fund (PEF) to address increasing costs for the Parking Enforcement program. • Contracted manpower conversion costs for 1.0 new General Supervisor FTE for Parking Enforcement program was offset by additional revenue.

Departmental Overview

- **Strategic Growth Area -** In coordination with the city's comprehensive plan, develops transit-oriented plans, negotiates public-private partnerships, formulates SGA implementation strategies, and coordinates SGA implementation activities. Implementation involves redevelopment initiatives, increased densification, alternative transportation options, walkable communities, environmental sustainability, SGA zoning plan compliance, and increased economic development.

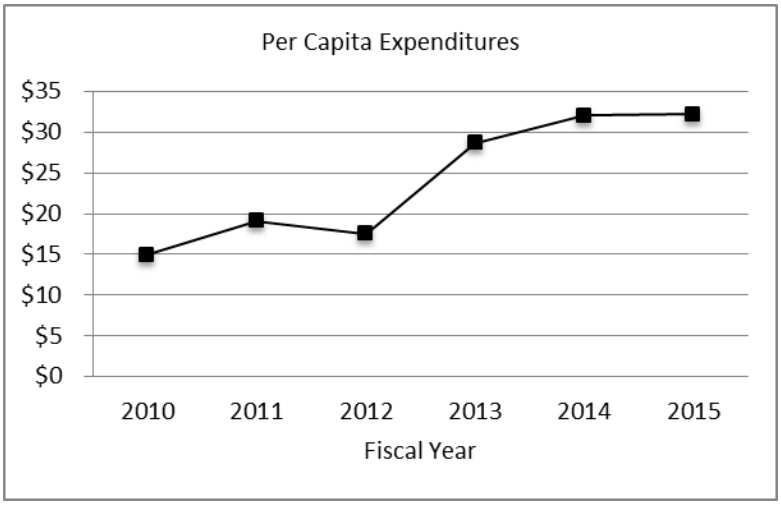
- **Resort Programs and Special Events -** Schedules and coordinates special events at the oceanfront and resort area and plans and programs the entertainment events. It serves as the primary liaison between the special events organizer and the appropriate city operating department(s). This office facilitates the development of resort business opportunities, supports the Resort Advisory Commission's (RAC) initiatives, and coordinates capital improvement projects in the resort area. In addition, this office interacts with citizen advisory groups, administers contracts, collects revenue, ensures city code compliance, and manages oceanfront franchise agreements (including Open Air Cafe's,

Boardwalk Vendors, Beach Equipment Rentals and Beach Photography) and film production. Interacts with many operating departments to facilitate service delivery related to special events and routine services performed in the resort area including Building Maintenance, Landscape Services, Beach Operations, Traffic Operations Civil Inspections, Code Enforcement, Zoning Office, and the Police department.

- **Parking Enterprise Fund -** Most of the City parking garages and lots require year round operations; moreover during the tourism season, parking demand escalates. Parking management has three main goals: 1) the provision of managed parking in municipal owned parking facilities and on-street parking spaces, 2) the enforcement of the Residential Parking Permit Program, and 3) shuttle bus and satellite parking operations for major holiday weekends and special events at the Oceanfront. Operationally, the department administers service contracts to provide managed parking at nine parking lots at the Oceanfront, Croatan, Sandbridge, and six parking garages (two at the Oceanfront and four at Town Center).

Trends and Issues

- As the per capita graph indicates, the Strategic Growth Area (SGA) department was created in FY 2009-10 through transfers of staff from other departments. The sharp increase between Fiscal Years 2011-12 and 2013-14 is mainly attributable to the transfer of Mass Transit Operations and Transportation Planning from Planning to SGA department.



- The Strategic Growth Area (SGA) department is currently in various stages of planning, developing and implementing the following areas of the city, identified as Strategic Growth Areas: Newtown, Burton Station, Centerville-Regent, Pembroke, Rosemont, Lynnhaven, and Hilltop and the Resort.

- The Strategic Growth Area (SGA) department supports City Council's economic vitality goals by implementing the Comprehensive Plan, encouraging workforce housing, fostering energy efficient sustainable developments, bolstering public understanding and creating multiple development area improvements; moreover SGA activities enhance adjacent areas and neighborhoods.

Strategic Growth Area - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Mass Transit Operations	4,472,679	5,246,269	5,589,455	343,186
Strategic Growth Area	554,846	600,145	600,910	765
Resort Programs and Special Events	376,973	376,510	377,156	646
Transportation Planning	0	177,623	187,202	9,579
Total Expenditures	5,404,498	6,400,547	6,754,723	354,176
Revenues				
Fees	69,972	365,759	365,759	0
Total Revenues	69,972	365,759	365,759	0
General City Support	5,334,526	6,034,788	6,388,964	354,176
152 Tourism Investment Program Fund				
Expenditures				
TIP - Mass Transit Operations	590,000	759,355	759,355	0
TIP Special Events	3,378,618	3,552,117	3,491,839	(60,278)
Total Expenditures	3,968,618	4,311,472	4,251,194	(60,278)
Revenues				
Local Taxes	3,844,105	3,889,472	2,794,774	(1,094,698)
Fees	1,296,603	422,000	1,456,420	1,034,420
Total Revenues	5,140,707	4,311,472	4,251,194	(60,278)
General City Support	(1,172,090)	0	0	0
253 Parking Enterprise Fund				
Expenditures				
Parking Enterprise Fund	1,499,616	1,792,619	1,811,626	19,007
Debt Service	695,407	692,863	695,363	2,500
Reserve for Contingencies	0	278,174	265,505	(12,669)
Transfer to Other Funds	433,428	933,428	599,515	(333,913)
Total Expenditures	2,628,451	3,697,084	3,372,009	(325,075)
Revenues				
Fees	3,082,030	3,697,084	3,372,009	(325,075)
Total Revenues	3,082,030	3,697,084	3,372,009	(325,075)
General City Support	(453,579)	0	0	0
Total Department Expenditure	12,001,567	14,409,103	14,377,926	(31,177)
Total Department Revenue	8,292,709	8,374,315	7,988,962	(385,353)
Total General City Support	3,708,857	6,034,788	6,388,964	354,176

Position Summary by Program				
002 General Fund				
Strategic Growth Area	5.00	5.00	5.00	0.00
Resort Programs and Special Events	5.00	4.00	4.00	0.00
Transportation Planning	2.00	2.00	2.00	0.00
Total	12.00	11.00	11.00	0.00

Strategic Growth Area - Departmental Resource Summary

		FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
253 Parking Enterprise Fund					
Parking Enterprise Fund		5.00	6.00	7.00	1.00
	Total	5.00	6.00	7.00	1.00
Total Position Summary		17.00	17.00	18.00	1.00

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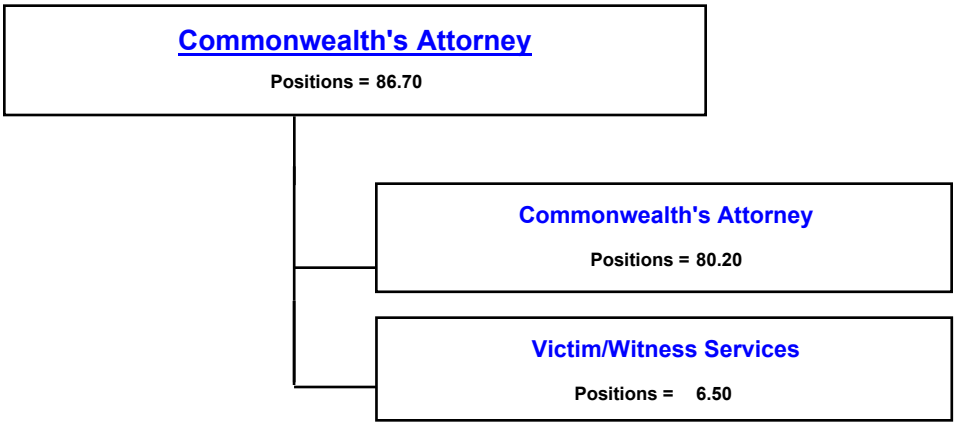

Commonwealth's Attorney
Positions = 86.70
Commonwealth's Attorney
Positions = 80.20
Victim/Witness Services
Positions = 6.50

Commonwealth's Attorney

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

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Conviction Rate - Domestic Violence						
Conviction Rate for Domestic Violence Defendants	%	89.0	89.0	88.0	88.0	88.0
Number of Domestic Violence Defendants Prosecuted	#	1,827.0	1,827.0	1,730.0	1,730.0	1,730.0
Percent of Opened Domestic Violence Cases Closed	%	79.0	79.0	84.0	84.0	84.0
Conviction Rate - Property Crime						
Conviction Rate for Property Crimes	%	94.0	94.0	90.0	90.0	90.0
Number of Property Crime Defendants Prosecuted	#	1,666.0	1,666.0	1,578.0	1,578.0	1,578.0
Percent of Opened Property Crime Cases that were Closed	%	74.0	74.0	88.0	88.0	88.0
Conviction Rate - Serious Narcotics Violations						
Conviction Rate for Serious Narcotics Violations	%	95.0	95.0	90.0	90.0	90.0
Number of Drug Defendants Prosecuted	#	635.0	635.0	588.0	588.0	588.0
Percent of Opened Drug Cases that Were Closed	%	50.0	50.0	87.0	87.0	87.0
Conviction Rate - Violent Felonies						
Conviction Rate for Violent Felony Defendants	%	94.0	94.0	91.0	91.0	91.0
Number of Violent Felony Defendants Prosecuted	#	636.0	636.0	641.0	641.0	641.0
Percent of Opened Violent Felony Cases Closed	%	62.0	62.0	66.0	66.0	66.0
Provide Information on the Prosecutorial Process						
Hours Spent on Responses to Victim and Witness Inquiries	#	8,986.0	8,986.0	8,946.0	8,946.0	8,946.0
Number of Responses to Victim and Witness Supported	#	17,827.0	17,827.0	18,892.0	18,892.0	18,892.0
Percent of Victim and Witness Inquiries within 3 days	%	100.0	100.0	100.0	100.0	100.0
Successful Prosecution of District Court Misdemeanors						
Conviction Rate of District Court Misdemeanors	%	95.0	95.0	87.0	87.0	87.0
Number of District Court Misdemeanors prosecutions	#	725.0	725.0	671.0	671.0	671.0
Open District Court Misdemeanor cases closed	%	79.0	79.0	88.0	88.0	88.0
Successful Prosecution of Misdemeanor Appeals						
Conviction Rate for Defendants Misdemeanor Appeals	%	74.0	74.0	73.0	73.0	73.0
Number of Misdemeanor Appeals Defendants Prosecuted	#	2,201.0	2,201.0	2,014.0	2,014.0	2,014.0
Percentage of open Misdemeanor Appeals cases closed	%	93.0	93.0	92.0	92.0	92.0
Support Felony and Domestic Violence Victims						
Number of Victims and Witnesses Supported	#	19,049.0	19,049.0	20,432.0	20,432.0	20,432.0
Staff Hours Spent on Support of Victims and Witnesses	#	17,972.0	17,972.0	17,893.0	17,893.0	17,893.0

Commonwealth's Attorney

Major Changes

In total, the Commonwealth's Attorney's FY 2014-15 operating budget is $8,704,627 and funds 86.70 FTEs. Overall, this is an increase of $334,813 or 4.0% and an increase of .45 FTE when compared to the FY 2013-14 budget. The .45 increase in FTEs is the result of converting an existing full-time position to 1.45 part-time FTEs. Eliminating the cost associated with full-time fringe benefits affords the department the opportunity to gain additional manpower through part-time staff at no additional cost.

Departmental Overview

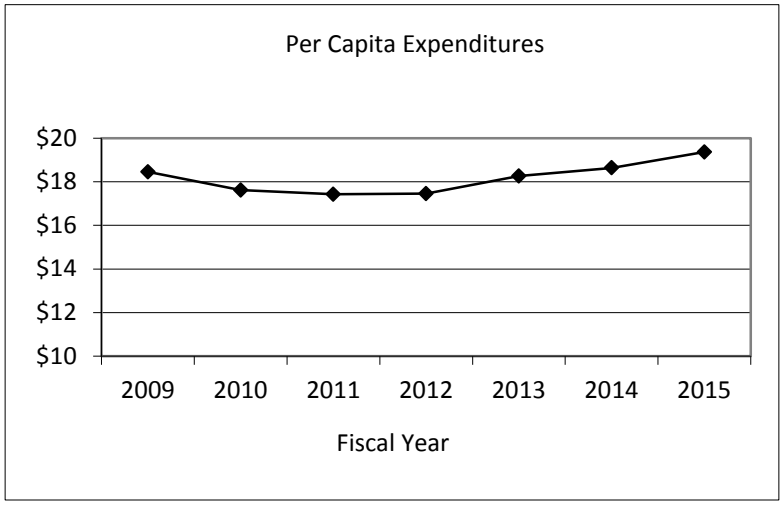
The Commonwealth's Attorney is an elected, constitutional, law enforcement official who is independent in his duties from both the city and the Commonwealth. The Commonwealth's Attorney's Office is funded by a combination of city funding, state funding and grants. The primary responsibilities of the Commonwealth's Attorney's Office are:

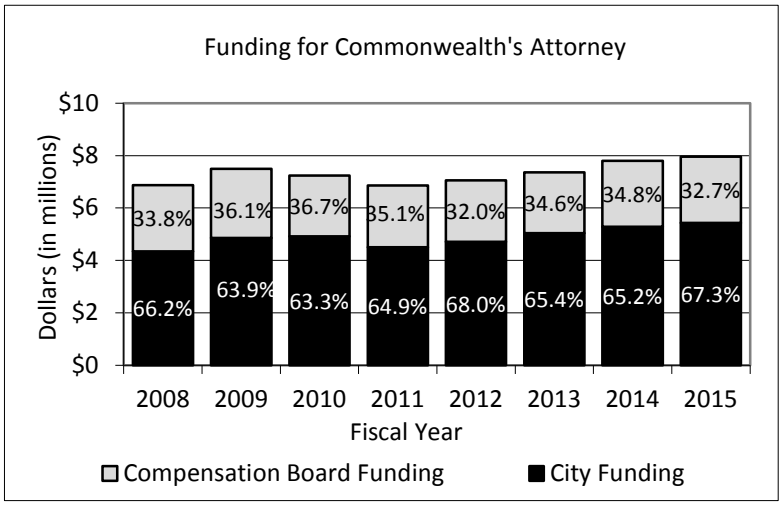
- To review all felony and selected misdemeanor cases and the prosecution of those cases where there is sufficient evidence.
- To provide legal training and advice to local officials, law enforcement, and other public safety agencies when requested.
- To prepare the Circuit Court criminal docket and handle preliminary hearings on felony cases in the General District Court and the Juvenile and Domestic Relations Court.

Trends and Issues

- The decline in expenditures between FY 2008-09 to FY 2009-10 is attributable to the elimination of the Consumer Affairs Program and an overall reduction of 6.15 FTEs. The increase between FY 2011-12 and FY 2012-13 is attributable to compensation increases afforded to the department during the fiscal year. The expenditure increase between FY 2012-13 and FY 2014-15 is largely due to increases in VRS and Health Insurance costs.

- The percentage of funding provided by the City to the Commonwealth's Attorney's Office general fund operating budget has steadily increased dating back to FY 2000-01. This increase is primarily a result of compensation increases provided by the city outpacing the growth in the Compensation Board reimbursement from the state. As shown in the funding graph, this trend has fluctuated over the past few years. The Compensation Board has provided annual salary increases closer to the increases provided by the city in recent years; however, this office continues to be funded by over 67% in local funding. In FY 2014-15, revenue from the State Compensation Board is estimated to increase by $92,624 to provide funding for a specialized salary adjustment of $3,308 to address low compensation board salaries for entry Attorney positions. Since the City has supplemented these positions for years, this increase in revenue will reduce the supplement.





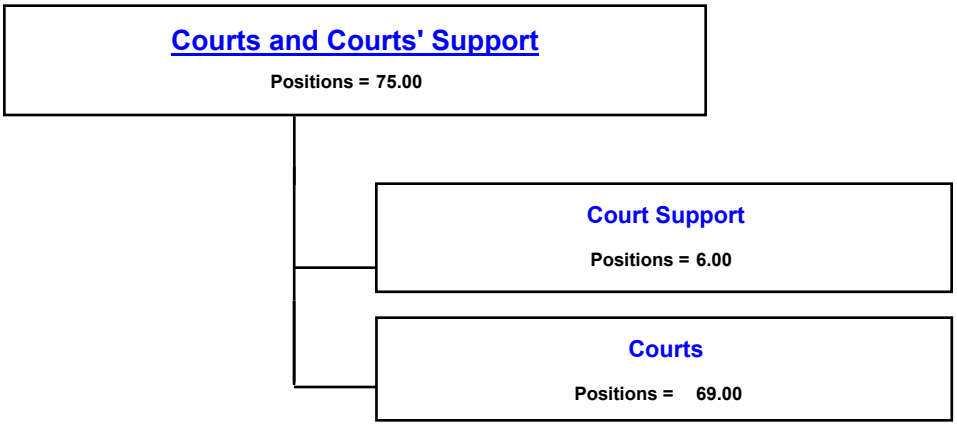
Commonwealth's Attorney - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Commonwealth's Attorney	7,361,326	7,801,178	7,990,185	189,007
Total Expenditures	7,361,326	7,801,178	7,990,185	189,007
Revenues				
State	2,322,388	2,518,979	2,611,603	92,624
Total Revenues	2,322,388	2,518,979	2,611,603	92,624
General City Support	5,038,938	5,282,199	5,378,582	96,383
140 Commonwealth Attorney's Fed & State Seized Assets SRF				
Expenditures				
DEA - Commonwealth's Attorney	106,965	200,000	400,000	200,000
Total Expenditures	106,965	200,000	400,000	200,000
Revenues				
Fees	23,483	0	0	0
State	122,894	0	0	0
Federal	29,700	0	0	0
Fund Balance	200,000	200,000	400,000	200,000
Total Revenues	376,077	200,000	400,000	200,000
General City Support	(269,112)	0	0	0
183 Grants Consolidated Fund				
Expenditures				
Commonwealth's Attorney - Grants	412,019	368,636	314,442	(54,194)
Total Expenditures	412,019	368,636	314,442	(54,194)
Revenues				
State	265,797	270,713	265,797	(4,916)
Federal	114,151	0	0	0
Transfers	67,883	97,923	48,645	(49,278)
Total Revenues	447,831	368,636	314,442	(54,194)
General City Support	(35,812)	0	0	0
Total Department Expenditure	7,880,311	8,369,814	8,704,627	334,813
Total Department Revenue	3,146,297	3,087,615	3,326,045	238,430
Total General City Support	4,734,014	5,282,199	5,378,582	96,383

Position Summary by Program				
002 General Fund				
Commonwealth's Attorney	78.75	79.75	80.20	0.45
Total	78.75	79.75	80.20	0.45
183 Grants Consolidated Fund				
Commonwealth's Attorney - Grants	6.50	6.50	6.50	0.00
Total	6.50	6.50	6.50	0.00
Total Position Summary	85.25	86.25	86.70	0.45

Resource Summary Notes

Beginning in FY 2014-15, the Commonwealth Attorney's Office's Federal and State Seized Assets revenue will reside and be appropriated to a newly established 140 Commonwealth Attorney's Federal and State Seized Assets Special Revenue Fund.


Courts and Courts' Support
Positions = 75.00
Court Support
Positions = 6.00
Courts
Positions = 69.00

Courts and Courts' Support

The mission of the court system is to provide an accessible and responsive forum for the resolution of disputes through the rule of law and quality service that ensures that all are treated with courtesy, dignity and respect.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
File Criminal and Civil Petitions						
Number of New Petitions Filed	#	12,426.0	11,665.0	12,269.0	12,400.0	12,400.0
Petitions Filed Per Intake Officer	#	2,000.0	2,333.0	2,433.0	2,066.0	2,066.0
Provide Diversion Services for Victims						
Number of Diversion Conferences	#	600.0	674.0	601.0	600.0	600.0
Shelter Care Cases	#	200.0	67.0	177.0	208.0	208.0
Customer						
Conduct Bail Hearings						
Bail Actions Processed	#	37,000.0	36,900.0	37,000.0	37,000.0	37,000.0
Process Real Estate Documents in a Timely Manner						
Customer Service Hours Per Week - Circuit Court Clerk	#	37.5	37.5	37.5	37.5	37.5
Deeds Recorded	#	100,000.0	98,478.0	103,241.0	100,000.0	100,000.0
Deeds Returned within Three (3) Days	%	100.0	100.0	100.0	100.0	100.0
Total Documents Recorded	#	148,000.0	147,730.0	150,226.0	148,000.0	148,000.0
Receive, Index and Docket all New Adult and Juvenile Cases						
New Cases Filed in Juvenile and Domestic Relations Court	#	31,500.0	29,600.0	31,400.0	31,500.0	31,500.0
Try Criminal, Traffic, and Civil Cases						
Cases Tried per Judge - Circuit Court	#	1,800.0	1,946.0	1,844.0	1,796.0	1,796.0
Cases Tried per Judge - General District Court	#	31,000.0	31,292.0	31,014.0	31,000.0	31,000.0
New Cases Commenced - Circuit Court	#	14,364.0	15,569.0	14,749.0	14,364.0	14,364.0
New Cases Filed in General District Court	#	186,875.0	187,726.0	186,085.0	186,875.0	186,875.0

Courts and Courts' Support

Major Changes

The proposed budget for Courts and Courts' Support for FY 2014-15 totals $6,484,797, a 4.2% increase from the previous fiscal year. This increase primary reflects additional funding for pre-dispositional services to address the growing demand for Shelter Care for juveniles associated with family violence cases. This overall level of funding should maintain services for all court and courts' support operations.

Departmental Overview

Most of the programs and services provided by Courts and Courts' Support are funded in large part by the state, but they also receive funding from the city. Shown here, with the exception of the Clerk of the Circuit Court, is only the city portion of their funding. Each court has a separate state budget. Due to this split in funding sources, many of the courts and their support functions are receiving budget reductions from both the city and the state. The services provided by the Courts and Courts' Support are:

- **Virginia Beach Circuit Court -** Is the trial court of record in the city. This court hears cases such as felonies and misdemeanors originating from grand jury indictments; appeals of felonies and misdemeanors committed by juveniles; cases involving juveniles 14 or older that have been certified to the Circuit Court by the Juvenile and Domestic Relations District Court; civil cases (exclusive for almost all claims exceeding $25,000 and concurrent jurisdiction with the General District Court for claims from $4,500 to $25,000); equity suits; adoptions; name changes; appeals from General District Court; appeals from Juvenile and Domestic Relations District Court; and writs of mandamus, prohibition, and certiorari involving proceedings arising from actions of the local governing body.

- **General District Court -** Hears cases such as traffic violations; civil cases (exclusive original jurisdiction for almost all claims not exceeding $4,500) and concurrent jurisdiction with the Circuit Court claims from $4,500 to $25,000; criminal misdemeanors; preliminary hearings for criminal felonies; bond hearings and arraignments. This court also conducts preliminary hearings in adult felony cases, all traffic infractions involving adults, and conducts mental commitment hearings.

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

- **Clerk of the Circuit Court -** Is the keeper of vital documents recorded in the locality, some of which are deeds, deeds of trust, plats, powers of attorney, Certificate of Release or Discharge from Active Duty (DD-214s), financing statements, judgments, notary applications, and business names. The Clerk's Office is charged with the custody, safekeeping, and proper indexing of these legal and quasi-legal papers. They are also responsible for issuing marriage licenses, hunting and fishing licenses, and the probating of wills and estates. The Clerk is assigned 800 duties mandated by the State Code of Virginia. The Clerk of Circuit Court also oversees 9 Judges, with dockets that consist of name changes, adoption, divorce, civil suits, complex criminal matters, and all of the appeals from the District Courts.

- **The Magistrate -** Conducts hearings as a neutral, independent judicial officer with federal, state, and local law enforcement officers and citizen complainants to determine if probable cause exists for criminal charges and issues arrest warrants or summonses as appropriate. By law, a defendant must be brought before a magistrate following a warrantless arrest or execution of a previously-issued arrest warrant. Following a warrantless arrest, the magistrate conducts a hearing to determine if probable cause exists for criminal charges. The magistrate also determines if the person will be held in custody or released on bail pending trial. The magistrate considers affidavits from law enforcement officers to determine if probable cause exists for issuance of a search warrant. A magistrate issues

emergency protective orders to protect the health and safety of victims in cases of family abuse or other acts of force, threat, or violence. A magistrate also issues emergency custody orders and temporary detention orders to provide for evaluation and hospitalization of persons suffering from mental illness who may pose a danger to self or others. A magistrate may also issue medical emergency custody orders and medical temporary detention orders to provide for emergency medical evaluation and treatment. A magistrate may take other actions as authorized by law, including accepting prepayments for traffic infractions and non-jailable misdemeanor offenses and issuing various civil warrants. A magistrate may conduct hearings in person or by video. The Virginia Beach Magistrate Office is open 24 hours per day, 7 days per week, including holidays.

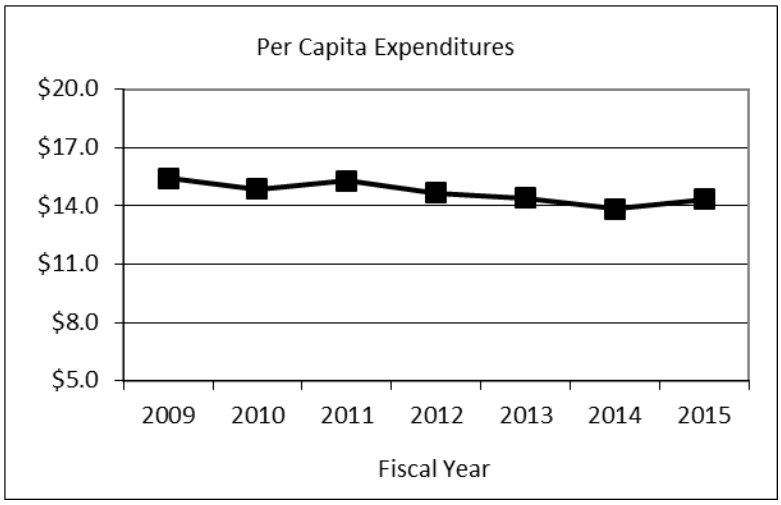
- **Court Services Unit (Juvenile Probation) -** Provides probation supervision to children placed on probation by the Juvenile Court and parole services to those youth who have been committed to the Department of Juvenile Justice. The Court Services Unit processes all petitions for the Juvenile Court and provides intake services to the Virginia Beach Police and the general public. Support services are provided to victims of spousal abuse. The unit prepares all social history background investigations for the Juvenile Court and refers juveniles who are brought before the court to community based systems for sanctions, programs, and services. Beginning in FY 2011-12, Juvenile Probation began a delinquency prevention initiative. Through developed partnerships with schools and other community agencies, Juvenile Probation has assigned staff members to various locations throughout the community. This gives Juvenile Probation Officers a more direct venue to assist troubled youth in the community.

Trends and Issues

- Since 2005, the number of concealed handgun permit applicants to the Circuit Court has increased by 315% (from 1,633 in 2005 to 6,784 in 2013), which has increased staff workloads.

- The Clerk of the Circuit Court will be implementing a new Case Management Government website which provides significantly more information to local attorneys and other government agencies than what was available on the previous public website. The website will contain actual case documents, which previously required an on-site visit to obtain. This site will improve efficiencies for many agencies such as the Jail, Department of Corrections, Community Corrections Program, Division of Motor Vehicles, Magistrates, Commonwealth's Attorney, and the Treasurer.

- As the graph shows, funding for the courts and their support functions declined from FY 2010-11 through FY 2013-14; however, the FY 2013-14 decline reflects the transferring of a payment to Human Services for the Pendleton Child Service Center, which will eliminate unnecessary accounting. The rise in FY 2014-15 is due to additional funding for pre-dispositional services.



- Pre-dispositional services in Juvenile Probation place juveniles in Shelter Care before their sentences are determined by a judge. These services account for the largest portion of the Court Services Unit and total $1,060,609 in FY 2014-15. Although juvenile complaints have been decreasing over the last several years, juvenile placements (some mandated by the Circuit Court), for Shelter Care have risen 27.5% this past year. The University of Cincinnati Corrections Institute (UCCI) completed an evaluation of the Court Service Unit's policies and practices. Their report indicated that staff are well trained, but recommended some changes to quality control procedures when interacting with various agencies such as Mental Health, Juvenile Detention Home, and the Tidewater Youth Services Commission.

- Court Benchmark Comparisons: The benchmark data (2012 represents the most recent year for which data was published) in the following table suggests Virginia Beach places roughly in the middle for Circuit and Juvenile Courts and near the top for General District of the benchmark localities selected (except for Norfolk, large suburban

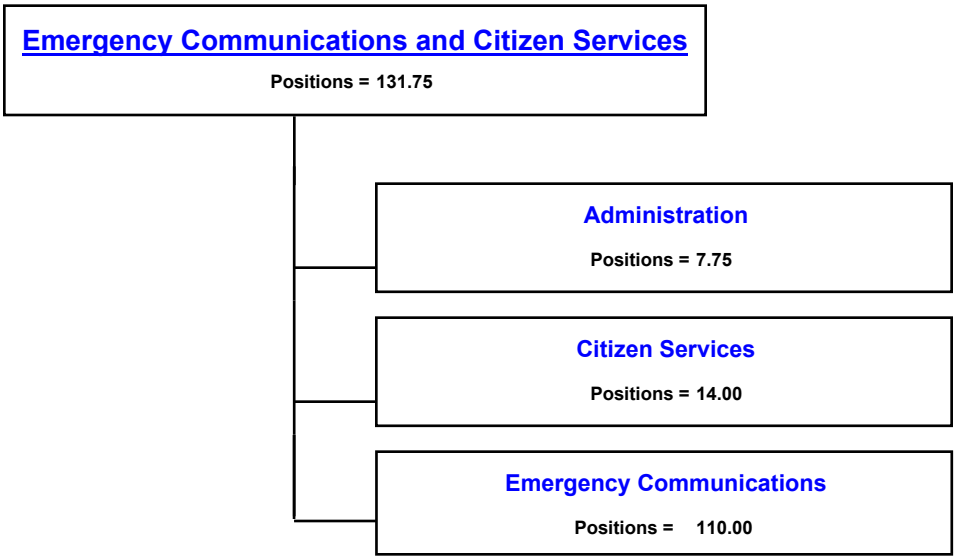
communities with similar socio-economic-demographics). A caveat is in order regarding these comparisons. All cases are not equal; some are more complex and time consuming than others, yet in this simple ranking of cases per judge, all cases are treated equally.

Cases Per Judge for Selected Courts (ranking is among 31 Courts in Virginia)			
	Circuit Court	General District	Juvenile & Domestic Relations Court
Virginia Beach	17	12	20
Chesapeake	18	16	1
Norfolk	22	20	13
Chesterfield	8	17	12
Henrico	19	3	21
Prince William	6	21	22
Source: 2012 Virginia State of the Judiciary Report; Virginia's Judicial System			

Courts and Courts' Support - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Circuit Court	1,000,917	1,097,351	1,089,739	(7,612)
General District Court	412,841	354,118	373,039	18,921
Juvenile and Domestic Relations District Court	137,973	134,689	131,995	(2,694)
Clerk of the Circuit Court	3,005,672	3,093,992	3,143,523	49,531
Magistrates	93,400	95,514	93,604	(1,910)
Juvenile Probation	1,239,614	1,152,468	1,376,880	224,412
Juvenile Probation CHINS Unit	241,286	296,836	276,017	(20,819)
Total Expenditures	6,131,704	6,224,968	6,484,797	259,829
Revenues				
Fees	341,240	121,811	127,611	5,800
State	1,816,567	1,891,459	1,891,459	0
Total Revenues	2,157,807	2,013,270	2,019,070	5,800
General City Support	3,973,897	4,211,698	4,465,727	254,029
183 Grants Consolidated Fund				
Expenditures				
Court - Grants	10,763	0	0	0
Juvenile Probation - Grants	102,251	0	0	0
Total Expenditures	113,013	0	0	0
Revenues				
Federal	87,197	0	0	0
Total Revenues	87,197	0	0	0
General City Support	25,816	0	0	0
Total Department Expenditure	6,244,718	6,224,968	6,484,797	259,829
Total Department Revenue	2,245,005	2,013,270	2,019,070	5,800
Total General City Support	3,999,713	4,211,698	4,465,727	254,029

Position Summary by Program				
002 General Fund				
Circuit Court	12.00	12.00	12.00	0.00
Clerk of the Circuit Court	57.00	57.00	57.00	0.00
Juvenile Probation	1.00	1.00	1.00	0.00
Juvenile Probation CHINS Unit	5.00	5.00	5.00	0.00
Total	75.00	75.00	75.00	0.00
Total Position Summary	75.00	75.00	75.00	0.00


Emergency Communications and Citizen Services
Positions = 131.75
Administration
Positions = 7.75
Citizen Services
Positions = 14.00
Emergency Communications
Positions = 110.00

Emergency Communications and Citizen Services

The mission of Emergency Communications and Citizen Services is to provide efficient, accurate, professional processing of emergency, non-emergency and information requests. This is achieved through commitment, teamwork, excellent customer service, and a willingness to serve in a respectful and professional manner.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Complete Service Requests for City Agencies						
3-1-1 Average Wait Time - In Seconds	#	20.0	13.0	20.0	20.0	20.0
Service Requests Handled for City Agencies	#	33,000.0	21,520.0	21,335.0	23,000.0	23,000.0
Increase the Use of Online Requests for Information						
3-1-1 Online Inquiries	#	30,000.0	25,814.0	30,390.0	30,000.0	30,000.0
Time Staff Available to Handle 3-1-1 Online Requests	%	97.0	98.0	98.0	97.0	97.0
Process Emergency Calls in a Timely Manner						
9-1-1 Average Wait Time - In Seconds	#	10.0	12.0	8.0	10.0	9.0
9-1-1 Calls Received	#	240,000.0	240,558.0	222,526.0	230,000.0	230,000.0
EMS Calls Received and Processed	#	42,000.0	39,666.0	37,651.0	40,000.0	40,000.0
Priority 1 EMS Calls Dispatched within 90 Seconds	%	90.0	91.3	91.3	93.0	93.0
Priority 1 EMS Calls Processed in Under 2 Minutes	%	90.0	83.2	81.5	83.0	83.0
Public Safety Calls Received, Entered and Dispatched	#	460,000.0	462,348.0	459,734.0	460,000.0	460,000.0
Total Incoming Calls to 9-1-1	#	539,000.0	503,762.0	510,717.0	515,000.0	515,000.0
Wireless 9-1-1 Hang Up calls processed	#	63,000.0	60,163.0	53,424.0	50,000.0	50,000.0
Process Requests in a Timely Manner						
Calls Handled without Transfer	%	65.0	63.0	64.7	65.0	65.0
Provide Accurate Location Information to Emergency Personnel						
Telephone QA- Address Verification	%	100.0	83.0	84.0	90.0	90.0
Internal Process						
Recruit, Hire and Retain 9-1-1 Operations Employees						
Public Safety Emergency Telecom I Hires Retained for 3 Years	%	70.0	33.3	14.3	35.0	35.0
Public Safety Emergency Telecom Retained through Probation	%	75.0	60.0	40.0	60.0	60.0

Emergency Communications and Citizen Services

Major Changes

In total, the Emergency Communications and Citizen Services (ECCS) department operating budget for FY 2014-15 is $10,325,988. Overall, the department's operating budget decreased $310,808 or -3% and an increase of 4 FTEs when compared to the FY 2013-14 operating budget.

The decline in ECCS's FY 2014-15 Operating Budget is largely attributable to the removal of $519,780. These funds were previously appropriated within the department's operating budget as the projected operating budget impact associated with the ANI/ALI database. Delays in this project have postponed the need for these funds and as a result they were removed from the department's operating budget. The new start date for the project is scheduled to be January 2015 and, as a result, only ½ of the projected operating budget impact cost will be necessary for FY 2014-15 ($259,890). Due to the history of delays with this project, these funds have been placed in a reserve and will only be moved into the department's operating budget once the project is implemented. A summary of the major departmental impacts are listed below:

Change	Impact
Addition of two Operation Supervisors	• These positions will supervise staff, systems, and processes at the floor level of the 9-1-1 Operations Center. These positions will strengthen services within the 9-1-1 call center by reducing the overtime demands burdening existing staff and possibly reducing turnover within the Department. These positions are funded to begin on January 1, 2015.
Addition of Senior Operations Supervisor	• Will provide direct oversight to a squad within the 9-1-1 Operations Center. This position will assume command of ECCS in the absence of the Director and other Division Managers. As a squad lead, this position will be responsibility for various administrative and operational functions within Operations. These positions are funded to begin on January 1, 2015.
Addition of Administrative Technician	• This position will provide Information Management support/liaison for ECCS. ECCS disseminates city information across the entire organization and to the public via multiple communications channels such as phone, online assistance, web, etc. The duties of this position are currently assigned to multiple staff (contractor/FTEs) as a secondary responsibility. This position is funded to begin on January 1, 2015.

Departmental Overview

A majority of ECCS revenue comes from general city support, although 17% of the department's revenue comes via the state from a portion of the telecommunications tax levied on every wireless telephone throughout the state. The department is comprised of six programs:

- **VB 9-1-1 Emergency Communications -** VB 9-1-1 receives and processes citizens' calls for emergency and public safety service requests for police, fire, and EMS. VB 9-1-1 is specifically intended for public safety emergencies (police, fire, EMS) where an immediate response is required from emergency personnel.

- **3-1-1 Citizen Services -** 3-1-1 processes general government information and services via multiple communication channels such as telephone, online assistance, email, walk-in's, print, radio dispatching, and emergency notifications. 3-1-1 assists various city agencies such as the Real Estate Assessor, Public Safety (Police, Fire & EMS), "after hour" Public Utilities, Public Works, Landscape Services and Telecommunications with their information/service requests.

- **Director's Office -** This program consists of the Director of ECCS and a part-time Public Safety Analyst. This program provides oversight, leadership, and executive level assistance for ECCS. This program also includes CALEA accreditation (continuous reaccreditation) which consists of the tri-annual renewal and mandatory training conferences.

- **Administration -** This program supports the day-to-day business affairs for ECCS. This includes payroll, accounts payable/receivable, human resources and departmental inventory.

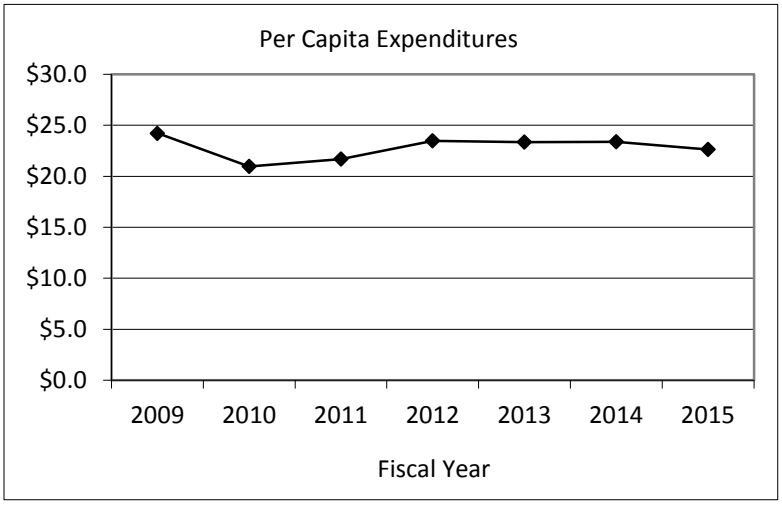
- **Training -** This program includes training and policy development for all ECCS employees, learning and development tracking, professional development, conferences, and the travel connected with training.

- **Technology and Support -** This program consists of the systems, applications, and services used to ensure the most efficient and effective delivery of services for ECCS. This program includes the support, maintenance of business applications, and reoccurring costs associated with the systems and services to ensure they continue optimal operation.

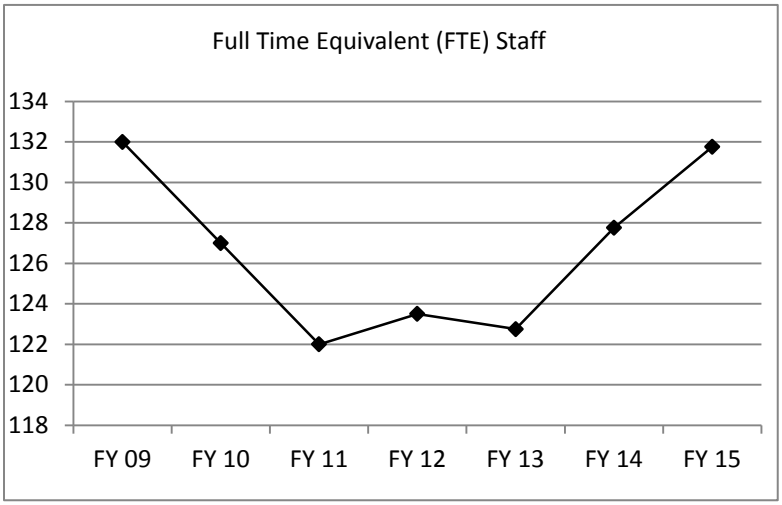
Trends and Issues

- After decreasing from FY 2008-09 to FY 2009-10, budgeted expenditures per capita have increased each year primarily as a result of operational impacts associated with CIP projects. Reductions made as a result of state revenue loss, in FY 2012-13, were offset by increased cost associated with health insurance, life insurance, and Virginia Retirement System (VRS). Expenditures have remained relatively flat despite the addition of FTEs. As previously mentioned, the decline in ECCS's FY 2014-15 Operating Budget is largely attributable to the removal of $519,780. If the project is completed in January 2015 and the operating budget impact reserve is released into their operating budget, the operating budget impact cost will need to be annualized the following year in FY 2015-16.

- ECCS relies heavily on technology and systems to operate their 3-1-1 and 9-1-1 call centers. Over the past several years, the costs for new or upgraded technology and systems have increased more dramatically than other operating expenditures. For this reason, many of these increased costs, coupled with the reduced revenue city wide, have impacted staffing for this department. In FY 2010-11, the City's 3-1-1 call center had its hours of operation reduced from 24/7 to 16.5 hours per day. Maintaining the integrity and enhancing emergency operations is the department's top objective for keeping the community safe. The need to enhance 9-1-1 emergency call center with the Automatic Location Identification (ALI) database remains a top priority for the department.



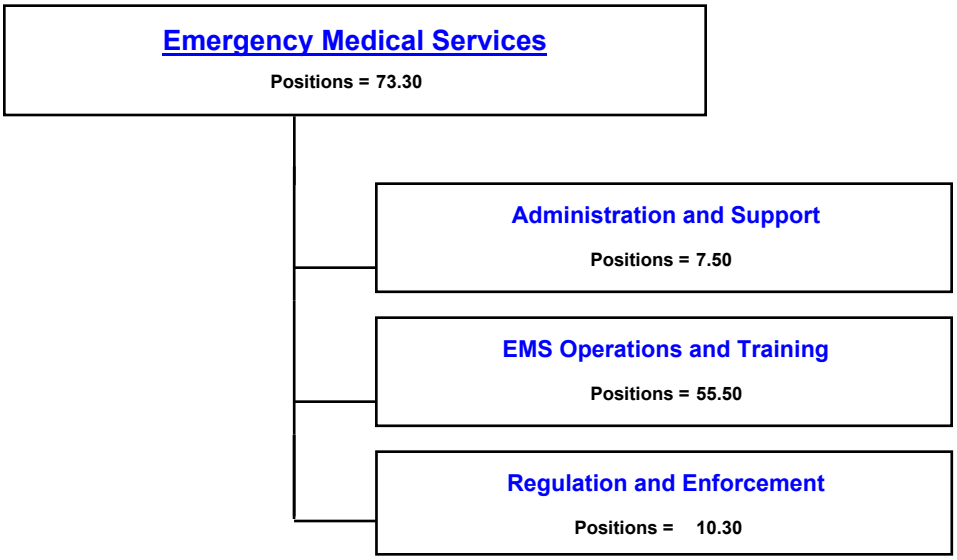
- Between FY 2008-09 and FY 2010-11, the department of ECCS continually lost staff as a result of budget reductions. This trend briefly changed when in midyear FY 2010-11 ECCS received additional state wireless revenue and increased their overall position count by three; however, as a result of declining local revenue sources and budget cuts, the department lost 1.5 positions with the adoption of the FY 2011-12 budget. This resulted in a net increase of 1.5 FTEs between FY 2010-11 and FY 2011-12. In FY 2012-13, ECCS lost a net of .75 FTEs. In FY 2013-14, ECCS received an additional five positions and in FY 2014-15 the department is gaining an additional four FTEs. The addition of these four FTEs will nearly restore the entire department positions lost during the recession.



Emergency Communications and Citizen Services - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	186,161	226,206	235,941	9,735
Administration	264,682	368,697	380,255	11,558
Training	45,091	46,896	48,868	1,972
Emergency Communications	7,130,920	8,148,572	8,258,629	110,057
Citizen Services	792,961	800,702	880,324	79,622
Technology and Support	165,959	1,045,723	521,971	(523,752)
Total Expenditures	8,585,774	10,636,796	10,325,988	(310,808)
Revenues				
Fees	22	0	0	0
State	1,895,492	1,716,354	1,716,354	0
Transfers	141,396	141,396	141,396	0
Total Revenues	2,036,910	1,857,750	1,857,750	0
General City Support	6,548,864	8,779,046	8,468,238	(310,808)
Total Department Expenditure	8,585,774	10,636,796	10,325,988	(310,808)
Total Department Revenue	2,036,910	1,857,750	1,857,750	0
Total General City Support	6,548,864	8,779,046	8,468,238	(310,808)

Position Summary by Program				
002 General Fund				
Director's Office	1.75	1.75	1.75	0.00
Administration	4.00	4.00	4.00	0.00
Emergency Communications	102.00	107.00	110.00	3.00
Citizen Services	14.00	14.00	14.00	0.00
Technology and Support	1.00	1.00	2.00	1.00
Total	122.75	127.75	131.75	4.00
Total Position Summary	122.75	127.75	131.75	4.00


Emergency Medical Services
Positions = 73.30
Administration and Support
Positions = 7.50
EMS Operations and Training
Positions = 55.50
Regulation and Enforcement
Positions = 10.30

Emergency Medical Services

The mission of the Department of Emergency Medical Services (EMS) is to deliver valued services to the community that preserve life, improve health, and promote the safety of citizens and visitors, who live, learn, work and play in our community while maintaining a sustainable systems approach that is focused on dynamic resource utilization to enhance the overall quality of life in Virginia Beach.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Emergency Med Svcs - Increase Probability that Patients' Conditions are Stabilized or Improved						
1st Medical Help on Scene 6 Min. or Less for Priority 1 Calls	%	90.0	55.0	59.0	60.0	60.0
Advanced Life Support (ALS) Transports	#	12,893.0	11,294.0	12,846.0	12,893.0	12,893.0
Ambulance Calls for Service	#	40,292.0	39,666.0	39,502.0	40,292.0	40,292.0
Ambulance on Scene of ALS Calls within 12 Minutes of Dispatch	%	90.0	84.0	88.0	88.0	88.0
Basic Life Support (BLS) Transports	#	17,728.0	17,427.0	17,736.0	17,728.0	17,728.0
Patients' Conditions Stabilized or Improved while in Care of EMS	%	95.0	97.0	98.0	97.5	97.5
Sudden Cardiac Arrest Survival Rate	%	50.0	47.0	36.0	25.0	25.0
Functional & Structural Capacity of Department is Sufficient to Meet Demand for EMS Services						
ALS/BLS Continuing Education Students Taught	#	1,250.0	1,205.0	1,891.0	1,250.0	1,250.0
Ambulance Staffing for Unit Hour Utilization to be Under .40	%	100.0	85.0	100.0	100.0	100.0
Ambulance Staffing Provided by Volunteers	%	90.0	95.0	96.0	90.0	90.0
Applicants Registered for Orientation	#	1,756.0	1,597.0	1,617.0	1,650.0	1,650.0
New Volunteer Personnel Trained and Credentialed	#	348.0	317.0	354.0	348.0	348.0
Percentage of Time that 11 Ambulances are Staffed	%	95.0	95.0	95.0	95.0	95.0
Percentage of Time that 9 Ambulances Staffed	%	100.0	100.0	100.0	100.0	100.0
Total Certified Ambulance Volunteers	#	713.0	548.0	563.0	565.0	565.0
Total Department of EMS Members (all types)	#	1,306.3	1,063.3	1,156.3	1,162.3	1,162.3
Total Support, Special Team and Trainee Volunteers	#	600.0	450.0	528.0	528.0	528.0
Two Advanced Medical Officer Supervisors on Duty	%	100.0	50.0	50.0	50.0	50.0
Repeat Calls (patient/type) are Reduced & Sudden Cardiac Arrest Survival is Increased						
Advanced Cardiac & Advanced Pediatric Students Taught	#	220.0	182.0	191.0	200.0	200.0
Initial CPR Students Taught	#	700.0	725.0	531.0	700.0	700.0
Patients Requesting EMS Response More Than One Time Per Year	%	10.0	27.0	20.0	20.0	20.0
Re-certification CPR Students Taught	#	1,450.0	1,629.0	905.0	1,000.0	1,000.0
Special Ops - Provide Adequate Coverage to Special Events, Specialized Rescues & Specialty Teams						
Helicopter Ambulance Calls Answered	#	10.0	10.0	3.0	6.0	6.0
Properly Staffed Lifeguard Stands at Sandbridge for Summer	%	100.0	100.0	100.0	100.0	100.0
Requests for Response of Marine Rescue Team	#	188.0	184.0	198.0	188.0	188.0
Requests for Response of EMS SWAT Team	#	40.0	36.0	43.0	40.0	40.0
Requests for Response of Search & Rescue Team	#	10.0	8.0	4.0	8.0	8.0

Emergency Medical Services

City Council Amendment

On May 13, 2014, City Council voted to increase funding by $161,791 for four EMS supervisors, effective January 1, 2015.

Major Changes

The Department of Emergency Medical Services (EMS) FY 2014-15 operating budget totals $9,431,203 including the State Four for Life annual allocation estimated at the FY 2013-14 amount of $375,000. Overall, EMS' budget increased by 3.7% or $340,762 due to an increase in personnel costs ($58,219) and an increase in operating costs ($237,543). Operating cost increases were mainly due to the net impacts of increases in city garage charges, fuel costs, risk management charges, and the resort lifeguard contract's 2% escalation. To maintain its emergency response capability, retain full career staffing, support costs for operations, and the Volunteer Rescue Squads, costs were reallocated, where possible, due to personnel turnover or realignment of certain accounts based on past spending levels.

Change	Impact
Funding to add Lucas chest compression/CPR devices and/or power lift stretchers	• This funding change increased EMS' budget by $45,000 for capital items, which include Lucas chest compression/CPR devices and/or the power lift stretcher. This device provides higher quality and uninterrupted chest compressions to cardiac patients than EMS providers, who must stand in the ambulance during transport to provide CPR. The Lucas chest compression devices will be deployed on EMS Supervisor and Senior Paramedic staffed vehicles for use in all cardiac arrest incidents. EMS has one unit in use now and was awarded an RSAF grant in FY 2013-14 to purchase three units totaling four for the department. The goal is to have 10 of these devices (unit cost with accessories is $15,000). • In the years from 2002 to 2011 Volunteer, Career Medics, and Fire Medics reported 112 injuries due to lifting the manual stretchers. In an effort to improve patient Standard of Care, reduce costs, injuries, and long term back problems, Virginia Beach Emergency Medical Services' Equipment Committee has recommended that all manual lift stretchers be replaced with power lift stretchers. The ten rescue squads have 34 ambulances. In FY 2011-12, 4 power stretchers were purchased, and an additional 4 were acquired in FY 2012-13 via a State Rescue Squad Assistance Fund Grant leaving 26 manual stretchers to be replaced. Given funding limitations, the short-term goal is to have at least 2 power stretchers per Rescue Squad or 20 in total by FY 2015-16 (unit cost with accessories is $14,000). • Ideally, the $45,000 budgeted for this equipment could be used as grant matches to leverage twice the amount of equipment if State Rescue Squad Assistance Grants are available and awarded to EMS.

Departmental Overview

The department's expenditures are comprised mainly of personnel costs for 69.3 FTEs (59% totaling $5.6 million), including the 40 field personnel ($3.5 million). About 15% of EMS' operating budget supports the resort lifeguard contract ($1.45 million) while 2.4% of the budget supports EMS Lifeguard Services provided at Sandbridge Beach ($224,421). Only 23% ($2.1 million) of EMS' budget is for operating support costs for the volunteer rescue squads and career medics, such as training, fuel, vehicle radios and other equipment maintenance and repair, utilities for Volunteer Rescue Squad owned stations, risk management costs, etc.

The core services of the Emergency Medical Services department fall into five areas:

- **Administration -** Provides for leadership, direction and support through the provision of manpower (retention and recruitment, human resources), development of policies, management of departmental budgets and finances,

performance of liaison activities with related state, local and federal agencies; processing of public inquiries, provision of logistics support, gathering and analysis of data and research, and development of programs.

- **Operations and Emergency Response -** Provides quality emergency medical services in order to increase the probability of stabilizing or improving patients' conditions. This includes rapid response to and proper provision of basic and advanced patient care pre-hospital and inter-facility care services, as well as specialized services to the general public to reduce patient morbidity and mortality. This involves oversight of ten independent Volunteer Rescue Squads comprised of 565 highly trained and certified volunteer medics distributed throughout the 18 EMS stations, and 30 field career paramedics that augment volunteers to ensure staffing of a minimum of 8 ambulances daily with the goal of 1 ambulance per 3,000 calls for service (totaling 13 ambulances). The EMS Operating Budget provides funding for career medics to ensure that a minimum of 8 ambulances are staffed; however volunteer staffing permits on average 12 ambulances to be in service. Field crews are supervised over four shifts by 4 first-line field supervisors (Captains) at one per shift, while resource deployment is managed by the 4 second-tier field supervisors (Brigade Officers) at one per shift. In addition, provides specialized rescue teams comprised 100% of volunteers (marine rescue, bike medics, SWAT tactical medical and rescue, squad truck technical rescue, and air medical unit), anti-terrorism incident response, mass casualty operations, and disaster preparedness and response.

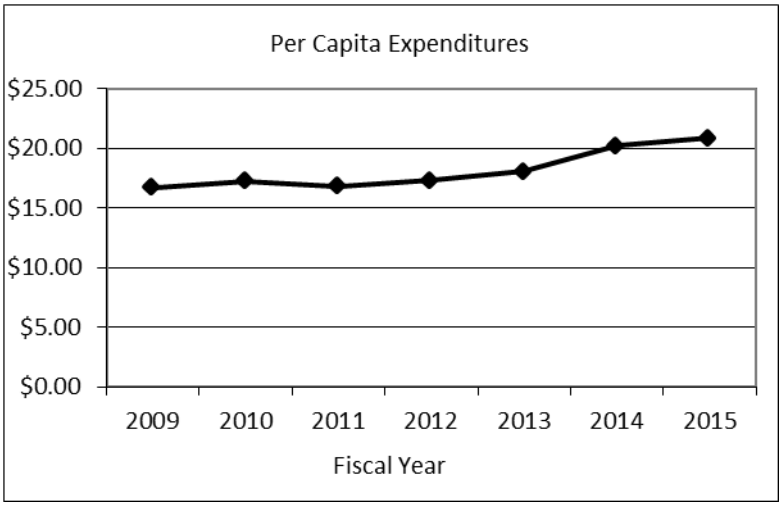
- **Regulation and Enforcement -** Provides the oversight of medical control to ensure medical protocols are followed; conducts quality assurance assessments; inspects commercial EMS ambulance agencies operating in the city; and provides oversight for infection control as well as mandates promulgated by the federal and state governments.

- **Training -** Provides basic life support, advanced life support and specialized training for EMS volunteers, career medics and specialty team members, Fire, Police, emergency dispatchers, and hospital personnel. Keeps personnel certified, in compliance with state requirements, to work on ambulances and perform medical duties.

- **EMS Lifeguard Services -** Provides in-house lifeguard services to Sandbridge Beach, from Memorial Day weekend to Labor Day weekend 9:30 a.m. to 6:00 p.m. This service will consist of 14 lifeguard stands (8 at Little Island, 3 south of Little Island, and 3 at the Market area) staffed with part-time lifeguards and lifeguard supervisors. Staffing and placement of these stands may vary to address weather, volume of visitors on the beach and condition of the surf. The goal is to have 11 staffed stands on weekdays and 14 staffed stands on weekends and holidays during the Summer-season. Also, manages the lifeguard contract serving the resort area beaches from 2nd Street to 42nd Street including 57th Street, from the middle of May until the end of September.

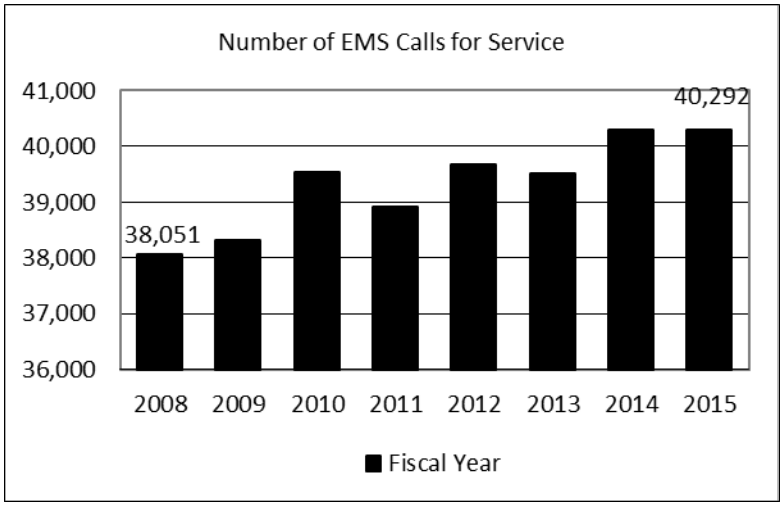
Trends and Issues

- The department's per capita expenditures are increasing 3.1% or by about $0.63 per capita from $20.22 per capita in FY 2013-14 to $20.85 per capita in FY 2014-15 due increasing costs for personnel, the resort lifeguard contract, city garage, fuel and risk management previously mentioned. A key driver in keeping costs extremely low despite increasing calls for services is the extensive use of 565 certified volunteers that staff 90% of the ambulances, as well as 528 certified volunteers that assist in other areas of the department, such as administrative support, Marine Rescue, Search and Rescue teams, etc. According to the Virginia Auditor of Public Accounts, the per capita expenditures in other Hampton Roads localities for fire and rescue services in FY 2012-13 were significantly higher than Virginia Beach: Chesapeake $199.63, Hampton $218.23, Newport News $191.96, Norfolk $182.49, Portsmouth $274.95, Suffolk $260.93, Virginia Beach $124.40. These differences could be due in part to the differences in programs and services,

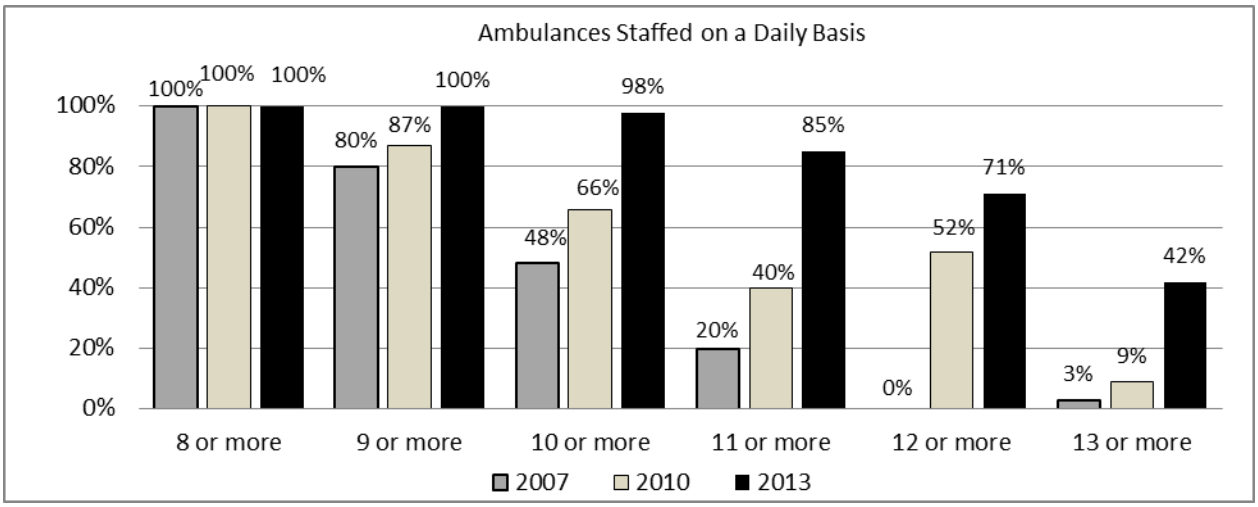


staffing levels and compensation, use of the ten Volunteer Rescue Squads volunteers in Virginia Beach's Department of Emergency Medical Services, and population size.

- The primary driver of EMS Department expenditures is the increase in demand for services. The graph shows calls for service are anticipated to remain at the same level from FY 2013-14 to FY 2014-15 at 40,292. In reality, call demand is anticipated to increase; however EMS continues its efforts to transfer non-emergency transports to private ambulance agencies by increased screening by the EMS Shift Commander so the actual response numbers may remain the same. This is another way to reduce costly needed responses. The average annual increase in the number of calls for service from FY 2007-08 through FY 2012-13 is 0.8%, with a difference in call volume from FY 2007-08 to FY 2012-13 of 3.8% or over 1,451 calls. By FY 2014-15, 30,621 or 76% of the total calls for service are anticipated to involve treatment and transport of patients to one of the area's hospitals. The percentage of calls involving transport has grown about 3.8% annually from 66.8% in FY 2007-08 to 77.4% by FY 2012-13 with 5,158 more transports occurring in FY 2012-13 than in FY 2007-08. As the city's population ages, the nature of these calls and treatment required will increase in complexity, which will increase the need for additional staffed ambulances.



- Attracting additional volunteers to join the rescue squads continues to be a priority for EMS. For FY 2014-15, EMS anticipates 1,650 applicants to be registered for the department's orientation program. With the continued recruitment campaign sponsored by the Virginia Beach Rescue Squad Foundation, EMS attracted 363 new volunteers to the city's emergency response system to address the increase in calls for service. The result of the recruitment campaigns has been increased numbers of ambulances staffed on a daily basis since 2007, as are shown in the graph, with the goal of reaching 1 ambulance per 3,000 calls or 13 ambulances. For FY 2012-13 Virginia Beach had more staffed ambulances when compared with other cities in the region: Virginia Beach 12, Norfolk 11, Chesapeake 10, Newport News 9, York County 6, Hampton and Portsmouth each at 5. While recruitment and retention efforts have led to growth of the volunteer system in the past with an increase of 0.8 ambulances staffed over the last 2 years, the number of new volunteers is projected to plateau as the economy continues to improve and people are not looking for vocational training that is provided by the EMT certification training. To fully staff an ambulance with volunteers over the 2 daily 12-hour duty shifts requires at least 48 volunteers that are available 24 hours a day 7 days per week. Historically, it takes on average one year to recruit and certify a volunteer to staff an ambulance with volunteers remaining in active service for a 3-year period and having a turnover rate of 40%-to-45%.



- In support of Envision 2040 and Council's Strategic Plan:
  - EMS continues to provide specialized rescue services throughout the City in order to provide citizens opportunities to live healthy lives. EMS provides Marine Rescue and Lifeguard assets in support of Council's strategy to provide memorable recreational opportunities.
  - EMS strives to maintain relationships among public safety, health services and community partners and provides educational opportunities to community members and health care providers. EMS continually (and collaboratively) works to assess needs, prioritize, plan and integrate programs citywide and regionally, and shares services, resources and information systems to enhance health and public safety.

- EMS' operations support the Envision 2040 Plan as well as the Community Plan for a Sustainable Future, specifically on the following goals and objectives:
  - Goal 1 "We will have a strong sense of community spirit and involvement", and Objective 1.3 "Continue to build volunteer opportunities that are a way of life for our citizens".
  - Goal 2 "All of our residents will have the opportunity to live healthy lives and meet their basic needs to survive and thrive", and Objective 2.1 "Continue to promote high-quality healthcare and to provide high-quality emergency services for all citizens".

Examples of EMS' alignment with these Plans include:

- Volunteerism is a core foundation of the Department of EMS, and the Volunteer Rescue Squads have long provided the "strong sense of community spirit and involvement." EMS will continue to engage volunteers in vital services and build a community-based rescue squad system that will provide volunteer opportunities far into the future.
- The department continues to develop an emergency shelter system capable of serving 300 patients for 3 days.
- EMS worked with Sentara Healthcare to develop and implement an Electronic Medical Records System that was implemented in the field on June 14, 2010. This system provides patient care information quickly from the field to hospital staff, who can then prepare more effectively for the arrival of patients. This project has accelerated the entry of patient information in the field to improve ambulance call availability, as well as permits EMS to link with the hospital systems and retrieve the hospital record to gain valuable outcome-based information, which will allow EMS to determine the effectiveness of their patient care protocols and identify areas for improvement.
- In 2012 EMS worked with Sentara Healthcare officials and state officials to address a gap in the continuum of care for mental health patients. This effort added 24 psychiatric beds in 2013 at Virginia Beach General Hospital in space vacated by the obstetrics and gynecology section that was transferred to Sentara Princess Anne Hospital.

Emergency Medical Services - Departmental Resource Summary

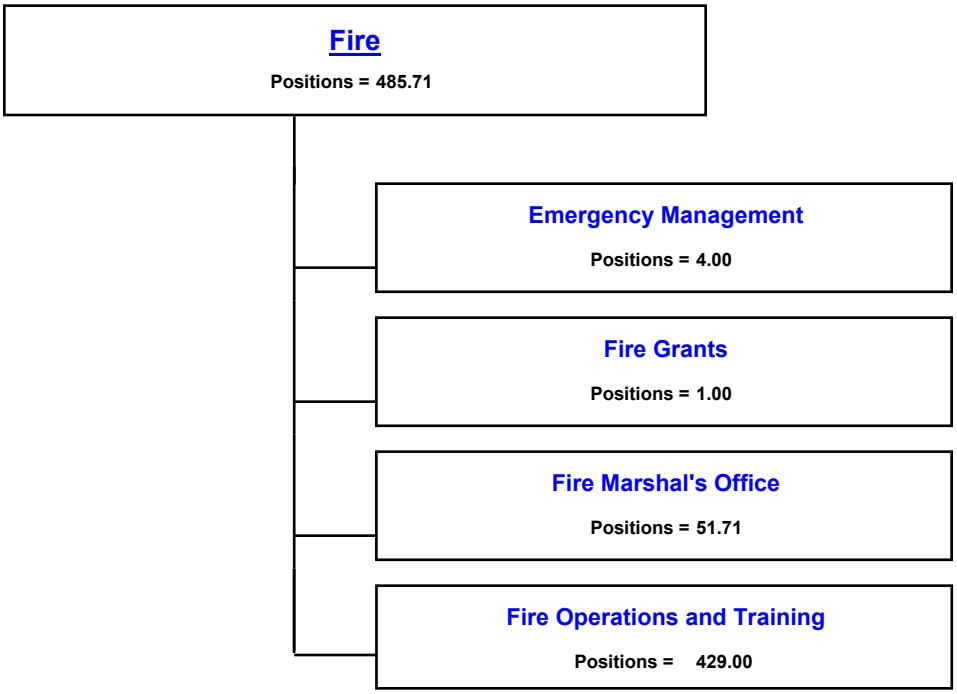
	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Administration	566,833	680,323	656,215	(24,108)
Operations	2,029,041	2,319,876	2,502,736	182,860
Emergency Response System	2,998,895	3,414,881	3,665,024	250,143
Training	533,083	489,833	500,604	10,771
Regulation and Enforcement	178,004	172,760	217,636	44,876
EMS Lifeguard Services	1,586,056	1,637,768	1,675,779	38,011
Medical Shelters	11,089	0	0	0
Total Expenditures	7,903,002	8,715,441	9,217,994	502,553
Revenues				
Fees	34,362	11,250	12,233	983
Total Revenues	34,362	11,250	12,233	983
General City Support	7,868,640	8,704,191	9,205,761	501,570
183 Grants Consolidated Fund				
Expenditures				
State Four-for-Life Grants	598,569	375,000	375,000	0
Total Expenditures	598,569	375,000	375,000	0
Revenues				
State	505,011	375,000	375,000	0
Total Revenues	505,011	375,000	375,000	0
General City Support	93,558	0	0	0
Total Department Expenditure	8,501,571	9,090,441	9,592,994	502,553
Total Department Revenue	539,374	386,250	387,233	983
Total General City Support	7,962,197	8,704,191	9,205,761	501,570

Position Summary by Program				
002 General Fund				
Administration	6.50	8.50	7.50	-1.00
Operations	6.00	6.00	6.00	0.00
Emergency Response System	37.00	39.00	43.00	4.00
Training	6.50	6.50	6.50	0.00
Regulation and Enforcement	2.00	2.00	3.00	1.00
EMS Lifeguard Services	7.30	7.30	7.30	0.00
Total	65.30	69.30	73.30	4.00
Total Position Summary	65.30	69.30	73.30	4.00

Resource Summary Notes

As previously mentioned, cost increases are mainly due to the net impact of City Garage and fuel costs, risk management costs, resort lifeguard contract escalation, and compensation increases.

City of Virginia Beach
Fiscal Year 2015 Department Organizational Chart



Fire

The mission of the Virginia Beach Fire Department is to partner with communities, members, citizens and visitors to foster the feeling of safety any place, any time through planning, mitigation, response and restoration.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Advanced Life Support Emergency Medical Services						
Advanced Life Support Fire Units - Average Daily	#	20.0	17.0	18.0	19.0	19.0
Calls for Service - Emergency Medical Services	#	19,500.0	20,727.0	25,656.0	26,426.0	27,218.0
Building and Property Saved/Lost						
Building and Property Saved	%	97.0	82.7	98.5	98.0	98.0
Content Saved	%	0.0	97.0	98.4	97.5	97.5
Preincident Building and Property Value (in millions)	$	683	349	646	168	388
Preincident Content Value (in millions)	$	89	157	3	122	94
Citizen Satisfaction						
Fire Department Rating - Citizen Satisfaction Bi-Annual Survey	%	95.0	98.7	99.4	99.4	99.0
Fire Deaths and Injuries						
Fire Deaths - Virginia Beach	#	0.0	4.0	5.0	1.0	1.0
Fire Injuries - Virginia Beach	#	0.0	64.0	65.0	74.0	74.0
Fire Setter Counseling						
Fire Awareness Course for Teens (FACT) Program Attendees	#	40.0	27.0	26.0	30.0	30.0
Jr Firesetter Program Attendees	#	40.0	43.0	17.0	30.0	30.0
Reliability for Response						
Emergency Medical Services to Total Call Ratio	%	64.0	59.1	64.3	64.0	64.0
Reliability of First Due Availability	%	90.0	92.3	91.8	91.8	91.8
Response Time to Emergency Incidents						
Heavy Fire Apparatus staffed	#	34.0	34.0	33.0	34.0	34.0
Travel Time to Emergencies in Suburban Area < or = 5 Minutes	%	70.0	74.5	73.0	74.0	74.0
School Life Safety Education Program						
Life Safety Education Assembly Attendees	#	22,500.0	21,131.0	22,639.0	22,100.0	22,100.0
Financial						
Volunteers						
Community Emergency Response Team Membership	#	825.0	892.0	1,076.0	1,175.0	1,175.0
Volunteer Firefighter Membership	#	45.0	34.0	43.0	46.0	46.0
Internal Process						
Clearance Rate for Arson Cases						
Arson Cases Cleared	%	40.0	40.0	50.0	40.0	40.0
Initial Fire Inspections						
Fire Inspections Completed - All Types	#	8,800.0	7,701.0	9,558.0	9,558.0	11,458.0

Fire

City Council Amendment

On May 13, 2014, City Council voted to increase funding by $145,826 for four firefighters in the Centerville area, effective January 1, 2015.

Major Changes

The Fire Department's operating budget for FY 2014-15 totals $48,544,447, an increase of $955,882 or 2.0%. Costs are increasing due to salary increases, adding additional part-time staff to the Fire Marshal's Office, risk management charges, and costs for the maintenance and repair of the Department's vehicles and apparatus. The costs of the additional positions in the Fire Marshal's Office are completely offset by increased revenue to the program as a result of the fee changes discussed below.

Over the past several years, the Fire Marshal's office has had to focus their fire inspections program on facilities that have the highest hazard potential. While the goal of the office is to inspect each eligible occupancy on an annual basis, a lack of adequate staffing, given the current composition of the program, makes this unrealistic. Failure to inspect all occupancies requiring inspection on an annual basis means that if hazardous conditions do exist, they may not be detected for quite some time. This places people in danger including the owner, occupants, neighbors, and potentially first responders.

Change	Impact
Part-Time Positions in Fire Marshal's Office – 2.0 FTE	• In order to increase the number of facilities being inspected annually, the Fire Marshal's Office is adding part-time inspectors (2.0 FTE). These inspectors will be able to inspect some of the less complex facilities located within the City, freeing the existing staff to focus on large, more complex inspections.
Increase Fee for Fire Reinspections	• In order to bring occupancies into compliance in a timelier manner, the City is proposing a modification to the fee schedule for Fire inspections. Currently, a reinspection fee of $25 is charged on the 4th inspection (3rd reinspection). This proposal would raise the reinspection fee from $25 to $50 and begin charging the reinspection fee on the 3rd inspection (2nd reinspection). The desired impact is that owners would bring hazardous conditions into compliance more quickly and avoid the need to send staff from the Fire Marshall's Office to perform numerous reinspections. For each reinspection that is no longer needed due to compliance, staff is able to perform additional initial inspections, thus improving overall community safety. In FY 2012-13, violations were found in 74.8% of inspections, which resulted in approximately 2,900 reinspections. This change to the fee structure is consistent with current practice in other local municipalities.

Departmental Overview

The Department has a total of 481.71 FTE, which is an increase of 2.0 FTE from the FY 2013-14 operating budget. The department's largest expenditure is for personnel costs, which total $43.1 million or 88.7% of the Department's total operating budget. The remaining costs are for operating support such as fuel and vehicle maintenance, uniforms and personal protective equipment, and general maintenance of equipment as well as funding for the Fire Training Center improvement capital project. These costs total $5.5 million or 11.3%.

The department's costs are covered largely by general City support, with 1.1% generated through fines (e.g. hazardous materials dumping, false alarms), fire permits and fire inspections fees, and 2.8% through grants from the State Department of Fire Programs and U.S. Department of Homeland Security Local Emergency Management Planning program. As required by the state, Fire Programs funds are used for enhancements, including protective apparel, equipment, training, and fire training center improvements. The core services provided by the Fire Department are categorized into the following areas:

- **Fire Administration** - Comprised of 21 FTEs that provide executive direction and guidance and administrative support in the areas of: payroll, budget and finance, grants management, procurement and inventory, research and analysis, and accreditation.

- **Fire Marshal's Office** - Comprised of 30.71 FTEs, who administer and enforce the statewide Fire Prevention Code, which includes: providing annual fire maintenance inspections and operational permits for commercial establishments that are considered to pose a higher risk of fire hazard; providing periodic inspections of businesses that pose a lower risk of fire hazard and are not mandated for inspection; providing other inspections as needed or requested; addressing complaints regarding code-related issues; and providing site plan review related to fire code issues. Another key activity is investigating criminal/arson and non-criminal fires as well as hazardous material dumping.

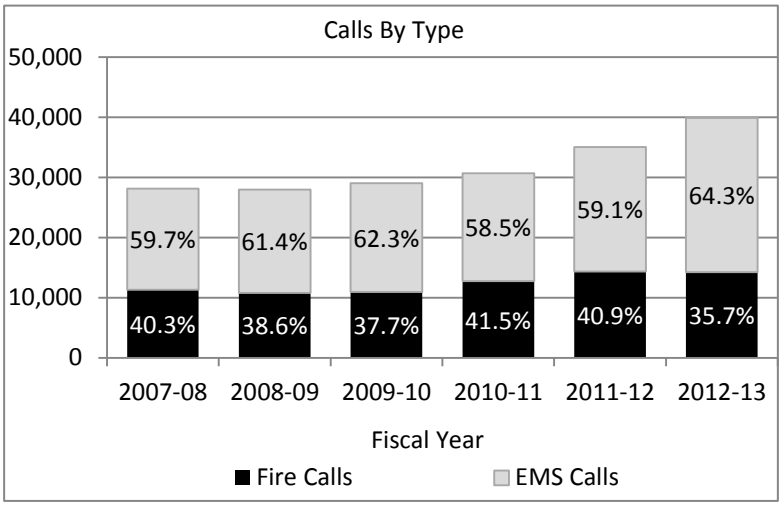
- **Fire Operations** - Comprised of 413 FTEs distributed among 19 City owned fire stations throughout the City to deliver comprehensive emergency services through a seamless and integrated emergency response system. Examples of services include: fire suppression, salvage and overhaul, emergency medical services, search and rescue, technical support services, hazardous materials response, and mutual aid to neighboring localities. Apparatus staffed include 20 engine companies, eight ladder companies, two tankers, two heavy squads, four command units, and one safety unit. The Virginia Beach Fire Department has four specialized teams that serve the region and state: Tidewater Regional Technical Rescue Team, which is one of the seven Regional State Urban Search and Rescue Teams, marine firefighting (located at First Landing Fire Station #1, Creeds Fire Station #6, and Seatack Fire Station #12), hazardous materials response (located at London Bridge Fire Station #3), and Metro Medical Response System (located at Nimmo Fire Station # 21). It also has a Volunteer Support Technician Team.

- **Emergency Management** - This four person office's primary goal is to foster emergency preparedness within the City of Virginia Beach by advocating and advancing a comprehensive program of emergency management, including activities that mitigate the impact of potential disasters, activities that raise the awareness of potential emergencies and disasters, activities related to the response to actual emergencies and threats, and activities that would assist the community in the recovery period following a disaster. This office is also responsible for the development of the City Emergency Operations Plan and advocating emergency planning, as well as the readiness and operations of the Emergency Operations Center, EOC, in events when emergency management involvement is desirable. OEM, supports the Community Emergency Response Team, CERT, through training, coordination, and management of some 1,000 trained volunteers.

- **Fire Personnel and Development** - With a staff of 12, this division provides human resource management, mandated career development, and organizational enhancement training programs meeting nationally recognized standards in the following areas: fire, rescue, life safety, management, driver operator, and any specialty training for volunteer and career firefighters.

Trends and Issues

- Total calls for service increased from 35,081 in FY 2011-12 to 39,928 in FY 2012-13, an increase of 13.8%. When looking at each call type individually, fire calls actually declined by 0.6%, the first such decline since FY 2008-09, while emergency medical calls for service grew by 23.8%. Over the past five years, the average ratio of emergency medical calls to fire calls was 60.9% to 39.1%.



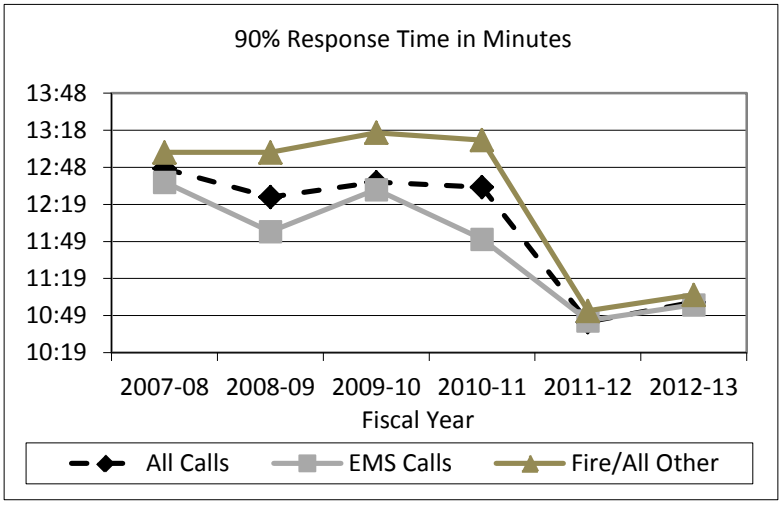
- The Virginia Beach Fire Department has established performance goals for response time (response time is calculated from the time a call is received in the Emergency Communications Center/"911 Center" until the first fire unit arrives on-scene) for each of

the designated response categories: “metro/urban” (which includes a population density of over 2,000 residents per square mile), “suburban” (population density of 1,000 to 2,000 residents per square mile), and “rural” (population density of less than 1,000 residents per square mile). For the metro/urban response category, the goal is to have the first unit on scene within five minutes to an EMS incident and five minutes and 20 seconds to a fire incident. For suburban responses, the goal is to have the first unit on scene within six minutes to an EMS incident and six minutes and 20 seconds to a fire incident and for rural responses to have the first unit on scene within 11 minutes to an EMS incident and 11 minutes and 20 seconds to a fire incident. These times include call processing (an external factor controlled by ECCS), turnout time, and unit travel time. The 20 second difference between EMS and fire responses allows for the donning of personal protective gear for fire responses.

The table below shows the total number of EMS and fire responses (as well as numbers of other types of calls) by station response category, and the number and percentage of those responses that occurred within the established performance goal.

	Response Category			
	Metro/Urban	Suburban	Rural	Total All Stations
EMS Calls	20,964	3,719	1,297	25,980
Calls Responded to within Performance Goal	10,696	2,281	1,192	14,169
Percentage Responded to within Performance Goal	51.0%	61.3%	91.9%	54.5%
Fire Calls	749	144	73	966
Calls Responded to within Performance Goal	455	93	60	608
Percentage Responded to within Performance Goal	60.7%	64.6%	82.2%	62.9%
Special and Other Calls	9,970	2,308	704	12,982

- The graph on the right shows the Fire Department’s response time to 90% of their calls by call type. For example, in FY 2012-13, the department responded to 90% of all (fire and EMS combined) calls within 11 minutes, fire calls within 11 minutes and six seconds, and EMS calls within 10 minutes and 58 seconds. Emergency Medical Service (EMS) calls are medical incidents only, responded to by Fire department personnel. Fire/all other calls include all fires (structure, vehicle, brush, etc.), Hazmat, technical rescue incidents, miscellaneous, and non-emergency requests for assistance.

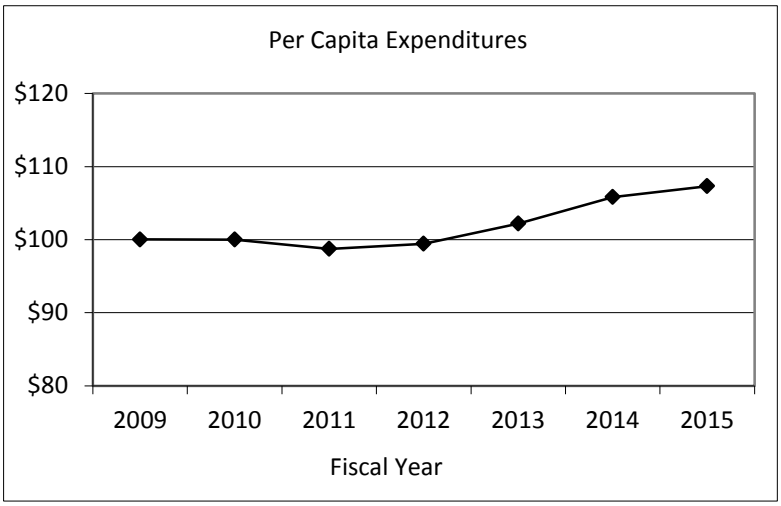


As call volume increases, response times tend to be negatively impacted. During emergency medical calls, an apparatus may be taken out of service if the Fire Medic assigned to that apparatus is needed to remain with a patient during transport to an area hospital. In cases such as this, an apparatus from a station outside of the response zone is temporarily assigned to that zone, which increases response times.

The Fire Department is currently in the process of installing a new IP based station alerting system which will dramatically improve the alerting process, increase firefighter safety, reduce response times and improve citizen services. By the beginning of FY 2015-16, all fire stations will be equipped with the new alerting system.

- The Department has experienced a significant level of staff transition in the past six years. Since FY 2007-08, a total of 177 members, or 36.7%, of the Department have left (95 or 53.7% of these have been due to retirements). This staff turnover creates costs associated with recruiting, training, and testing of personnel to either be hired on as a member of the Department or to advance to positions of higher rank within the Department. Percentages of turnover for some positions are: Deputy Chief, 100% (2 of 3 were retirements); District Chief, 100% (5 of 8 were retirements); Battalion Chief, 90% (9 of 19 were retirements); and Fire Captain, 47% (17 of 46 were retirements).

- After declining to $98.76 in FY 2010-11, the department's expenditures per capita are increasing for the fourth straight year and are budgeted at $107.33 for FY 2014-15. The increase in FY 2014-15 is for the addition of 2.0 FTE in the Fire Marshall's Office and increased risk management charges and increased City garage charges for the maintenance and repair of vehicles and apparatus.

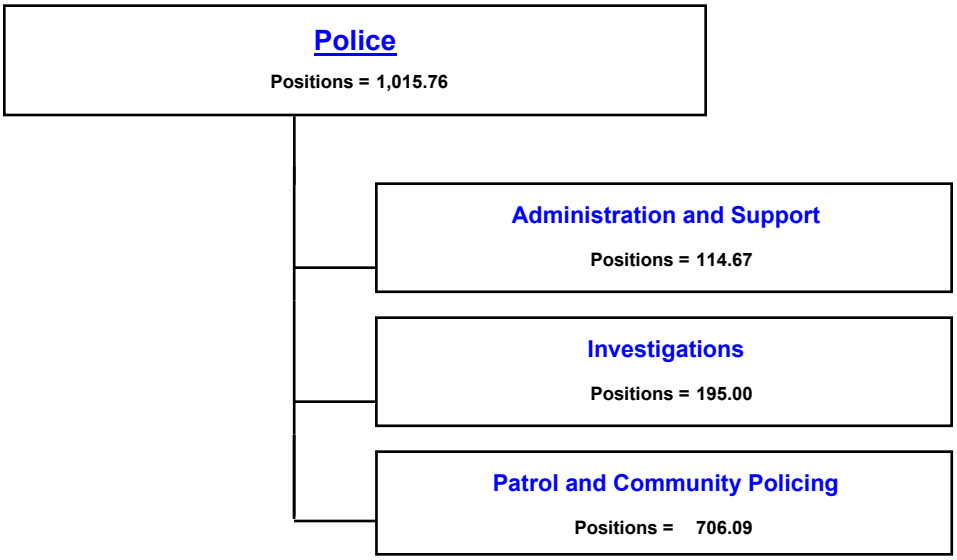


- One disturbing trend that is occurring is the prevalence of senior citizens dying in fires compared to their proportion of the total population. Over the past five calendar years, there have been 17 fire related fatalities in Virginia Beach. Of those 17 fatalities, eight (or 47%) were individuals who were age 55 or older (the Fire Service considers individuals of this age group to be "senior"). Over the same five year period, two individuals under the age of 18 have died in a fire. In 2013, the Fire Marshal's office provided 963 life safety education programs to approximately 61,000 residents. Although most of the department's resources in terms of fire prevention education and fire safety are geared toward children and adolescents, opportunities are being investigated to identify resources needed to address the fire prevention and safety needs of the elderly.

Fire - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Fire Administration	1,914,998	2,074,216	2,033,065	(41,151)
Emergency Management	350,480	365,356	414,834	49,478
Fire Marshal's Office	2,339,106	2,388,614	2,619,258	230,644
Fire Operations	37,420,322	40,003,547	41,205,271	1,201,724
Fire Personnel and Development	1,477,580	1,586,314	1,246,992	(339,322)
Total Expenditures	43,502,485	46,418,047	47,519,420	1,101,373
Revenues				
Fees	446,007	389,443	525,868	136,425
Federal	52,914	133,432	192,851	59,419
Total Revenues	498,921	522,875	718,719	195,844
General City Support	43,003,564	45,895,172	46,800,701	905,529
183 Grants Consolidated Fund				
Expenditures				
Fire - Grants	1,460,163	0	0	0
Fire Program Grants	471,449	770,518	235,345	(535,173)
Transfer to Other Fund (Fire Programs)	400,000	400,000	935,508	535,508
Total Expenditures	2,331,612	1,170,518	1,170,853	335
Revenues				
State	1,249,189	1,170,518	1,170,853	335
Federal	1,132,851	0	0	0
Total Revenues	2,382,040	1,170,518	1,170,853	335
General City Support	(50,428)	0	0	0
Total Department Expenditure	45,834,098	47,588,565	48,690,273	1,101,708
Total Department Revenue	2,880,962	1,693,393	1,889,572	196,179
Total General City Support	42,953,136	45,895,172	46,800,701	905,529

Position Summary by Program				
002 General Fund				
Fire Administration	22.00	21.00	21.00	0.00
Emergency Management	4.00	4.00	4.00	0.00
Fire Marshal's Office	27.71	27.71	30.71	3.00
Fire Operations	411.00	411.00	417.00	6.00
Fire Personnel and Development	14.00	15.00	12.00	-3.00
Total	478.71	478.71	484.71	6.00
183 Grants Consolidated Fund				
Fire Program Grants	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00
Total Position Summary	479.71	479.71	485.71	6.00


Police
Positions = 1,015.76
Administration and Support
Positions = 114.67
Investigations
Positions = 195.00
Patrol and Community Policing
Positions = 706.09

Police

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

Note: Data is not available for 2012 for two measures: safe schools and virtual neighborhood watch communities. Also, currently, there are no persistently dangerous schools in Virginia Beach.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Assist Schools with Security and Enforcement of Laws						
Persistently Dangerous Schools	#	0.0	0.0	0.0	0.0	0.0
School Resource Officers	#	30.0	30.0	30.0	30.0	30.0
Schools are safe and orderly places to learn	%	86.3	0.0	89.0	89.0	89.0
Students Participating in Crime Prevention Programs	#	25,000.0	37,113.0	35,797.0	35,000.0	35,000.0
Maintain Clearance Rates Above National Average for Large Cities						
Part I Property Crime Clearance Rate	%	26.0	29.6	28.0	29.0	29.0
Part I Violent Crime Clearance Rate	%	60.0	66.3	74.5	67.0	67.0
Maintain Timely Response for Emergency and Non-Emergency Calls for Service						
Average Police Response Time to Emergency Calls (minutes)	#	6.3	6.5	6.5	6.6	6.6
Average Police Response Time to Non-Emergency (Priority 3) Calls	#	15.6	16.2	15.9	16.2	16.2
Uniform Patrol Emergency Calls for Service	#	17,500.0	17,975.0	17,674.0	18,000.0	18,000.0
Uniform Patrol Non-Emergency Calls for Service (Priority 3)	#	147,000.0	141,253.0	135,252.0	137,000.0	137,000.0
Reduce Crime, the Fear of Crime, and Improve Safety						
Neighborhood is a Safe Place to Live	%	94.0	92.0	90.7	90.7	90.7
Part I Property Crimes Per 1,000 Population	#	29.5	26.4	25.0	27.0	28.0
Part I Violent Crimes Per 1,000 Population	#	2.2	1.7	1.7	1.8	1.9
Physical Neighborhood Watch Communities	#	125.0	230.0	115.0	115.0	125.0
Total DUI Arrests	#	2,400.0	2,369.0	2,379.0	2,400.0	2,400.0
Total Fatality Crashes	#	17.0	15.0	23.0	15.0	15.0
Virginia Beach is a Safe Place to Live	%	94.8	94.6	94.8	94.8	94.8
Virtual Neighborhood Watch Communities	#	200.0	0.0	199.0	200.0	230.0
Internal Process						
Reduce Turnover Rate of Sworn Personnel						
Sworn Officer Turnover Rate	%	6.5	6.9	7.2	7.5	7.5
Sworn Positions Vacant	%	2.0	3.3	3.3	3.3	3.3

Police

Major Changes

The Police Department's FY 2014-15 operating budget totals $95,739,358. To maintain its emergency response capability, minimize loss of staff, and cover increased operating costs in various areas of its operations, the department reallocated costs where possible due to personnel turnover or realignment/reduction of certain accounts based on past spending levels along with savings from renegotiations of contracts for leasing the firing range and PHOTOSafe red-light camera system. Overall, the department's budget increased by 1.6% or $1,516,667. Two main expenditure changes in the FY 2014-15 Operating Budget for the department include:

Change	Impact
Addition of 6.4 part-time FTE's and operating costs to monitor Oceanfront cameras totaling $438,700	• With the replacement and expansion of the Oceanfront security camera system funded by capital project, 3-610, "Oceanfront Cameras" (for more information about the project, see the CIP document, Safe Community section), there will be operating budget impacts. For Phase 1 of the project, which provides 27 cameras, additional part-time employees totaling $300,000 for 6.4 FTEs will be required to provide adequate surveillance, and will be supplemented by limited duty personnel. Also, software and hardware licensing and maintenance costs will be incurred for the system totaling $138,700 for Phase 1. Funding for the additional staff and support costs will be provided by a proposed 30-cent increase in the personal property tax rate (from $3.70 to $4.00 per $100 of assessed value) to address various public safety issues.
Addition of $116,886 to continue replacement of automated external defibrillators (AEDs)	• In total, the Police Department has 184 AEDs, of which 166 are the obsolete Welch-Allyn model, and 18 are the new Zoll AED Plus model. These devices are deployed in patrol cars; however, at 10-years or older, they are beyond their useful lives (7-to-8 years) and do not meet the American Heart Association standards. During FY 2012-13, the Department of Emergency Management Services (EMS) used $25,868 in proceeds from sale of salvage defibrillators to purchase 18 AEDs for the Police Department leaving 166 units to be replaced in the future. In FY 2013-14, EMS was awarded a State Rescue Squad Assistance Grant that included funds to replace 20 AEDs for the Police Department totaling $26,015. Factoring out the replacements to date, the Police Department has 146 AEDs remaining that are in need of replacement. The replacement will be phased over multiple years.
Assignment of an existing staff member from the Human Services Department to serve as a Homeless Community Outreach Worker	• The Department of Human Services will assign an existing staff member to work with the Police Department's Second Precinct as a Homeless Community Outreach Worker to provide services citywide with a focus at the oceanfront. This existing position will still remain in the Department of Human Services, but will be given additional duties working with the Police Department. This position will assist and aid citizens suffering from mental health illnesses or experiencing mental health crises via the Police Department's Crisis Intervention Team (CIT). This position would work closely with Housing and Neighborhood Preservation, Comprehensive Mental Health, Volunteers of America and other non-profit organizations in addressing both homelessness and mental health concerns. Examples of the duties and responsibilities could include: field intervention and interviews of homeless individuals; tracking homeless populations/case management; coordinating city services/referrals; advocating and promoting social and legal behaviors within the homeless population; coordinating police responses to troubled areas; assisting officers in CIT cases; and providing assistance in transportation of CIT clients; and training staff on CIT/Crisis Intervention.

Departmental Overview

The department's expenditures are comprised mainly of personnel costs for 1,015.76 FTEs (84.2% totaling $80.6 million), including 806.0 FTEs that are sworn personnel. Only 15.9% ($15.2 million) of the department's budget is for operating support costs.

The Police Department's core areas of operations are:

- **Administration -** Includes the Chief's Office, Professional Standards, Public Information Office, and volunteer Police Chaplains.

- **Uniform Patrol -** This bureau of the Operations Division includes basic patrol, initial response to criminal incidents, calls for service, traffic control and enforcement.

- **Special Operations -** This bureau of the Operations Division supports department wide operations with various highly trained specialty tactical units including: S.W.A.T., crisis negotiators, K-9 unit, helicopter unit, dive team, marine patrol, bomb squad, selective enforcement team, motorcycle unit, traffic safety unit, fatal crash team, hit and run team, mounted patrol, and motor carrier safety unit. Mounted Patrol includes officers on horseback, who patrol heavily crowded areas such as the summertime oceanfront patrol, Town Center, shopping center parking lots, high school football games, special events such as 4th of July and Neptune Festival. The Bureau of Animal Control includes enforcement and shelter management to provide holistic animal services to the community that balance health, safety and welfare needs of the people and animals in our city. Services include educating the public about responsible companion animal ownership, investigating animal cruelty cases, providing compassion and humane care for unwanted, stray, abused, and abandoned animals in our city, giving adoptable animals a second chance at a forever home, and etc.

- **Crime Prevention -** This bureau of the Operations Division provides for a safer city by preventing and/or reducing crime through various educational programs for the public and forming community partnerships. Examples of some crime prevention educational programs include Crime Prevention Through Environmental Design, Neighborhood Watch, Business Watch, Faith Based Watch training, College and High School Internships, Every 15 Minutes Youth Drunk Driving Education, Citizens/Youth/ Senior Citizens Police Academies, McGruff the Crime Dog, Self Defense workshops, July 4th/Pungo Strawberry Festival/Oceana Air show participation and display, Drive Smart Hampton Roads, Citizens' Corps, and Police Auxiliary Volunteers.

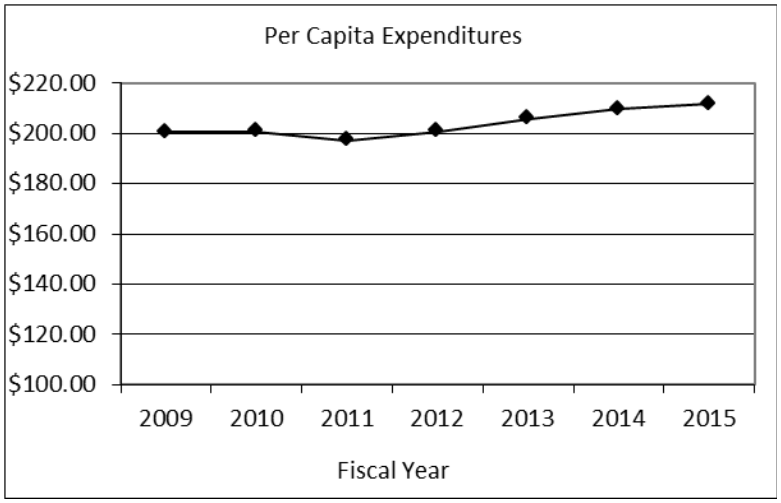
- **Detective Bureau -** This bureau of the Investigative Division investigates most crimes in the city, including homicides, rapes, robberies, assaults, domestic violence, burglaries, larcenies, auto thefts, identity theft and embezzlements, and other property crimes. It includes a Forensics Unit to provide various technical services needed for investigations.

- **Special Investigations -** This bureau of the Investigative Division has several units conducting investigations of various types of criminal activity including the Criminal Intelligence Unit (including gangs), Narcotics Unit, Vice Squad, Diversion Unit related to investigations involving pharmaceutical drugs, and Computer Crimes Unit.

- **Support Division -** This division is staffed by mostly civilians and is responsible for maintaining police records, property and evidence storage, uniform and supply issue, department payroll, entering data, such as protective orders and other warrants into local, state, and national systems, conducting criminal history checks, administering the "PHOTOSafe" red light camera and false alarm programs, coordinating departmental purchasing and budgeting, conducting statistical analysis, and special projects.

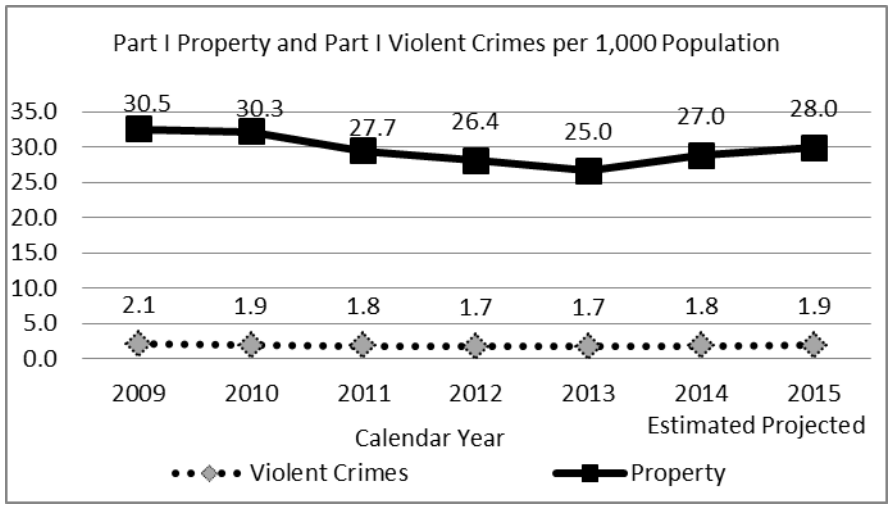
Trends and Issues

- The per capita expenditure for the Police Department will increase by 1.0% from $209.56 in FY 2013-14 to $211.68 in FY 2014-15 or by 1.8% annually from FY 2012 to FY 2015. As mentioned previously, with 84.2% of the Police Department's budget being personnel costs, salary and fringe benefit increases have historically been the biggest cost driver in the Police Department's budget.

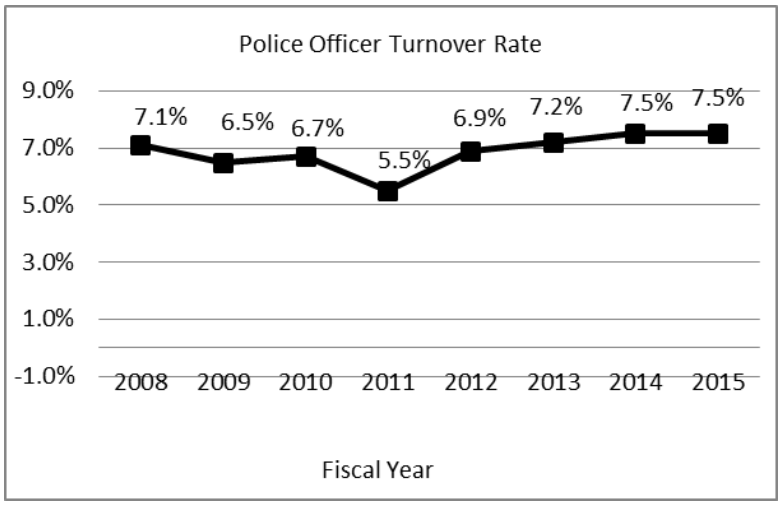


- The City of Virginia Beach continues to be considered one of the safest cities in the nation according to FBI statistics despite lower ratios of police officers per 1,000 population compared with most other cities in Hampton Roads: Chesapeake 1.7, Virginia Beach 1.8, Hampton 2.0, Suffolk 2.2, Newport News 2.4, Portsmouth 3.0, Norfolk 3.1.

- As shown in the graph, Part I Violent Crimes include homicide, rape, robbery and aggravated assault. Recently the number of violent crimes per 1,000 residents has been trending down from 2.1 in 2009 to 1.7 in 2013. While this has been a nationwide trend, Virginia Beach's violent crime rate has remained far below that of most comparable sized cities. Trends in violent crime during FY 2013-14 indicate to the Police Department that the rate of reported violent crime may slightly increase during the next fiscal year.



The city's Part I Property Crime rate has steadily declined from 2009 through 2013, with the number of Part I Property Crimes per 1,000 residents, but is predicted to increase from 2013 through 2015 from 25.0 to 28.0. Based on the latest available data, the Police Department has had significantly higher case clearance rates for Part I violent (66.3% 2012 and 74.5% 2013) and property (29.6% 2012 and 28.0% 2013) crimes than the national average for all cities with 250,000 population or more (40% for Part I Violent and 13.7% for Part I Property Crimes in 2012).



- The sworn turnover rate is a continuing concern for the department. The Police Department has experienced a high sworn officer turnover rate in the past with officers leaving for law enforcement agencies in other localities, states, and/or the federal government. The turnover also includes

officers who are retiring. Another issue of concern is the increasing salary compression at the rank of Police Officer whereby 205 (our of 224) officers hired since January, 2008 are at the same entry level base salary of $41,455. In FY 2012-13, the Police Department maintained a sworn officer vacancy rate average of 3.3%, which was the same as the rate in FY 2011-12. It anticipates maintaining a 3.3% vacancy rate in FY 2013-14 and FY 2014-15 due to normal attrition and hiring more recruits to increase the size of the police academy classes (e.g. from 30 to 40 recruits).

- The Police Department directly supports the "Envision Virginia Beach 2040 Committee Report"' "Connected Community" focus area, which calls for a safe community, and the city's "A Community Plan for Sustainable Future" report, Objective 3.7 "Maintain the lowest crime rate in the nation for a city of this population and market this achievement." The Police Department's services form the foundation upon which a safe, vibrant and successful community is built. Without safe neighborhoods, safe gathering places, safe places to work and play, the Vision 2040 and the Sustainability Plans are not achievable. The department through various initiatives and partnerships within the community, builds public awareness to prevent crime. Examples include:
    - Officers of the Crime Prevention Unit provide programs to educate the public and form community partnerships to prevent and/or reduce crime, such as: Neighborhood Watch, Business Watch, Crime Prevention Through Environmental Design, Youth and Senior Safety Programs, Citizen and Senior Police Academies, Every 15 Minutes (anti-DUI and alcohol awareness), personal safety lectures, self-defense workshops, and residential and business security assessments.
    - Traffic Safety Unit - In addition to aggressive enforcement and traffic safety initiatives, officers of this unit regularly provide training to local schools, military commands, and community groups on the consequences of drinking and driving. Some members of the Traffic Safety Unit are child safety seat technicians and help to educate parents on how to properly install child safety seats to best protect their children.
    - The department uses the COMPSTAT program, which is a multilayered dynamic approach to crime reduction, which uses Geographic Information Services technology to map crime and identify problems, brings precinct commanders together to discuss the problems and devises strategies to solve those problems and reduce crime.
    - Citizens' Advisory Committees in each of the four Police precincts enable citizens and business owners to meet monthly with police and city officials from other agencies such as Neighborhood Housing and Preservation, Planning/Zoning, Health Department and Human Services to exchange information of interest or concern, and obtain answers to their questions. In addition, several precincts hold open houses annually as an outreach to the community and participate in the National Night Out event. Also, precincts use targeted patrols to suppress robberies and burglaries.
    - Promotion of volunteerism via the Police Chaplains Program, which includes a dedicated group of trained professionals who volunteer their time to offer care and solace to members of the Police Department, their families, and the community, participate in Project Lifesaver, and assist at the oceanfront during certain events/holidays. The Civilian Volunteer Program is administered by the Operations Division with the goal of expanding and enhancing existing services through involvement of volunteers in service delivery. Volunteers serve in many different capacities within the department from answering telephones, filing, and transporting police vehicles to the city garage for maintenance and repair. The Police Department also offers internships to high school and college students. Recent additions to the Volunteer Program include "Friends of Animal Control" and H.E.L.P. (Humane Enlightenment Learning Program) for youths between the ages of 13 and 18.

Police - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	1,851,145	1,924,339	1,939,180	14,841
False Alarms	51,414	61,660	60,174	(1,486)
Personnel and Training	4,212,689	4,388,648	4,456,279	67,631
Crime Prevention	694,272	828,931	881,273	52,342
Support	4,605,806	4,905,045	5,144,689	239,644
K-9 Unit	1,685,868	1,768,495	1,807,000	38,505
Helicopter Unit	1,405,587	1,094,537	1,203,536	108,999
Uniform Patrol	49,310,446	51,233,380	52,000,206	766,826
Red Light Camera Program	1,270,255	1,305,791	1,164,643	(141,148)
Mounted Patrol	1,392,722	1,477,263	1,504,394	27,131
Marine Patrol	932,715	1,028,827	1,130,844	102,017
School Resource Officer Program	2,337,147	2,507,984	2,529,214	21,230
Investigative Division	12,219,963	12,821,093	12,946,054	124,961
Special Investigative Unit	4,503,489	4,836,976	4,913,111	76,135
Commercial Extraditions	450,169	417,668	431,661	13,993
Animal Control	3,255,502	3,563,193	3,567,046	3,853
Total Expenditures	90,179,189	94,163,830	95,679,304	1,515,474
Revenues				
Fees	3,488,297	3,153,735	3,179,190	25,455
State	412,880	375,000	383,000	8,000
Federal	38,494	0	45,000	45,000
Transfers	15,000	15,000	15,000	0
Total Revenues	3,954,672	3,543,735	3,622,190	78,455
General City Support	86,224,517	90,620,095	92,057,114	1,437,019
142 Police Federal & State Seized Assets SRF				
Expenditures				
DEA - Uniform Patrol Grants	25,485	0	0	0
DEA - Personnel and Training	81,870	0	0	0
DEA - Uniform Patrol	291,926	0	0	0
DEA - Special Investigative Unit	6,625	0	0	0
Total Expenditures	405,906	0	0	0
Revenues				
Fees	14,348	0	0	0
State	424,253	0	0	0
Federal	181,714	0	0	0
Total Revenues	620,315	0	0	0
General City Support	(214,409)	0	0	0

Police - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
183 Grants Consolidated Fund				
Expenditures				
Police - Uniform Patrol Grants	444,262	58,861	60,054	1,193
Total Expenditures	444,262	58,861	60,054	1,193
Revenues				
State	11,542	0	0	0
Federal	571,093	39,521	39,521	0
Transfers	36,345	19,340	20,533	1,193
Total Revenues	618,980	58,861	60,054	1,193
General City Support	(174,717)	0	0	0
Total Department Expenditure	91,029,358	94,222,691	95,739,358	1,516,667
Total Department Revenue	5,193,966	3,602,596	3,682,244	79,648
Total General City Support	85,835,391	90,620,095	92,057,114	1,437,019

Position Summary by Program

002 General Fund				
Director's Office	16.80	16.80	16.80	0.00
False Alarms	1.75	1.75	1.75	0.00
Personnel and Training	32.72	32.72	32.72	0.00
Crime Prevention	8.00	8.00	8.00	0.00
Support	59.00	61.00	61.00	0.00
K-9 Unit	16.00	16.00	16.00	0.00
Helicopter Unit	8.00	8.00	8.00	0.00
Uniform Patrol	565.23	565.23	571.63	6.40
Red Light Camera Program	2.40	2.40	2.40	0.00
Mounted Patrol	16.00	16.00	16.00	0.00
Marine Patrol	10.46	10.46	10.46	0.00
School Resource Officer Program	30.00	30.00	30.00	0.00
Investigative Division	143.00	142.00	142.00	0.00
Special Investigative Unit	52.00	52.00	52.00	0.00
Animal Control	45.00	46.00	46.00	0.00
Total	1,006.36	1,008.36	1,014.76	6.40
183 Grants Consolidated Fund				
Police - Uniform Patrol Grants	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00
Total Position Summary	1,007.36	1,009.36	1,015.76	6.40

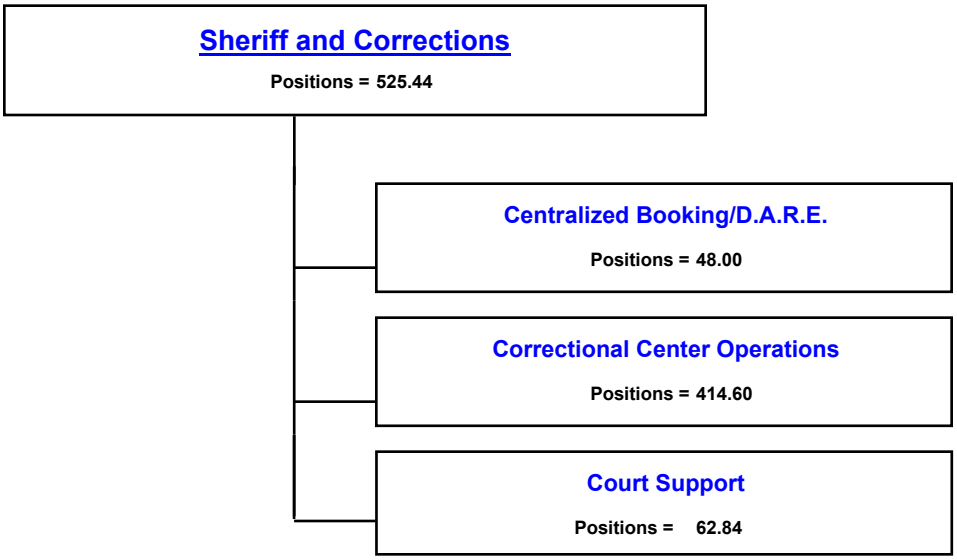
Resource Summary Notes

Increases in costs for the majority of program units (e.g. Director's Office, Crime Prevention, Support, K-9 Unit, Uniform Patrol, Mounted Patrol, Marine Patrol, School Resource Officers, Investigative Division, Special Investigative Unit, Animal Control) are mainly due to increased personnel costs due to promotions, reclassifications, over-time, and the general compensation increase rolled-over from FY 2013-14, and planned increases for FY 2014-15 (1.34% in July related to the Virginia Retirement System), as well as addition of part-time staff. Also, increases in city garage and/or risk management costs impacted various program units (e.g. Personnel and Training, Crime Prevention, Helicopter Unit, Uniform Patrol, K-9 Unit, Marine Patrol, Mounted Patrol).

The Support and Uniform Patrol program units incurred operating budget cost impacts totaling $438,700 related to implementation of Phase 1 of the Oceanfront Camera capital project 3-610 that will replace/add 27 cameras. Uniform Patrol will add 6.4 FTEs for part-time staff ($300,000) to monitor the expanded camera system, and the Support Division will incur costs ($138,700) related to camera software and hardware licensing and maintenance. Also, Uniform Patrol includes the addition of $116,886 for the replacement of approximately 81 outdated and obsolete automated external defibrillators.

Department generated revenues are anticipated to increase mainly due to increased fees generated by the PHOTOSafe red light camera program and federal revenue reimbursing some investigators in the Special Investigative Unit for some over-time costs.

The Police Department does not appropriate funds in the Police Federal and State Seized Assets Special Revenue Fund in the annual Operating Budget, but submits requests to Council outside the budget process as needed when funds are received and an eligible law enforcement related need is identified for use of these funds. The FY 2014-15 Operating Budget Ordinance will make the following name and accounting change to the DEA Seized Forfeiture Special Revenue Fund. The existing Fund, Fund 142 “DEA Seized Forfeiture Special Revenue Fund” will be renamed “Police Federal and State Seized Assets Special Revenue Fund”. The fund balance associated within Fund 142 “DEA Seized Forfeiture Special Revenue Fund” apportioned to the City of Virginia Beach’s Commonwealth Attorney’s Office will be transferred to a newly established Fund 140 “Commonwealth Attorney’s Federal and State Seized Assets Special Revenue Fund”.


Sheriff and Corrections
Positions = 525.44
Centralized Booking/D.A.R.E.
Positions = 48.00
Correctional Center Operations
Positions = 414.60
Court Support
Positions = 62.84

Sheriff and Corrections

The mission of the Sheriff's Department is assuming responsibility for the care and custody of persons placed in the Virginia Beach Correctional Center by the Courts. This includes the initial booking of the individual, providing food and medical care during their incarceration, and access to educational and work opportunities. This Department is also responsible for courtroom security and serving civil documents. In addition, the Department also works with elementary School children to teach them how to avoid many of the problems associated with drug use. The Department is dedicated to the efficient and effective provision of Sheriff's services to our community. The commitment of the Department focuses on competent, expeditious, and courteous services that enhance citizen safety while providing value for their tax dollar. For example, the Sheriff's Work Force saves the citizens thousands of dollars each year by providing services that would otherwise have been paid for through tax revenues.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Maintain professional and adequately trained workforce						
Mandated training hours completed at LETA	#	4,500.0	4,750.0	4,800.0	4,500.0	4,500.0
New applicants tested by Human Resources	#	200.0	275.0	265.0	200.0	200.0
Number of Inmate programs handled through Accounting	#	1.0	4.0	4.0	4.0	4.0
Customer						
Enhance Inmate services while reducing operational cost						
Gross Inmate Purchase/Sales	$	650,000	1,064,465	1,077,310	750,000	750,000
Projected Inmate Telephone Fees Collected	$	550,000	566,402	761,626	650,000	650,000
Maintain Incarceration Facilities to House Inmates						
Cost per Inmate per Day	$	69	69	74	70	72
Inmate Population	#	1,450.0	1,465.0	1,437.0	1,450.0	1,450.0
Inmates over State Department of Corrections Certified Capacity	#	591.0	606.0	543.0	591.0	591.0
Number of Arrestees Processed	#	35,000.0	33,621.0	34,040.0	35,000.0	35,000.0
Safety/Security for Judiciary and Public						
Courtrooms served	#	23.0	23.0	23.0	23.0	23.0
Serve Legal Documents						
Court Papers Served	#	125,000.0	163,736.0	165,400.0	155,000.0	155,000.0
Services to Community through Inmate Labor						
Hours of Inmate Labor Utilized	#	928,427.0	943,160.0	948,320.0	1,000,000.0	1,000,000.0
Learning & Growth						
Teach D.A.R.E. to Elementary Students in VBCPS						
Number of Schools Serviced by DARE	#	64.0	64.0	64.0	64.0	64.0

Sheriff and Corrections

Major Changes

In total, the department of Sheriff and Corrections FY 2014-15 Operating Budget is $39,880,613. Overall, this is an increase of $136,570 when compared to the FY 2013-14 Operating Budget.

Departmental Overview

The Sheriff's department is funded through a combination of state, local, and federal revenues. State and federal revenues are tied to the number of inmates. Local funds are currently provided for Central Booking, the Drug Abuse and Resistance Education (D.A.R.E.) program, inmate medical, food contracts, Deputy Sheriff's salary supplements, and overall jail support. The services provided by the department of Sheriff and Corrections are divided into two primary divisions:

The Community Services Division includes:

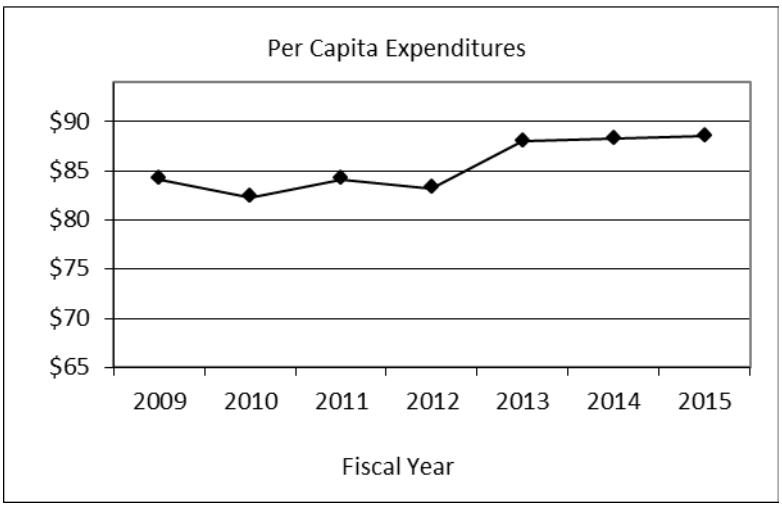
- **Administration -** Provides personnel, training, and financial administration for the department as well as program development.
- **Court Support -** Provides security and order in the various Virginia Beach courts, and processes and serves civil documents.
- **Work Force Services -** Utilizes inmate labor to provide various services to the community at little cost, while providing inmates with the opportunity for skill and self-development.
- **D.A.R.E. Program -** Provides drug education, stranger danger, and gun safety instruction by deputies to students.

The Correctional Services Division includes:

- **Correctional Operations -** Provides for the care and custody of persons placed in the Virginia Beach Correctional Center. The functions include safety and security, providing food and medical care during incarceration, and access to educational and work opportunities.
- **Central Booking -** Processes all arrestees for all law enforcement agencies utilizing the Virginia Beach Correctional Center. This involves fingerprinting and photographing of each arrestee. This is a contract between the city and department and is 100% locally funded.
- **Inmate Services -** Provides additional services to inmates financed by inmate fees. These services include GED classes, substance abuse counseling, and provision of Alcoholics and Narcotics Anonymous.

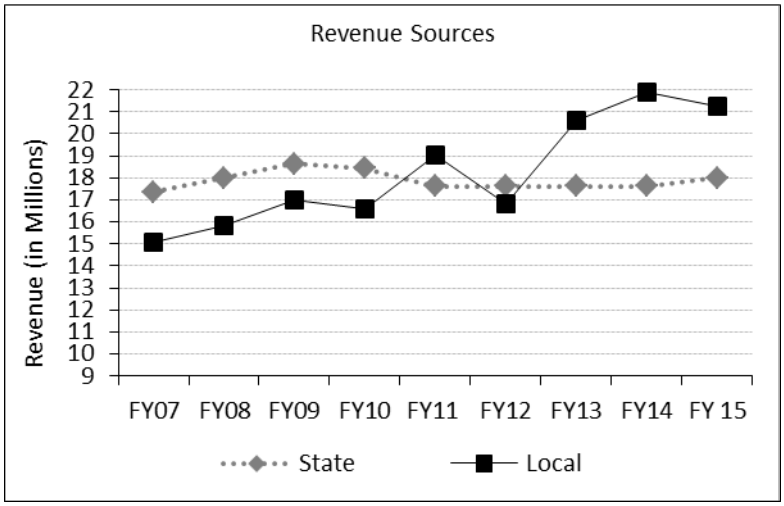
Trends and Issues

- When reviewing the historical per capita expenditures of the Sheriff's department, it would appear that the department has not been affected much by the downturn in the economy; however, the Sheriff's department operates through special revenue funds and has been afforded the unique opportunity to use departmental fund balance to soften reductions from both the city and state. Although not a long term sustainable budgeting solution to shrinking revenues, the use of fund balance has allowed the Sheriff's department to maintain services. In FY 2012-13, department expenditures increased primarily due to increases in Virginia Retirement System, life insurance, and health insurance cost. The city absorbed the full cost of these increases and increased the transfer from the General Fund to the Sheriff's Special Revenue Fund by $1.5 million in FY 2012-13. In FY 2013-14, the Sheriff's overall expenditures decreased as a result of reductions made to operating accounts. These reductions are associated with an overall reduction in federal revenue. The previous year the Sheriff's Office estimated a high level of federal revenue in



anticipation of federal inmates and in doing so increased their expenditures associated with the care of these inmates. The Sheriff's Office did not gain the level of federal inmates anticipated and as a result the expenses of caring for these inmates were reduced.

- In recent years, State revenue supporting Sheriff operations has declined. State revenue supports just under 45% of the office's budget. In FY 2014-15, the Sheriff's Office increased State revenue by $404,975 when compared to FY 2013-14. This increase is partly attributable to the Sheriff's Office housing a higher number of State inmates. The number of State inmates housed by the Sheriff's Office is increasing. State reimbursement for these inmates is higher than the reimbursement for local inmates resulting in additional revenue. Proposed within the FY 2014-15 State budget is a 2% compensation increase specifically for entry level deputy positions. Due to the uncertainty of the State Budget at this time, these revenues were not estimated nor was a compensation increase provided to entry level deputies as a result of the proposed state budget. The City will continue to monitor the State budget and if approved the City will estimate the revenue and implement the policies required by the State General Assembly.



- Local revenue includes city supplements to entry level Sheriff Deputy salaries at two pay ranges below an entry level Police Officer, as well as providing funding for medical and food to inmates. The city also contracts with the Sheriff's department to operate the D.A.R.E. program, Central Booking Program and various inmate services for mowing and maintenance. Local revenue is 53% of the total revenue in FY 2014-15 for the Office (including fund balance usage). The Sheriff's Office collects over $5 million in local revenue for fees generated through programs such as work force services, inmate telephone fees, court security, Caremart/Fresh Favorites ($949,000) and Inmate Canteen Fund ($349,000).

- The Sheriff's Office FY 2014-15 Operating budget includes the use of $575,000 in fund balance. Without the use of fund balance to support operations, the Sheriff's Office would be required to make substantial cuts in services that would likely reduce personnel. Using the City of Virginia Beach FY 2012-13 Comprehensive Annual Financial Report (CAFR) and taking into account the planned use of Sheriff Office Fund balance, the Sheriff's Office is anticipated to have a remaining balance of $331,750.

- As a part of the FY 2013-14 state budget, the state provided additional funding for the Master Deputy Program and Sheriff Career Development Program. Enrollment of additional employees into this program was restricted by the 2010 General Assembly. Deputies not funded in the program prior to January 1, 2010 were no longer recognized by the State for participation. State reimbursement for the Sheriff and other eligible positions is reflected in the Sheriff's Office FY 2014-15 budgeted salaries.

- Included in the proposed CIP is a project to replace/upgrade the Sheriff's Office Master Control Center. On-going operating cost will be associated with the software and hardware purchased through this project; however, the exact amount is not known at this time. The project is schedule to be completed June 2017. If the project remains on schedule, the operating cost associated with the new system will need to be included in the Sheriff's Office FY 2017-18 operating budget.

Sheriff and Corrections - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
149 Sheriff's Department Special Revenue Fund				
Expenditures				
Sheriff's Office	1,894,401	2,133,997	2,200,522	66,525
Court Support Services	3,250,000	3,289,356	3,444,565	155,209
Correctional Operations	28,594,717	29,028,550	29,005,562	(22,988)
Sheriff's Care Mart	0	0	446,010	446,010
Centralized Booking	1,782,233	2,112,270	2,103,193	(9,077)
D.A.R.E. - Sheriff	673,317	757,244	767,061	9,817
Sheriff's Workforce	944,833	944,943	853,100	(91,843)
Inmate Services	0	25,500	28,026	2,526
Inmate Services	1,317,921	1,275,994	855,693	(420,301)
Law Enforcement Training	120,869	151,638	152,330	692
Transfer to Other Funds	24,551	24,551	24,551	0
Total Expenditures	38,602,843	39,744,043	39,880,613	136,570
Revenues				
Fees	4,658,463	4,919,758	5,098,588	178,830
State	17,280,263	17,605,275	18,010,250	404,975
Federal	395,071	229,950	602,250	372,300
Transfers	14,896,783	15,674,070	15,594,525	(79,545)
Fund Balance	0	1,314,990	575,000	(739,990)
Total Revenues	37,230,580	39,744,043	39,880,613	136,570
General City Support	1,372,262	0	0	0
183 Grants Consolidated Fund				
Expenditures				
Sheriff - Grants	316,310	0	0	0
Total Expenditures	316,310	0	0	0
Revenues				
Federal	290,657	0	0	0
Total Revenues	290,657	0	0	0
General City Support	25,653	0	0	0
Total Department Expenditure	38,919,153	39,744,043	39,880,613	136,570
Total Department Revenue	37,521,237	39,744,043	39,880,613	136,570
Total General City Support	1,397,916	0	0	0

Position Summary by Program				
149 Sheriff's Department Special Revenue Fund				
Sheriff's Office	25.43	22.43	22.43	0.00
Court Support Services	61.84	59.84	62.84	3.00
Correctional Operations	354.60	358.60	356.60	-2.00
Sheriff's Care Mart	0.00	0.00	13.17	13.17
Centralized Booking	37.00	37.00	37.00	0.00
D.A.R.E. - Sheriff	11.00	11.00	11.00	0.00
Sheriff's Workforce	10.00	11.00	10.00	-1.00
Inmate Services	23.57	24.57	11.40	-13.17
Law Enforcement Training	1.00	1.00	1.00	0.00
Total	524.44	525.44	525.44	0.00

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Total Position Summary	524.44	525.44	525.44	0.00

Resource Summary Notes

As a part of the FY 2014-15 Operating Budget, the Sheriff's Office established a new budget unit titled "Sheriff's Care Mart". The appropriations supporting this operation previously resided within the Inmate Services budget unit.

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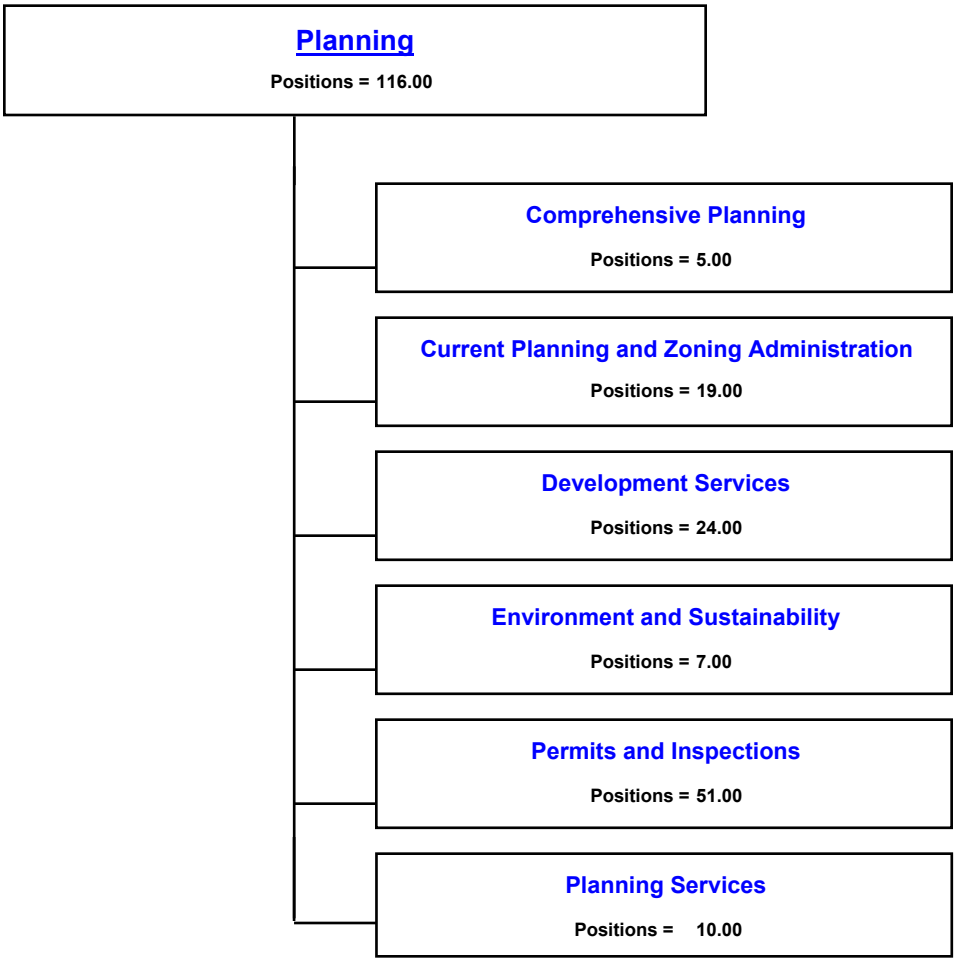
City of Virginia Beach
Fiscal Year 2015 Department Organizational Chart



Planning

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

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Enforce and Administer City Building Code						
P & I Inspections	#	99,000.0	81,426.0	87,357.0	94,372.0	99,090.0
P & I Permits Issued	#	36,000.0	30,673.0	31,320.0	34,520.0	36,246.0
Enforce and Administer City Zoning Ordinance						
Zoning Inspections	#	47,000.0	44,697.0	42,006.0	47,436.0	47,436.0
Zoning Permits Issued	#	1,900.0	1,725.0	1,538.0	1,992.0	1,992.0
Enforce and Administer the Zoning Ordinance						
BZA Items Heard	#	190.0	172.0	203.0	195.0	195.0
Enforce Stormwater Management Program						
CBPA Inspections	#	546.0	390.0	419.0	520.0	546.0
Civil Site Inspections	#	4,857.0	5,322.0	4,184.0	4,626.0	4,857.0
E & S Inspections	#	17,646.0	12,533.0	14,736.0	16,806.0	17,646.0
Stormwater Inspections	#	1,540.0	901.0	732.0	992.0	1,540.0
Enforce Waterfront Plan Review Joint Permit Applications						
Joint Permit Applications	#	280.0	226.0	255.0	284.0	284.0
Provide Support for Planning Commission/City Council Planning Items						
Planning Commission/City Council Applications Heard	#	190.0	182.0	199.0	192.0	192.0
Review All Land Development in the City of Virginia Beach						
Hours Required to Review Stormwater Plans	#	12,870.0	7,920.0	8,712.0	9,576.0	12,870.0
Plans Reviewed in DSC	#	3,430.0	2,650.0	2,876.0	3,130.0	3,430.0
Stormwater Plans Reviewed in the DSC	#	585.0	440.0	484.0	532.0	585.0
Review Requests for Wetlands Permits						
Wetlands Board Applications Heard	#	40.0	65.0	45.0	44.0	44.0
Review Variance Requests to Chesapeake Bay Preservation Area Ordinance						
CBPA Items Heard	#	120.0	113.0	76.0	124.0	124.0
Internal Process						
Prepare, Maintain, Coordinate, and Administer the Sustainability Plan						
Meetings Attended to Track Performance and Coordinate Activities	#	125.0	100.0	100.0	125.0	125.0

Planning

Major Changes

In total, the Planning Department's budget of $10,340,971 for FY 2014-15 is an increase of $502,332, or 5.1%, over the FY 2013-14 amended operating budget, primarily the result of additional positions needed to address the State-mandated stormwater management program.

Change	Impact
Additional funding for 7 new positions to address the State-mandated Virginia Stormwater Management Program	• These positions – an Engineer III, an Engineer I, three Construction Inspector I's, an Administrative Specialist II, and a Planning Aide I – are needed to ensure that the requirements of the newly mandated Virginia Stormwater Management Program (VSMP) are implemented. The Planning Department operations most affected are the Development Services Center and Permits and Inspections, but Public Works and Public Utilities are also impacted by the VSMP requirements.

Departmental Overview

The Planning Department is responsible for many tasks that contribute to a Quality Physical Environment in Virginia Beach. Below is a brief narrative and description of the various programs within the department:

- **Director's Office** - Provides financial, technical, and executive leadership of the Planning Department.

- **Environment and Sustainability Office** - Prepares and maintains the city's Environmental Sustainability Plan and advocates responsible stewardship of the city's natural resources. It provides staffing support for the Chesapeake Bay Preservation Area Board and the Wetlands Board. This office is responsible for the interpretation and enforcement of the Chesapeake Bay Preservation Area and Southern Watershed Management Ordinances. Waterfront construction and dredging permits and inspections in Virginia Beach are coordinated through this unit.

- **Chesapeake Bay Preservation Area Board** - Reviews applications requesting variance from the Chesapeake Bay Preservation Area Ordinance (CBPAO). The CBPAO was adopted to improve the water quality of the Chesapeake Bay watershed by protecting environmentally sensitive areas, such as buffers adjacent to the waterways, tidal shores, wetland and highly erodible soils. This unit provides legal notice requirements and related supplies.

- **Wetlands Board** - Reviews applications requesting permits for use alteration or development of wetlands, coastal primary sand dunes and beaches. Civil charge assessments and restoration orders for violations of regulations are reviewed by this board. This unit provides support cost related to the board.

- **Comprehensive Planning** - Prepares and maintains the City of Virginia Beach's Comprehensive Plan and related Strategic Growth Area Plans, and provides staffing support to the Historic Review Board. The Comprehensive Plan is City Council's statement regarding the future physical development of the city.

- **Current Planning and Zoning Administration** - Provides staffing support for the Planning Commission, the Board of Zoning Appeals and planning items that are brought to City Council. Current planning members work with applicants on each phase of the process that ensures land use compliance with ordinances and plans. The zoning staff is responsible for the interpretation and enforcement of the city's zoning ordinance.

- **Planning Commission** - Reviews applications for zoning district changes, conditional use permits and street closures; zoning ordinance amendments; land use plans and other related matters; and makes recommendations to City Council.

- **Board of Zoning Appeals** - Reviews, then approves or denies, applications requesting variances from the zoning ordinance and appeals of the decisions of the Zoning Administrator.

- **Development Services** - Coordinates the review and approval of subdivision plats and development plans to ensure engineering compliance with ordinances, standards, specifications and City Council requirements. Development projects can be either public or private and include plans for commercial sites, subdivision construction, land

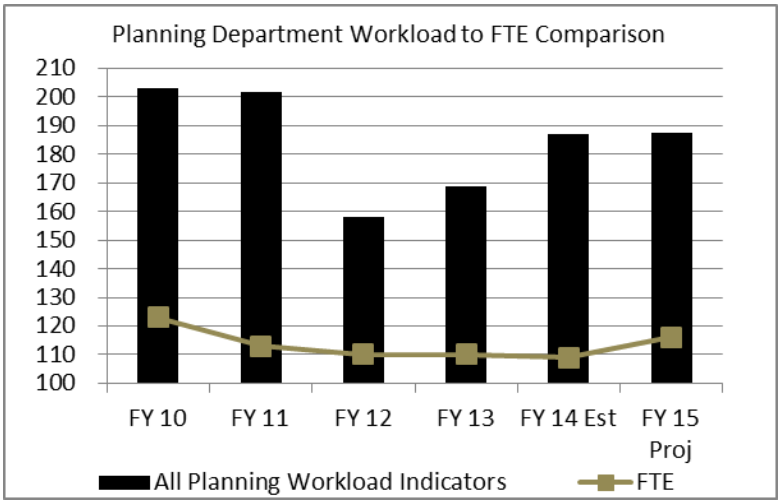
management for septic systems in poorly drained soils, and Chesapeake Bay Preservation Area single family sites. This unit administers development sureties and coordinates review and recordation of legal documents and agreements designed to ensure construction of requirements established during the plan review and approval process.

- **Building Permits and Inspections** - Administers the Uniform Statewide Building Code and associated laws and ordinances, and issues permits for and performs inspections of building construction, plumbing, electrical and mechanical systems installation and alteration.

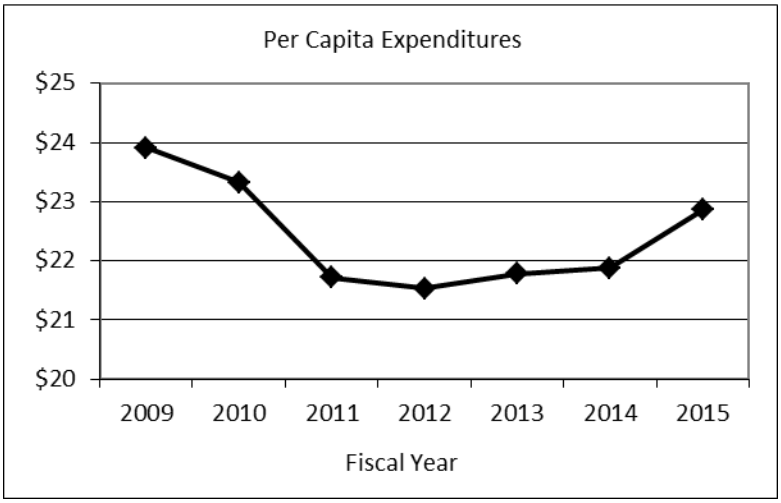
The Planning Department is integrally involved in helping the City to achieve the goals of Envision Virginia Beach 2040 and the Sustainability Plan. Within Envision 2040, for example, the Department addresses the goal of ensuring that the City is a well-planned community of exciting, diverse neighborhoods offering unique opportunities to live, work, play and grow in a culturally rich and safe environment. For the Sustainability Plan, the Environment and Sustainability Office within the Planning Department has the responsibility of overseeing the Plan's development and implementation.

Trends and Issues

- The businesses of the Planning Department are unique in that the Department's policies, procedures and productivity are directly tied to the economy. Although the most recent recession has hindered some development and construction, the overall workload of the Planning Department has remained relatively stable. Planning and development work in the strategic growth areas has generated several new rehabilitation projects. Moreover, renovation of existing residential and commercial structures requires similar plan reviews, permits and inspections as new construction. The significant reduction from FY 2010-11 to FY 2011-12 reflects the change in how the department's Accela System captures Permits and Inspections data.



- The graph to the right shows that between FY 2007-09 and FY 2011-12 the Planning Department's per capita expenditures decreased, primarily the result of elimination of positions. The notable increase from FY 2013-14 to FY 2014-15 is the need for new positions to address the plan review and inspection requirements of the State-mandated Stormwater Management Program.



- In FY 2014-15 the Planning Department will go live with the Accela Automation System upgrades to include the following features:
  - Enabling customers to submit plans, plats and applications electronically, schedule inspections, view results of staff review and board and commission decisions and authorize a credit card payment – all online 24/7.
  - Integrating and automating business activities associated with the Planning items to City Council, Planning Commission, Board of Zoning Appeals, Chesapeake Bay Preservation Area Board, and Wetlands Board applications.
  - Integrating and automating the activities associated with plan review, zoning complaints, citizen inquiries, street addressing, waterfront operations and comprehensive planning.

- Ultimately, full deployment of Accela Automation will provide the capability for customers to electronically submit applications, plans and drawings, have greater access to information about all Planning activities and understand the development life cycle areas of interest from Comprehensive Planning through Certificate of Occupancy.

- On July 1, 2014 the City is required to implement the State-mandated Virginia Stormwater Management Program (VSMP). This program transfers most stormwater program responsibilities from the Virginia Department of Environmental Quality to the localities, and includes the following requirements:
  - Required use of Virginia's e-permitting system to include entering, verifying and submitting electronically all of the project data from the "General Permit for Discharges of Stormwater from Construction Activities (VAR10) Registration Statement," which will be provided by the applicant in paper form to the DSC.
  - Required input of additional data including permit or project modifications, transfers of project ownership, permit maintenance and termination.
  - Termination of permit, requiring additional BMP information to be provided electronically on the Virginia e-permitting system.
  - Required plan submittal "Completeness Review" prior to plan review.
  - Enforce compliance of more stringent and complicated engineering stormwater design criteria (Runoff Reduction Method) during plan review.
  - Issuance of the VSMP Authority Permit and coordination with State-issued Construction General Permit (CGP).
  - Stormwater Pollution Prevention Plan (SWPPP) inspections, including detailed lengthy stormwater, erosion and sediment control and pollution prevention inspections, tracking and enforcement.
  - Tracking and reporting modifications and annual maintenance of active permits.

Of the seven new positions included this budget, three are in the Planning Department's Development Services Center and four are in Permits and Inspections. The budget also includes $305,906 in additional revenue from fees charged to cover a portion of the costs associated with implementing the VSMP.

Planning - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	1,002,382	1,304,959	1,266,945	(38,014)
Environment and Sustainability	363,482	309,634	352,061	42,427
Chesapeake Bay Program	205,535	215,884	220,790	4,906
Wetlands Program	112,293	132,006	138,770	6,764
Transportation Planning	97,150	0	0	0
Comprehensive Planning	486,277	504,140	527,010	22,870
Current Planning	457,822	508,039	475,183	(32,856)
Zoning Administration	1,105,486	1,147,305	1,169,595	22,290
Development Services Center	1,610,585	1,715,459	1,936,099	220,640
PU / Development Services	275,204	297,945	298,392	447
Building Permits and Inspections	3,472,692	3,649,957	3,903,616	253,659
Chesapeake Bay Preservation Board	12,731	9,756	9,756	0
Wetlands Board	2,992	3,721	3,571	(150)
Planning Commission	31,110	23,687	23,687	0
Board of Zoning Appeals	20,837	16,147	15,496	(651)
Total Expenditures	9,256,578	9,838,639	10,340,971	502,332
Revenues				
Fees	3,916,260	4,054,668	4,526,375	471,707
Transfers	368,436	393,371	597,689	204,318
Total Revenues	4,284,696	4,448,039	5,124,064	676,025
General City Support	4,971,882	5,390,600	5,216,907	(173,693)
183 Grants Consolidated Fund				
Expenditures				
Planning - Grants	62,433	0	0	0
Total Expenditures	62,433	0	0	0
Revenues				
Federal	58,069	0	0	0
Total Revenues	58,069	0	0	0
General City Support	4,364	0	0	0
Total Department Expenditure	9,319,011	9,838,639	10,340,971	502,332
Total Department Revenue	4,342,765	4,448,039	5,124,064	676,025
Total General City Support	4,976,245	5,390,600	5,216,907	(173,693)

Position Summary by Program				
002 General Fund				
Director's Office	10.00	10.00	10.00	0.00
Environment and Sustainability	2.00	3.00	3.00	0.00
Chesapeake Bay Program	2.00	2.00	2.00	0.00
Wetlands Program	2.00	2.00	2.00	0.00
Comprehensive Planning	5.00	5.00	5.00	0.00
Current Planning	5.00	5.00	5.00	0.00
Zoning Administration	14.00	14.00	14.00	0.00
Development Services Center	18.00	18.00	21.00	3.00
PU / Development Services	3.00	3.00	3.00	0.00
Building Permits and Inspections	47.00	47.00	51.00	4.00

Planning - Departmental Resource Summary

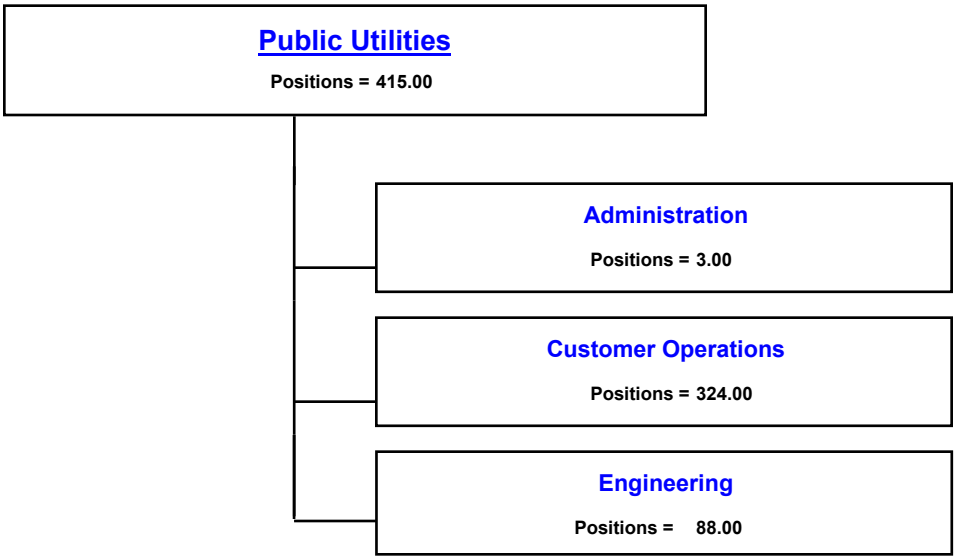
	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Total	108.00	109.00	116.00	7.00
Total Position Summary	108.00	109.00	116.00	7.00

Resource Summary Notes

The increases in funding for the Development Services Center and Building Permits and Inspections reflect the additional personnel and operating expenses associated with the State-mandated Virginia Stormwater Management Program (VSMP).

The increase in fee revenue is the result of increases in construction plan review and site plan review fees in support of the VSMP.

The increase in transfer revenue comprised primarily of the transfer from the Storm Water Utility Fund to the General Fund to partially cover the expenses associated with the VSMP.


Public Utilities
Positions = 415.00
Administration
Positions = 3.00
Customer Operations
Positions = 324.00
Engineering
Positions = 88.00

Public Utilities

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

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Locate and Mark Water and Sewer Lines						
Miss Utility Locating Requests Received	#	70,000.0	61,105.0	62,776.0	71,800.0	72,000.0
Maintain Fire Hydrants						
Defect Notices per 1,000 Hydrants	#	8.0	13.5	13.6	13.0	13.0
Fire Hydrants Serviced	#	1,600.0	1,729.0	2,282.0	1,800.0	1,800.0
Provide Safe Drinking Water						
Active Water Connections	#	132,924.0	132,010.0	132,324.0	132,624.0	132,924.0
Annual Water Quality Samples Tested	#	2,550.0	2,533.0	2,500.0	2,500.0	2,550.0
Customer						
Respond to Water and Sanitary Sewer Line Defects						
Number of Sewer Stoppages	#	4,000.0	3,346.0	3,421.0	3,453.0	3,480.0
Sanitary Sewer Laterals Replaced	#	350.0	512.0	393.0	384.0	375.0
Sanitary Sewer Main CCTV'd (feet)	#	185,000.0	201,506.0	144,987.0	242,400.0	250,000.0
Sanitary Sewer Main Cleaned (feet - in millions)	#	1.0	0.9	0.8	0.9	0.9
Water Main Breaks per 1,000 miles	#	150.0	115.0	130.0	130.0	130.0
Sanitary Sewer Overflow Reduction (associated with Consent Order)						
FOG Program Inspections	#	1,600.0	1,299.0	275.0	895.0	1,600.0
Sanitary Sewer Overflow's per 100 miles of piping	#	2.0	1.7	0.6	1.6	1.6
Financial						
Accurate Water Meter Reading						
Number of Misreads	#	600.0	696.0	557.0	600.0	600.0
Water Meters Read	#	790,000.0	778,235.0	777,400.0	780,000.0	780,000.0
Aged Meter Replacement Program						
Water Meters Replaced	#	9,500.0	6,648.0	6,674.0	8,500.0	9,000.0
Bad Debt Percentage of Billed Revenues						
Bad Debt Percentage of Billed Revenues	%	0.5	0.5	0.4	0.5	0.5
Safe Pump Station Operations						
Sewer Pump Stations Maintained Each Year	#	410.0	406.0	406.0	410.0	410.0
Sewer Pump Stations Maintained per Electrical Crew	#	82.0	81.0	81.0	58.0	82.0
Water Pump Stations Maintained Each Year	#	9.0	9.0	9.0	9.0	9.0
Water Pump Stations per Electrical Crew	#	4.5	4.5	4.5	4.5	4.5

Public Utilities

Major Changes

In total, the Department of Public Utilities' budget of $120,699,897 for FY 2014-15 is an increase of $2,984,842, or 2.5%, over the FY 2013-14 amended operating budget. The department's budget includes the final year of a four-year annual increase in sanitary sewer fees to address a federal consent order. In addition, the department is receiving approximately $1.0 million in revenue as a subsidy from the federal government to reduce the interest cost paid by the Water and Sewer Fund on taxable Build America Bonds (BABS). Debt Service has increased by $1.9 million because of the need for additional revenue bonds in the department's FY 2014-15 Capital Improvement Program to address the consent order.

Change	Impact
Addition of Engineering Technician I	• This position is being added to address the data requirements of the newly mandated Virginia Stormwater Management Program (VSMP). The Planning Department and the Department of Public Works are also impacted by the VSMP requirements.
Addition of Engineering Technician I	• This position is needed to perform data analysis to ensure compliance with the federal consent order addressing sanitary sewer overflows.
Transfer of Account Clerk III from Public Works	• This position has been the Public Works representative for Storm Water on the Utility billing system team in the Department of Public Utilities, with Public Works paying for the position. Once transferred, the cost of the position will then be absorbed by Public Utilities.

Departmental Overview

The Department of Public Utilities, also called the Water and Sewer Enterprise Fund, provides water and sanitary sewer services to the residents of Virginia Beach. The water distribution system is the part of the utility infrastructure that carries potable water from the water treatment plant and delivers it to customers. The water system also provides fire protection through fire hydrants, installed throughout the pipe network. The sanitary sewer system is the part of the utility infrastructure that carries wastewater from individual properties and delivers it to one of two Hampton Roads Sanitation District sewer treatment plants in the city.

Public Utilities has a schedule of fees and charges for both water and sanitary sewer services. These charges are necessary to fund the water and sanitary sewer operations, Capital Improvement Program, ensure continued compliance with state and federal laws and regulations, and ensure reliable quality customer service. The bills issued by Public Utilities represent a combined statement for Public Works and Public Utilities and include water supply, service availability, utility tax, and sanitary sewer service, charges for storm water and the solid waste collection fee (Public Works). The Water and Sewer Enterprise Fund issues debt through revenue bond sales and maintains a strong AA/AAA bond rating.

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

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

- **Operations and Maintenance -** Includes provision of continuous, 24 hour per day water supply services and sanitary sewer collection system to meet customer demands; monitoring, maintenance and repair of the city's water and sanitary sewer systems, including 9 water pump stations, 11 storage facilities, 406 sanitary sewer pump stations, 8,210 fire hydrants, and other components of the utility systems; protection of the utility systems by locating facilities in accordance with the Underground Utility Damage Prevention Act; compliance with Safe Drinking Water Act by collecting and analyzing monthly, quarterly, semi-annual and annual water samples; and flushing water distribution lines to maintain water quality.

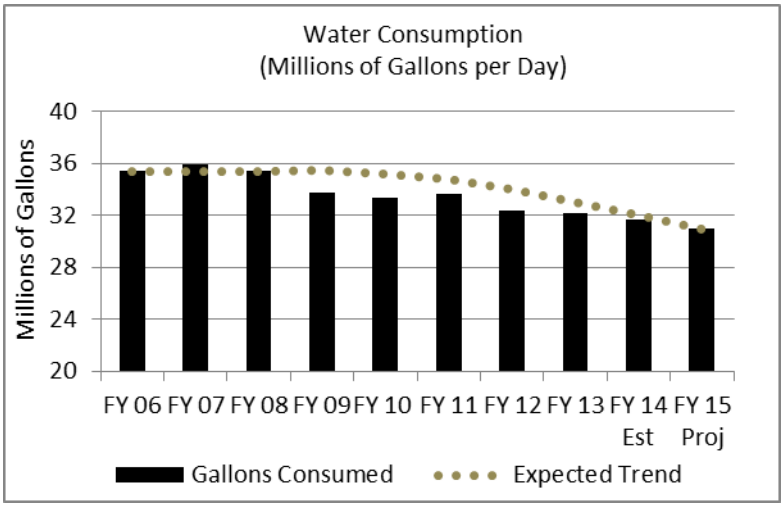
- **Business Operations -** Includes management of the department's water and sanitary sewer customer call center that answers 131,000 calls annually, customer accounting of 132,324 water accounts (e.g., account initiation, billings, payment arrangements, revenue collection), field service orders, and service discontinuance; ensures the fiscal integrity and budgetary self-sufficiency of the water and sewer utility enterprise fund including compliance with the requirements of the Master Bond Resolution; bills for storm water and waste collection, in addition to water and sewer; administration of the Norfolk Water Services Contract; and administration of various public education and awareness programs including water conservation, the Fats, Oils and Grease (FOG) Program, and backflow prevention.

The Department of Public Utilities, as a member of the Quality Physical Environment business area, provides many services that help meet specific City Council vision areas. Through the Capital Improvement Program, the necessary water and sanitary sewer infrastructure has been put in place and is being maintained and improved, through such means as the federal sanitary sewer consent order, to meet the needs of housing units and businesses to help create a vibrant Town Center and support the city's Envision Virginia Beach 2040 Plan and Sustainability Plan. This same infrastructure provided at the Oceanfront and Convention Center helps to support existing and new development that go towards creating a first class resort. This is also supported by initiatives such as the Laskin Road Gateway infrastructure projects.

By securing a long-term water source through the Lake Gaston Project and in partnership with the City of Norfolk through the Water Services Contract, the department helps to provide water that is necessary for diverse, distinctive neighborhoods, helps support a diverse local economy and helps maintain beautiful natural settings and residences.

Trends and Issues

- As an enterprise operation, the Water and Sewer Fund must adjust operating expenses to meet anticipated revenues. The department's estimated revenues from current water and sewer rates would be expected to decline for several reasons, including (a) consumers are using less water due to higher efficiency appliances and smaller households, (b) a national trend to reduce individual consumption and increased focus on conservation, (c) the economy has slowed new home construction, so the growth in new accounts is minimal, and (d) lower interest rates resulting in depressed interest earnings on deposits. Rate increases are necessary to maintain current levels of service in addition to meeting new requirements imposed by the state and federal governments for infrastructure upgrades and replacement.



- In addition to economic trends affecting revenues, the department experienced expenditure increases that had some significant impacts. The expenditure increase reflected in the department's FY 2014-15 budget reflects (a) the use of $3.6M in funding from the scheduled increase in the sanitary sewer fee to address the federal consent order regarding sanitary sewer overflows and (b) the corresponding increase in debt service to help fund the Capital Improvement Program to accomplish the necessary infrastructure improvements.

- A key service and cost driver is the increased volume and cost for maintenance, repair and replacement of aging water and sanitary sewer infrastructure funded over a 15- to 20-year cycle in the Capital Improvement Program. The federal Environmental Protection Agency and the state's Department of Environmental Quality issued a consent order for Hampton Roads in September 2007. The intent of the consent order is to reduce and control sanitary sewer overflows in the region. This consent order mandates significant increases, primarily in capital expenditures to overhaul the sewer system, but also includes both operational and maintenance impacts. In total, the anticipated capital expenditures needed to comply with this mandate is over $350 million. In FY 2014-15 the department is in the final year of a four-year stepped rate increase approved by City Council with the FY 2010-11 Capital Improvement Program to address

consent order compliance.

Phase I of the consent order involves analysis of the sanitary sewer system with a deadline of FY 2014-15. Phase II is from FY 2014-15 to FY 2024-25 and involves comprehensive sanitary sewer system rehabilitation. The consent order will require major expenditures, including:

- Monitoring and evaluating 240 sewer pump stations and service areas (including cleaning, closed circuit television (CCTV) inspection, and repairs of significant defects).
- Conducting an infiltration and inflow reduction program, including smoke testing for those 240 service areas.
- Flow monitoring for 100 to 200 sewer pump stations.
- Establishing a Fats, Oils and Grease (FOG) Program to manage, inspect and enforce compliance on more than 1,200 food service establishments on an ongoing, annual basis.
- Root Control Program for more than 75 miles of mainline collector pipe each year.
- Immediate cleaning, televised inspection and repair of major defects for the line segments upstream and downstream of every sewer overflow and major blockage.
- Comprehensive sanitary sewer system rehabilitation plan.
- A sanitary sewer hydraulic model (integrated with the Hampton Roads Sanitation District (HRSD) model).
- Extensive engineering analysis to support the development of a Regional Wet Weather Management Plan in 2014.

To date, the department has completed all the obligations related to Phase I. The remaining portion will be completed in the Capital Improvement Program over the next twelve to eighteen months.

Currently, there is an effort underway to have a regionally collaborated effort to perform the Rehabilitation and Wet Weather Management Plans. This effort has been approved by the localities and HRSD, and is awaiting approval by the Virginia Department of Environmental Quality and the federal EPA regulatory agencies. If this effort is approved, it will lessen the burden on the localities to fund and perform these plans.

- The cost of maintaining and upgrading the City's water and sewer system, and especially the financial effects of complying with the Consent Order mandate, can be understood when considering the size, age and condition of the city's water and sewer system. The water and sanitary sewer system is extensive and has an estimated replacement value of approximately $4 billion. The average lifespan of water and sewer lines are 40 to 50 years, although some water lines may last much longer. The on-going City rehabilitation and replacement program focuses on the worst neighborhoods with defects to reduce inflow/infiltration, and reduce or eliminate sanitary sewer overflows at a CIP funding level of $40 million per year. This is about 1% per year of the replacement cost of the system.

  In order to comply with the Consent Order mandate, the City has voted along with all of the other Hampton Roads Municipalities to support the Hampton Roads Sanitation District's (HRSD) Hybrid Plan proposal. The HRSD work will supplement the City's work. As a result, Public Utilities has eliminated a proposed increase of $10 million per year, that would have been requested in fiscal year 2016.

- As indicated under "Major Changes", this budget includes a new Engineering Technician I position to address the data needs associated with the State-mandated Virginia Stormwater Management Program (VSMP). This program transfers most stormwater program responsibilities from the Virginia Department of Environmental Quality to the localities and must be implemented on July 1, 2014. In connection with the program, this position will do the following:
  - Create, submit and track permits in the State's "e-permitting" program for compliance with VSMP permit requirements for all departmental construction activities.
  - Update permit information daily for design approval, inspection and enforcement activities.
  - Assist with preparation of an annual report (212 VSMP permits are expected to be granted yearly to Operations and Engineering for construction activities).

  Constant focus is needed throughout the department to ensure program compliance through plan review, inspection, enforcement and monitoring activities, and this reporting function is necessary to ensure consistency of those components.

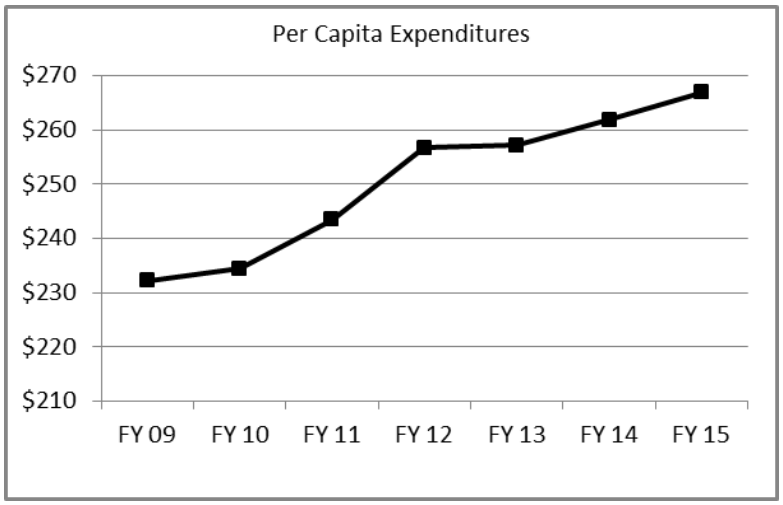
- The following table illustrates the financial impact of water and sewer rate increases on a typical single family residence using 5,000 gallons of water per month and a 5/8" meter for water and sewer.

Adopted Water and Sanitary Sewer Rate Increases
FY 2010-11 through FY 2014-15

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Monthly Water Supply Charge (Single Family Residence, 5,000 gallons)	$26.46	$26.46	$26.46	$26.46	$26.46
Monthly Sanitary Sewer Charge (Single Family Residence, 5/8" Meter)	19.54	22.12	24.86	27.76	30.81
Total Water and Sanitary Sewer	**$46.00**	**$48.58**	**$51.32**	**$54.22**	**$57.27**
Monthly Increase to Residential Bill ($) (Single Family Residence, 5,000 gallons, 5/8" Meter)		$2.58	$2.74	$2.90	$3.05

A full schedule of water and sewer rates is available on the Public Utilities departmental site on vbgov.com under "Rates, Fees, and Charges."

- Per capita expenditures are increasing only about 1.9% in FY 2014-15, which is sufficient to maintain staffing and services and funds some additional expenses in the current year.



Public Utilities - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
241 Water and Sewer Fund				
Expenditures				
Director's Office	394,487	442,397	468,202	25,805
Engineering	7,564,008	9,028,414	9,447,871	419,457
Lake Gaston Facilities	1,664,670	3,255,701	3,396,966	141,265
Water Services Contract	25,968,026	27,038,000	25,041,000	(1,997,000)
Retiree Health Care	0	0	460,000	460,000
Operations Administration	3,104,957	3,863,578	5,301,001	1,437,423
Water Distribution	4,007,733	4,191,857	5,191,175	999,318
Water Pump Stations	2,547,756	2,732,735	0	(2,732,735)
Meter Operations	3,670,354	3,865,147	3,697,446	(167,701)
Electrical Support	0	0	1,386,545	1,386,545
Sewer Collection	6,667,475	7,056,767	7,607,945	551,178
Sewer Pump Stations	7,521,111	7,133,164	6,925,126	(208,038)
Business Division	6,961,766	7,651,428	7,733,413	81,985
Debt Service	7,853,450	22,527,690	24,384,997	1,857,307
Reserve for Contingencies	0	950,850	1,386,335	435,485
Transfer to Other Funds	18,249,158	17,977,327	18,271,875	294,548
Total Expenditures	96,174,949	117,715,055	120,699,897	2,984,842
Revenues				
Fees	116,330,721	116,018,882	118,585,974	2,567,092
Federal	1,017,733	1,017,733	944,456	(73,277)
Transfers	658,679	678,440	1,169,467	491,027
Total Revenues	118,007,133	117,715,055	120,699,897	2,984,842
General City Support	(21,832,184)	0	0	0
Total Department Expenditure	96,174,949	117,715,055	120,699,897	2,984,842
Total Department Revenue	118,007,133	117,715,055	120,699,897	2,984,842
Total General City Support	(21,832,184)	0	0	0

Position Summary by Program				
241 Water and Sewer Fund				
Director's Office	3.00	3.00	3.00	0.00
Engineering	84.00	86.00	88.00	2.00
Operations Administration	22.00	21.00	36.00	15.00
Water Distribution	41.00	41.00	48.00	7.00
Water Pump Stations	25.00	25.00	0.00	-25.00
Meter Operations	43.00	43.00	43.00	0.00
Electrical Support	0.00	0.00	15.00	15.00
Sewer Collection	64.00	64.00	62.00	-2.00
Sewer Pump Stations	61.00	61.00	51.00	-10.00
Business Division	68.00	68.00	69.00	1.00
Total	411.00	412.00	415.00	3.00
Total Position Summary	411.00	412.00	415.00	3.00

Resource Summary Notes

The increased Engineering expense includes the following:

- Two new Engineering Technician I positions – one to address the data requirements of the newly mandated Virginia Stormwater Management Program and one to perform data analysis to ensure compliance with the federal consent order addressing sanitary sewer overflows.

- Two programs previously funded through the Capital Improvement Program – Water Quality Program (CIP #5-252) and Potable Wells Evaluation Program (CIP #5-250). This continues the effort to move operating expenses from the CIP to the department's budget.

- Additional funding for wet well cleaning, formerly paid for via CIP #6-611 (Pump Station Wet Well Revitalization II).

The reduction in the Water Services Contract expense reflects a decrease in the cost of the Contract with the City of Norfolk to provide water service to Virginia Beach.

The $460,000 shown for Retiree Health Care reflects the health care expense associated specifically with retired Public Utilities employees. In prior years the General Fund paid for that expense.

Part of the funding for Water Pump Stations is being transferred to Operations Administration. This is for the Control Center and the 10 employees in the Center; a supervisor and four electrical staff were transferred to the new Electrical Support function. In addition, ten staff members from the Sewer Pump Stations bureau have also been moved to the Electrical Support function.

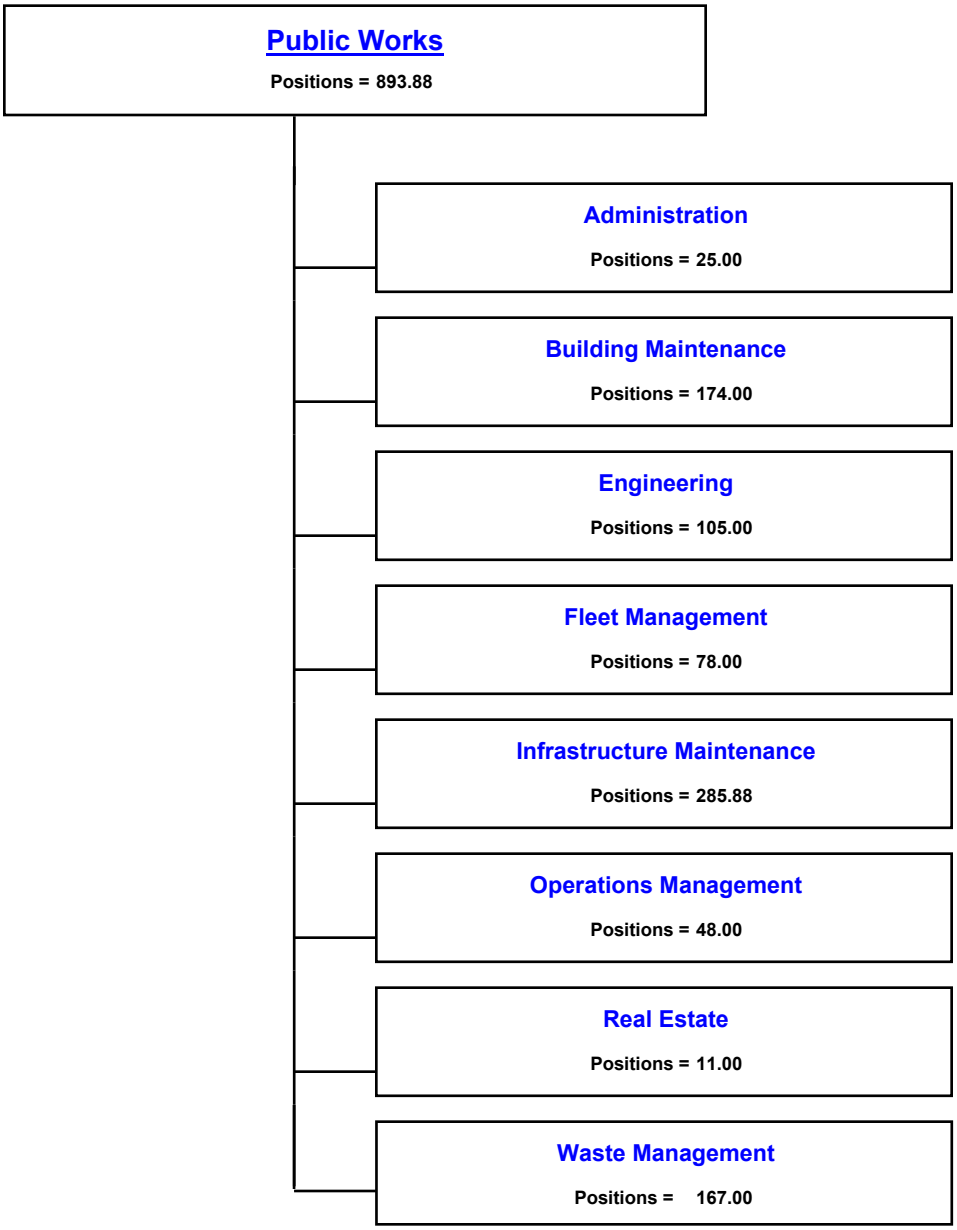
The increase in funding for Water Distribution reflect the consolidation of utility maintenance work into a single area.

The primary reason for the increase in the Sewer Collection expense is an updating of Risk Management charges to more accurately capture the value of the sewer pump stations.

The increase in Debt Service reflects the need for additional revenue bonds, primarily to address the requirements of the federal sanitary sewer consent order.

Higher revenue from Fees is associated with the increase in the sanitary sewer rate. This is the final year of a four-year approved schedule of increases.

The increase in transfer funding is the result of the implementation of a cost allocation model that more accurately distributes the expense of the billing and collection function and other costs of billing operations (e.g., postage, paper, customer calls) to the appropriate areas in Storm Water and Waste Management.


Public Works
Positions = 893.88
Administration
Positions = 25.00
Building Maintenance
Positions = 174.00
Engineering
Positions = 105.00
Fleet Management
Positions = 78.00
Infrastructure Maintenance
Positions = 285.88
Operations Management
Positions = 48.00
Real Estate
Positions = 11.00
Waste Management
Positions = 167.00

Public Works

The mission of the skilled and professional people of the Department of Public Works is to provide total life cycle management of the public infrastructure and key essential services. We succeed through the proper management of programs and resources to enhance the health, safety, and welfare of the residents, businesses, and visitors of the City of Virginia Beach.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Enhance Storm Water Quality						
Completed Storm Water Maintenance Work Orders	#	6,000.0	6,507.0	6,140.0	6,000.0	6,000.0
Provide Custodial Services						
Custodial Contract Service Cost Per Square Foot	#	3.4	3.4	3.4	3.4	3.4
Custodial In-House Service Cost Per Square Foot	#	1.7	1.6	1.6	1.7	1.7
Custodial Services-Satisfaction Level (1 to 4)	#	3.5	3.4	3.5	3.5	3.5
Total Square Footage of Buildings Maintained	#	3,309,497.0	3,141,115.0	3,246,680.0	3,309,497.0	3,309,497.0
Provide Facility Maintenance Services						
Average Cost Per Completed Facility Maintenance Work Order	$	241	217	241	241	241
Average Number of Hours to Complete a Work Order	#	6.0	6.3	6.0	6.0	6.0
Number of Facility Maintenance Work Orders Completed	#	18,065.0	17,737.0	18,065.0	18,065.0	18,065.0
Number of Facility Maintenance Work Orders Requested	#	17,770.0	17,647.0	17,770.0	17,770.0	17,770.0
Workorder Customer Satisfaction Score (1 to 4)	#	4.0	3.7	3.4	3.4	3.4
Provide Fleet Management						
Average Days to Complete an Automotive Services Work Order	#	4.5	6.9	7.1	4.5	4.5
Provide Roadway Maintenance						
Lane Miles of Street Reconstruction	#	6.0	7.0	6.1	4.0	6.0
Roadway Resurfacing Cycle (in years)	#	15.0	25.0	28.0	26.0	22.0
Provide Waste Collection Service						
Tons of Regular Waste Collected (in thousands)	#	135.0	145.1	145.0	155.0	135.0
Tons of Yard Debris Collected and Composted (in thousands)	#	41.0	44.0	41.0	36.0	44.0
Waste Collection Complaints Per 10,000 Customers	#	400.0	411.0	400.0	400.0	400.0
Waste Collections made to Residential Customers (in millions)	#	6.5	6.5	6.5	6.5	6.5

Public Works

City Council Amendment

On May 13, 2014, City Council voted to increase funding for road maintenance to Sandbridge Road by $250,000. On March 25, 2014, Gills Cove dredging SSD was established per the below chart.

Neighborhood/Area	Approved by City Council	Effective Date	Current SSD Real Estate Tax Rate	CIP Project #
Gills Cove	March 25, 2014	July 1, 2014	6.3¢	8-016

Major Changes

In total, the FY 2014-15 proposed budget for the department of Public Works is $174,758,166 in all funds, including internal service funds. Departmental expenditures increased $6,348,388 over the FY 2013-14 amended budget, and a net increase of 3.5 positions. Eighty-six percent of the department's expenditures are covered through state revenue, and fees and charges. Revenue increases can be seen in the City Garage and Fuels Internal Service Funds based on increased usage; the Storm Water Utility Fund related to a proposed 1.7-cent increase in the Equivalent Residential Unit (ERU); and additional revenue from the state to support roadway maintenance based on current VDOT formulas, which results in an increase of $1.3 million over the FY 2013-14 revenue estimate. Waste Management is now shown as an enterprise fund since revenue collections fully support operations. As such, the waste and recycling collection services at the municipal center will now be billed and $750,000 of estimated revenue is included in the new fund.

Change	Impact
Streamlining Operations in the Waste Management Enterprise Fund	• Four full-time waste management operator and one part-time administrative (0.5 FTE) positions have been eliminated with the phase-in of the second year of adjustments to the waste collection routes to optimize efficiencies.
Storm Water Regulatory Mandates	• The Storm Water Utility Enterprise Fund proposes a 1.7¢ increase per ERU to support nine positions and equipment necessary to address additional permitting, inspection and mitigation efforts required to meet new Storm Water regulatory requirements. One Engineer IV, one Engineer III and two Construction Inspector III (4 positions) have been added to Engineering Project Management. One Engineer II, one Engineering Technician III, one Engineering Technician II, one Construction inspector III and one Construction Inspector II (5 positions) have been added to Storm Water Operations.
Transfer Account Clerk III Position to Public Utilities	• This position has been the Public Works representative for Storm Water on the Utility billing system team in the Department of Public Utilities, but funded within Public Works. Once transferred, the cost of the position will be absorbed by Public Utilities.

Departmental Overview

Most of the department's operations receive financial support through the General Fund. Other funds that support the department include the Storm Water Utility Fund, which funds the majority of storm water operations; the Waste Management Fund which provides for waste collection and disposal, curbside recycling, and hazardous and yard debris disposal; the Parks and Recreation Special Revenue Fund, which provides funding to Public Works for recreation center maintenance; the Tourism Investment Program Fund, which supports recycling, beach operations, and building maintenance in the resort area; the City Garage and Fuels Internal Service Funds, which provide automotive maintenance and fuel for the city's rolling stock; and the Capital Projects Internal Service Fund, which provides operational support for capital projects.

The core services provided by the Public Works department are as shown below:

- **Infrastructure Maintenance, Repairs and Asset Management -** This is the primary interface of the Public Works department with the citizens and city employees to receive, record, investigate, and resolve reports of deficiencies that require maintenance, repair, and restoration. Assets managed include all the city owned administrative, recreational,

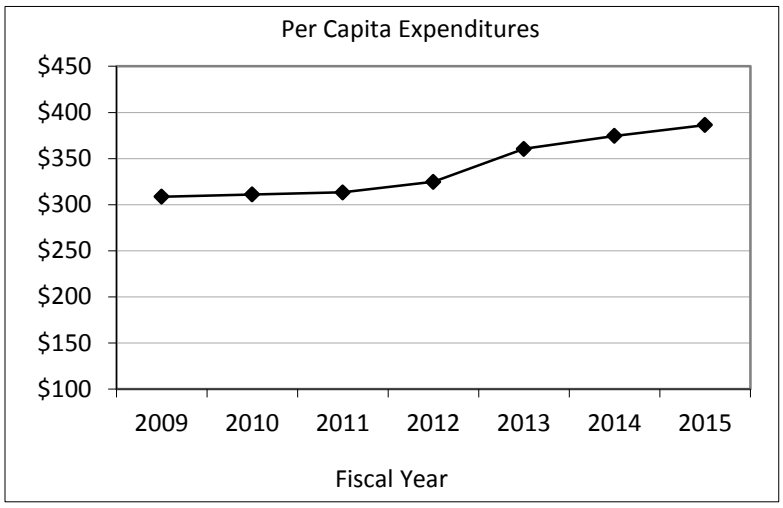
industrial and public safety facilities; all roadways, bridges, curbs, gutters, sidewalks, storm water pipe, swales, and the roadside and off-road ditch network; storm water BMP inspections; public beaches; navigational maintenance dredging of Rudee Inlet, various rivers and bays, and navigational buoys and markers; traffic management operations, traffic signs, signalized intersections and markings; and mosquito/vector population assessment, control and reporting. The department maintains an infrastructure inventory and utilizes asset management methods to determine appropriate maintenance cycles; provides engineering design solutions in support of maintenance; and administers architectural and engineering and service/minor construction contracts.

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

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

- **Automotive Services -** This provides both routine and preventive maintenance and full life cycle services to the city's rolling stock inventory of about 3,600 major pieces of equipment including automobiles, construction vehicles and equipment, fire and rescue apparatus, helicopters, boat motors and generators. Fleet replacement recommendations are provided through a customer team. Fuel services and a motor pool are also provided to all city agencies.

Trends and Issues



- In FY 2014-15, department expenditures increase 3.2% from the FY 2013-14 amended budget. This can be attributed to additional Road Maintenance funding from VDOT, as well as increases in Waste Management Enterprise Fund revenues, the Storm Water Utility Fee, and Internal Service Fund Charges. In addition, a number of departmental funds show the use of fund balance totaling $2.2 million.

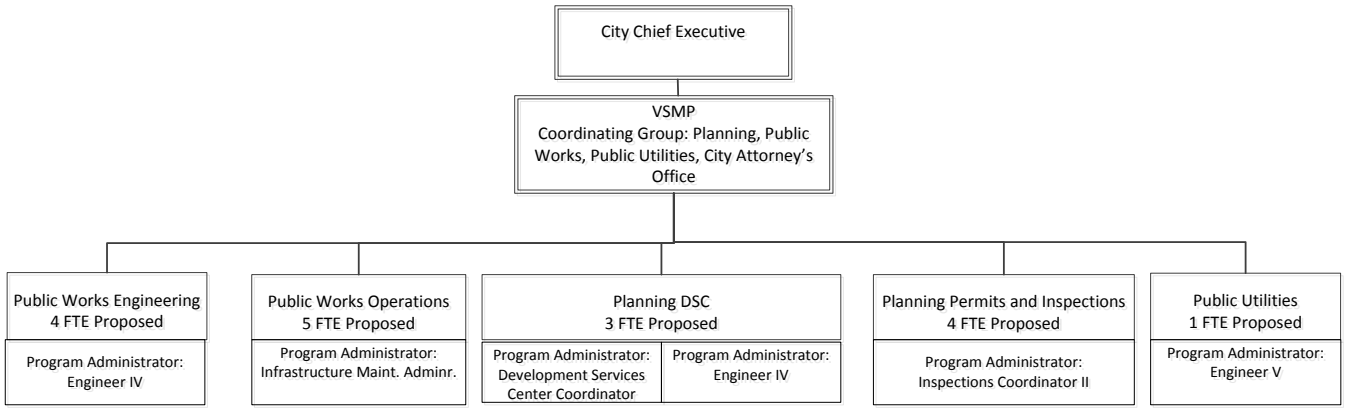
- The Department of Public Works, as a member of the Quality Physical Environment business area, provides many services that help meet specific City Council vision areas. Through the Capital Improvement Program, the necessary transportation, storm water, facility and coastal infrastructure has been put in place and is being maintained and improved. The Roadways and Storm Water capital programs particularly focus on enhancing capacity to meet the needs of residential and commercial units. These are essential to help create a vibrant Town Center and support the Envision Virginia Beach 2040 and the Sustainability Plan. This same infrastructure provided at the Oceanfront and Convention Center helps to support existing and new development that go towards creating a first class resort. This is also supported by initiatives such as the Pacific Avenue Improvements, numerous intersection enhancements, and the North and South Lake Holly Drainage infrastructure projects. In addition, the investment in the Coastal initiatives, including dredging the Eastern and Western Branches of the Lynnhaven, will enhance recreational opportunities for citizens. It is important to note that there are serious funding concerns related to the long term maintenance of resort and Chesapeake Bay Beaches. As the Federal government stops funding beach nourishment projects, there needs to be a dedicated funding source identified similar to the strategy used in Sandbridge. The Beaches and Waterways Commission was tasked by the City Council to identify and recommend such a strategy.

- The City of Virginia Beach Department of Public Works was selected for the prestigious American Public Works Association (APWA) Accreditation in November 2013. The APWA Accreditation program recognizes city, town and county government agencies that go beyond the requirements of the management practices established nationally in the public works industry. Virginia Beach Public Works is the 88th agency in North America to achieve accreditation. All of the APWA accredited agencies meet or exceed standards of performance in areas such as road and bridge repair and maintenance, engineering and construction services, building and grounds maintenance, utility coordination and vehicle maintenance. Virginia Beach's award indicates that they are maintaining accreditation documentation and practices, and that the public works staff has dedicated themselves to concepts of continuous improvement and in-depth self-assessment of department policies, procedures and practices.
- On July 1, 2014 the City is required to implement the State-mandated Virginia Storm Water Management Program (VSMP). This program transfers most storm water program responsibilities from the Virginia Department of Environmental Quality to the localities, and includes three main components: (1) More stringent storm water design requirements; (2) Permitting and tracking via State e-permitting; (3) Enforcement. These activities are spread between the Departments of Planning and Public Works. Public Works will have impacts in both the Engineering and Operations units of the Storm Water Enterprise Fund. Failure to achieve full compliance in all required aspects can jeopardize the City's overall Municipal Storm Sewer System Permit. This budget includes a proposed 1.7¢ increase in the Storm Water Equivalent Residential Unit (ERU) fee to support the additional positions and equipment necessary to fulfill these requirements.

  Engineering
  - Requirements for discharge rate, volume and water quality are both more numerous and more strict.
  - Must conduct Storm Water master planning for the entire City that includes enhancements to the quality and quantity.
  - Additional inspection requirements, including increased frequency in the Chesapeake Bay Watershed, additional activities to be inspected, and expanded requirements for documenting deficiencies and corrective actions. These are beyond the traditional inspector's responsibilities related to contract administration, quality assurance of improvements, verification of invoices and day-to-day record keeping.

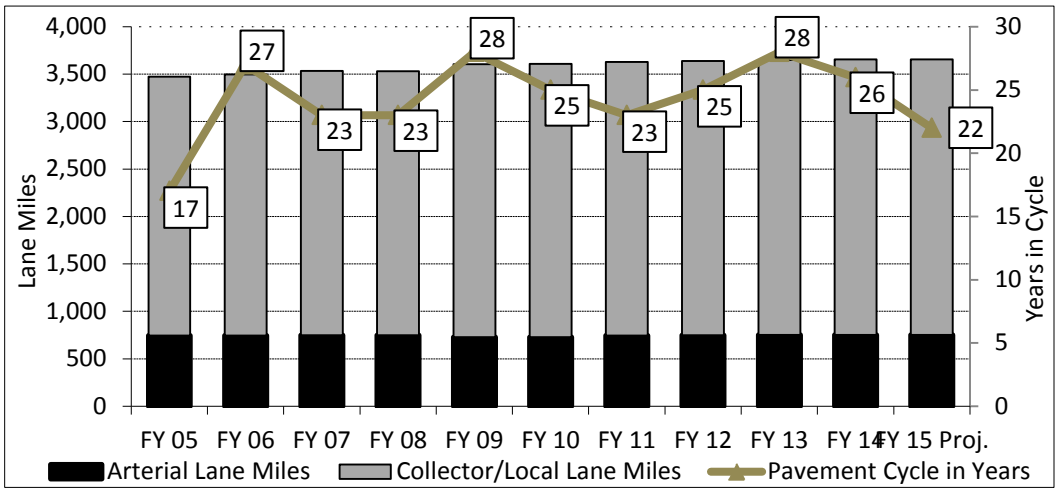
  Operations
  - Requirements for increased permitting, documentation, e-permitting and recordkeeping for nearly all maintenance activities.
  - Increased inspection requirements of maintenance performed.

VSMP: City Management Hierarchy



- Traffic Engineering retimed four corridors this past year:
    - Indian River Road Corridor – weekend morning delay decreased up to 44%
    - Virginia Beach Boulevard Corridor – eastbound morning delay decreased up to 65%, and westbound weekend delay decreased up to 85%
    - Rosemont Road/Holland Road/Independence Boulevard Area – decreased the late morning northbound delay on Independence Boulevard up to 63%
    - General Booth Corridor- morning northbound delay reduced up to 30%, the late morning southbound delay decreased up to 56%

- Various factors continue to compound the maintenance needs and costs for roadways, including aging infrastructure, increasing demand, and the variation in the cost of petroleum-based products.
    - The accepted industry standard for the average repaving cycle is fifteen years to maintain the level of service and avoid costly deterioration and reconstruction. Over 80% of the city's roadway surfaces exceed the 15-years threshold. That percentage has been increasing at a rate of about 2% each year since FY 1997-98.
    - Demand for maintenance is also higher. Traffic volumes have increased 13% to 15% over the same period, and additional amenities such as the installation of wider shoulders for bike routes have impacted cycle times.
    - Concurrently, the costs related to roadway maintenance have increased at a rate much faster than inflation with the increased costs of petroleum products.
    - In FY 2010-11, an increase in paving funding allowed Public Works to reduce the paving cycle down slightly; however, variation in the cost of petroleum products and have increased the current cycle time to 26 years. An additional $1.3 million has been added to Pavement Maintenance in FY 2014-15; if pricing remains stable in the upcoming year, a modest improvement to a 22-year cycle is projected. Public Works will continue to maximize the work accomplished with available funding and evaluate cost effective maintenance alternatives.



- The City continues to have increased interest in developing dredging special service districts. The City will dredge channels to accommodate a neighborhood navigation system and will include a city-funded spur channel leading from the primary waterway. Individual homeowners may choose to have their private boat channel dredged as part of the larger project; however, they are responsible for paying 100% of that cost to the City. The SSD rates will be evaluated every four years to ensure all neighborhood channel costs are paid by the end of the sixteen-year program. The following table shows the Special Service Districts for Neighborhood Dredging that the City Council has approved to date.

Neighborhood/Area	Approved by City Council	Effective Date	Current SSD Real Estate Tax Rate	CIP Project #
Old Donation Creek	September 13, 2011	October 1, 2011	18.4¢	8-500
Bayville Creek	March 27, 2012	July 1, 2012	36.3¢	8-501
Shadowlawn	March 12, 2013	July 1, 2013	15.94¢	8-502
Chesopeian Colony	August 13, 2013; December 3, 2013	July 1, 2014	29.13¢	8-503
Harbour Point	January 14, 2014	July 1, 2014	7.9¢	8-504

Public Works - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	617,905	301,521	307,271	5,750
Business Center	6,983,112	7,226,246	7,248,452	22,206
Contracts	487,666	506,852	515,869	9,017
Facilities Management	461,041	559,315	540,938	(18,377)
Real Estate	919,265	946,838	960,463	13,625
Engineering Program Management	752,486	799,128	815,130	16,002
Surveys	1,081,964	1,160,697	1,170,595	9,898
Engineering Technical Support	413,515	431,716	437,462	5,746
Traffic Engineering	1,212,629	1,381,997	1,430,803	48,806
Transportation Program and Project Management	1,161,479	1,558,154	1,605,103	46,949
Engineering and Construction Management Services	1,039,165	1,124,297	1,113,267	(11,030)
Coastal Program and Project Management	321,443	399,566	453,853	54,287
Facilities Design and Construction	707,225	756,240	776,253	20,013
Street Light Installations	109,863	510,000	510,000	0
Operations Management Support	994,361	1,085,265	1,106,352	21,087
Planning, Estimating, and Scheduling	383,754	0	0	0
Technical Services and Asset Management	910,472	1,065,437	1,121,358	55,921
Infrastructure Maintenance Contracts	702,403	693,104	691,222	(1,882)
Infrastructure Maintenance Support	758,984	1,007,484	886,867	(120,617)
Street Maintenance	14,482,768	14,785,929	16,383,451	1,597,522
Dredge Maintenance	1,599,865	1,673,219	1,618,739	(54,480)
Mosquito Control	1,320,972	1,445,997	1,340,258	(105,739)
Traffic Management Operations	4,996,122	4,606,334	4,560,999	(45,335)
Beach Operations	1,407,108	1,311,015	1,321,763	10,748
Bridge Maintenance	356,792	399,687	407,776	8,089
PW - Capital Maintenance	0	221,691	0	(221,691)
Building Maintenance Management and Support	7,610,995	7,844,744	8,029,400	184,656
Electrical	1,767,450	1,688,107	1,774,089	85,982
Heat and Air Conditioning	1,972,050	1,900,738	2,007,725	106,987
General Maintenance	3,188,659	3,170,517	3,306,364	135,847
Custodial	3,523,496	3,719,107	3,561,201	(157,906)
Resort Building Maintenance	440,133	578,337	586,819	8,482
Total Expenditures	62,685,145	64,859,279	66,589,842	1,730,563
Revenues				
Fees	219,899	588,000	587,500	(500)
State	37,446,732	38,196,034	39,518,142	1,322,108
Transfers	2,306,111	2,363,151	2,316,111	(47,040)
Total Revenues	39,972,742	41,147,185	42,421,753	1,274,568
General City Support	22,712,403	23,712,094	24,168,089	455,995
151 Parks and Recreation Special Revenue Fund				
Expenditures				
Recreation Centers Building Maintenance	2,471,712	2,827,533	2,719,800	(107,733)
Total Expenditures	2,471,712	2,827,533	2,719,800	(107,733)
Revenues				
Local Taxes	2,376,330	2,500,533	2,407,023	(93,510)
Transfers	0	327,000	312,777	(14,223)
Total Revenues	2,376,330	2,827,533	2,719,800	(107,733)
General City Support	95,382	0	0	0

Public Works - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
152 Tourism Investment Program Fund				
Expenditures				
TIP - Recycling	28,995	52,000	52,000	0
TIP Beach Operations	391,105	400,558	397,672	(2,886)
TIP Resort Building Maintenance	417,228	523,938	485,202	(38,736)
Total Expenditures	837,327	976,496	934,874	(41,622)
Revenues				
Local Taxes	955,297	976,496	934,874	(41,622)
Total Revenues	955,297	976,496	934,874	(41,622)
General City Support	(117,970)	0	0	0
172 Open Space Special Revenue Fund				
Expenditures				
Open Space - Surveys	0	15,300	15,300	0
Total Expenditures	0	15,300	15,300	0
Revenues				
Local Taxes	15,289	15,300	15,300	0
Total Revenues	15,289	15,300	15,300	0
General City Support	(15,289)	0	0	0
183 Grants Consolidated Fund				
Expenditures				
Public Works - Grants	10,800	15,000	15,000	0
Total Expenditures	10,800	15,000	15,000	0
Revenues				
State	0	15,000	0	(15,000)
Federal	15,000	0	15,000	15,000
Total Revenues	15,000	15,000	15,000	0
General City Support	(4,200)	0	0	0
254 Waste Management Enterprise Fund				
Expenditures				
WM Program Support	999,114	1,039,757	1,092,796	53,039
WM Bureau of Waste Disposal	18,660,802	19,120,434	18,877,095	(243,339)
WM Bureau of Waste Collection	12,227,699	11,629,492	13,455,983	1,826,491
WM Yard Debris & Hazardous Household Waste	2,431,699	1,998,945	2,236,147	237,202
WM Recycling	5,112,225	4,784,726	4,937,968	153,242
WM Reserve for Contingencies	0	71,295	299,533	228,238
Transfer to Other Funds	0	3,626,771	2,627,847	(998,924)
Total Expenditures	39,431,539	42,271,420	43,527,369	1,255,949
Revenues				
Fees	26,655,067	42,236,030	42,782,369	546,339
State	51,070	35,390	45,000	9,610
Transfers	14,769,687	0	0	0
Fund Balance	0	0	700,000	700,000
Total Revenues	41,475,824	42,271,420	43,527,369	1,255,949
General City Support	(2,044,286)	0	0	0

Public Works - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
255 Storm Water Utility Enterprise Fund				
Expenditures				
SWU - Project Management	2,041,928	2,360,498	2,908,273	547,775
SWU - Customer Service	139,274	146,388	95,500	(50,888)
SWU - Operations and Maintenance	9,545,119	12,523,430	11,643,923	(879,507)
SWU - Inspections and Environmental Spill Response	991,123	725,406	881,561	156,155
SWU - Street Sweeping	308,337	469,467	473,240	3,773
SWU - Construction and Engineering	310,911	520,637	769,561	248,924
Debt Service	1,042,063	2,036,764	2,796,529	759,765
Debt Service (General)	12,711	226,457	0	(226,457)
Reserve for Contingencies	0	2,950,233	8,197,105	5,246,872
Transfer to Other Funds	15,764,934	15,501,034	11,593,385	(3,907,649)
Total Expenditures	30,156,401	37,460,314	39,359,077	1,898,763
Revenues				
Fees	32,590,215	37,143,136	39,062,647	1,919,511
Federal	275,815	288,159	267,411	(20,748)
Transfers	1,836,295	29,019	29,019	0
Total Revenues	34,702,325	37,460,314	39,359,077	1,898,763
General City Support	(4,545,924)	0	0	0
606 City Garage Internal Service Fund				
Expenditures				
Automotive Services	11,526,454	11,577,241	12,634,619	1,057,378
Motor Pool	234,667	233,231	298,478	65,247
Reserve for Contingencies	0	11,878	47,330	35,452
Total Expenditures	11,761,121	11,822,350	12,980,427	1,158,077
Revenues				
Fees	12,001,490	11,140,970	12,155,646	1,014,676
Fund Balance	0	681,380	824,781	143,401
Total Revenues	12,001,490	11,822,350	12,980,427	1,158,077
General City Support	(240,369)	0	0	0
610 Capital Projects Internal Service Fund				
Expenditures				
Capital Projects - PW Energy	0	0	109,082	109,082
Capital Projects - Public Works	289,603	287,754	296,891	9,137
Reserve for Contingencies	0	2,330	50,000	47,670
Total Expenditures	289,603	290,084	455,973	165,889
Revenues				
Fees	289,603	290,084	455,973	165,889
Total Revenues	289,603	290,084	455,973	165,889
General City Support	0	0	0	0

Public Works - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
616 Fuels Internal Service Fund				
Expenditures				
Fuels	7,424,576	7,872,002	8,410,504	538,502
Total Expenditures	7,424,576	7,872,002	8,410,504	538,502
Revenues				
Fees	7,662,211	7,872,002	7,710,504	(161,498)
Fund Balance	0	0	700,000	700,000
Total Revenues	7,662,211	7,872,002	8,410,504	538,502
General City Support	(237,636)	0	0	0
Total Department Expenditure	155,068,222	168,409,778	175,008,166	6,598,388
Total Department Revenue	139,466,112	144,697,684	150,840,077	6,142,393
Total General City Support	15,602,111	23,712,094	24,168,089	455,995

Position Summary by Program

002 General Fund				
Director's Office	2.00	2.00	2.00	0.00
Business Center	12.00	12.00	12.00	0.00
Contracts	7.00	7.00	7.00	0.00
Facilities Management	3.00	3.00	3.00	0.00
Real Estate	11.00	11.00	11.00	0.00
Engineering Program Management	9.00	9.00	9.00	0.00
Surveys	16.00	16.00	16.00	0.00
Engineering Technical Support	4.00	4.00	4.00	0.00
Traffic Engineering	13.00	14.00	14.00	0.00
Transportation Program and Project Management	12.00	15.00	15.00	0.00
Engineering and Construction Management Services	11.00	11.00	11.00	0.00
Coastal Program and Project Management	3.00	4.00	4.00	0.00
Facilities Design and Construction	6.00	6.00	6.00	0.00
Operations Management Support	14.00	14.00	14.00	0.00
Planning, Estimating, and Scheduling	5.00	0.00	0.00	0.00
Technical Services and Asset Management	10.00	10.00	10.00	0.00
Infrastructure Maintenance Contracts	7.00	7.00	7.00	0.00
Infrastructure Maintenance Support	9.00	9.00	9.00	0.00
Street Maintenance	58.00	60.00	60.00	0.00
Dredge Maintenance	21.00	21.00	21.00	0.00
Mosquito Control	19.00	19.00	19.00	0.00
Traffic Management Operations	39.88	41.88	41.88	0.00
Beach Operations	9.00	9.00	9.00	0.00
Bridge Maintenance	6.00	6.00	6.00	0.00
Building Maintenance Management and Support	12.00	12.00	13.00	1.00
Electrical	21.00	21.00	21.00	0.00
Heat and Air Conditioning	22.00	22.00	22.00	0.00
General Maintenance	43.00	43.00	43.00	0.00
Custodial	61.00	61.00	60.00	-1.00
Resort Building Maintenance	3.00	3.00	3.00	0.00

Public Works - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Total	468.88	472.88	472.88	0.00
151 Parks and Recreation Special Revenue Fund				
Recreation Centers Building Maintenance	4.00	4.00	4.00	0.00
Total	4.00	4.00	4.00	0.00
152 Tourism Investment Program Fund				
TIP Beach Operations	5.00	5.00	5.00	0.00
TIP Resort Building Maintenance	8.00	8.00	8.00	0.00
Total	13.00	13.00	13.00	0.00
254 Waste Management Enterprise Fund				
WM Program Support	15.00	15.00	15.00	0.00
WM Bureau of Waste Disposal	11.00	12.00	10.00	-2.00
WM Bureau of Waste Collection	142.50	138.50	135.00	-3.50
WM Yard Debris & Hazardous Household Waste	5.00	4.00	5.00	1.00
WM Recycling	2.00	2.00	2.00	0.00
Total	175.50	171.50	167.00	-4.50
255 Storm Water Utility Enterprise Fund				
SWU - Project Management	19.00	19.00	23.00	4.00
SWU - Customer Service	2.00	2.00	1.00	-1.00
SWU - Operations and Maintenance	104.00	111.00	111.00	0.00
SWU - Inspections and Environmental Spill Response	13.00	7.00	9.00	2.00
SWU - Street Sweeping	4.00	4.00	4.00	0.00
SWU - Construction and Engineering	5.00	5.00	8.00	3.00
Total	147.00	148.00	156.00	8.00
606 City Garage Internal Service Fund				
Automotive Services	79.00	78.00	78.00	0.00
Total	79.00	78.00	78.00	0.00
610 Capital Projects Internal Service Fund				
Capital Projects - Public Works	3.00	3.00	3.00	0.00
Total	3.00	3.00	3.00	0.00
Total Position Summary	890.38	890.38	893.88	3.50

Resource Summary Notes

Capital Maintenance for traffic signal upgrades was not specifically funded in FY 2014-15 and necessary upgrades will be provided by the department within the Traffic Management Division's general operating budget.

The Waste Management Operation transitioned from a Special Revenue Fund to an Enterprise Fund in FY 2014-15.

The Storm Water Enterprise Fund paid off general obligation bonds that were previously issued to support Storm Water functions prior to the creation of the Enterprise Fund.

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Section Five

Cultural and Recreational Opportunities

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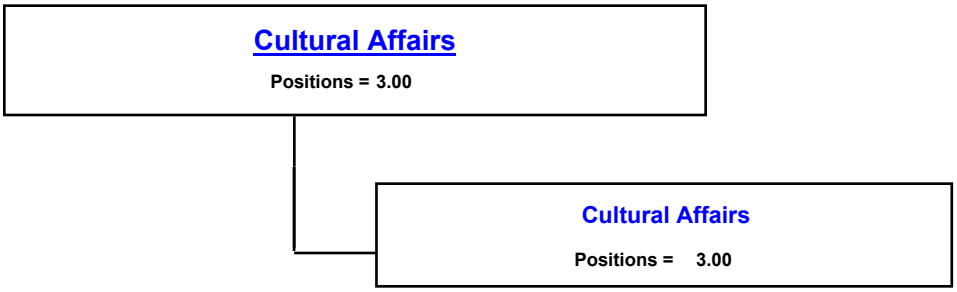

Cultural Affairs
Positions = 3.00
Cultural Affairs
Positions = 3.00

Cultural Affairs

The mission of the Office of Cultural Affairs is to integrate the arts and humanities, in their full ethnic and cultural diversity, into the fabric of everyday life. Toward this end, the Office exists to stimulate and support excellence and accessibility in the arts and humanities for all citizens.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Assist in Cultural Programs						
Attendees to Events at the Sandler Center for the Arts	#	90,000.0	138,739.0	150,436.0	109,000.0	109,000.0
Foster Cultural Depth, Richness & Diversity for the Arts						
Grants Awarded by Arts & Humanities Commission	#	25.0	26.0	23.0	20.0	20.0
Learning & Growth						
Make Art a Vital Part of Community Development						
Event Days at the Sandler Center for the Arts	#	650.0	965.0	392.0	375.0	375.0
Programs Funded by Arts & Humanities Commission	#	430.0	435.0	416.0	400.0	384.0

Cultural Affairs

City Council Amendment

On May 13, 2014, City Council voted to increase funding to the Arts and Humanities Commission by $71,376.

Major Changes

The FY 2014-15 operating budget for the Office of Cultural Affairs totals $2,279,046 and is $42,217, or 1.8% less than the previous year. This net reduction is a result of savings from operation of the Sandler Center and reductions in grant funding for the Contemporary Arts Center of $10,000, and Arts and Humanities Commission of $21,595, which funds them at 99.4-cents per resident. The number of positions remains at 3.0 FTEs.

Departmental Overview

The Office of Cultural Affairs works with the Virginia Beach Arts and Humanities Commission to support cultural activities throughout the city. Funding for the Commission is provided on a per capita basis and grants are provided to local arts organizations. Cultural Affairs also oversees the Sandler Center for the Performing Arts, a 1,300 seat theatre, which opened fall of 2007 at Town Center and is managed by a private contractor. This office also provides a grant to the Virginia Museum of Contemporary Art for utilities and educational programs. Also, the Cultural Affairs budget includes support for the Boardwalk Art Show funded by the Tourism Investment Program (TIP) Fund.

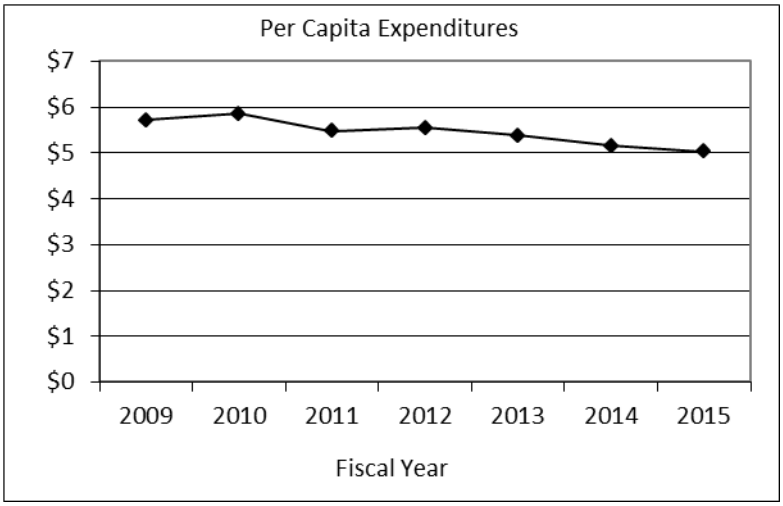
The goal of the 13 member visioning group appointed by the Mayor in January 2011 was to study and analyze current trends to envision the future of Virginia Beach in 2040. One aspect involves opportunities for the celebration of cultural offerings. The Office of Cultural Affairs is actively working toward enhancing those opportunities.

The initiative of this office aligns with and support the city's "A Community Plan for Sustainable Future" report including the following: Goal 4 – We will have abundant cultural experiences present throughout our City and accessible to all regardless of age or income; and Goal 25 – We will work together with our regional partners to ensure the preservation and enhancement of our shared cultural and natural resources to support a high quality of life for our citizens.

The Envision Virginia Beach 2040 Committee Report speaks to the importance of a "culturally rich" environment, the importance of public art, and "performing and artistic offering…that general interest, excitement, entertainment and support tourism". The success of the Sandler Center indicates that this goal is being met.

Trends and Issues

- As the per capita graph indicates, for the six previous fiscal years, the Cultural Affairs per capita cost averaged $5.53. The amount for FY 2014-15 shows a reduction to $5.04 largely due to recent savings from the renegotiated contract for operation of the Sandler Center, plus slight reductions to grants.



- The operating budget includes a city contribution to the Sandler Center for the Performing Arts as outlined in a July 1, 2008 Memorandum of Understanding between the city and the Foundation. Contributions will span a 10-year period from 2008 to 2017. The amount for FY 2014-15 is $53,367.

- To measure the impact of nonprofit arts and culture audiences in the City of Virginia Beach, data were collected from over 1,000 event attendees during 2008-2009. Data were also collected from 20 nonprofit arts and culture organizations in the city. The arts are a $56.8 million industry in Virginia Beach, with audiences spending an average of $30.44 per person in addition to the cost of event admission. The local data reveals that Virginia Beach's nonprofit arts

industry generate $56.8 million in economic activity annually, including 1,411 full-time equivalent jobs, $27.8 million in resident household income, $2.3 million in local government tax revenues, and $3.6 million in state government tax revenues.

- The Virginia Beach Arts and Humanities Commission is comprised of 11 members appointed by City Council to serve two-year terms, and are eligible for reappointment to four consecutive terms (i.e., eight years). The Commission meets in late March to determine grant allocations for the upcoming fiscal year. The Commission awards two types of grants: Project Grants and Leadership and Organizational Development Grants. Project Grants are designed to increase access to quality cultural programs for all residents of Virginia Beach, and this program supports a wide variety of artistic and cultural activities. Organizations awarded Project Grants in FY 2013-14 are shown in the following summary.

FY 2013-14 Project Grants

Organization	Amount
Ballet Virginia International	$ 3,500
Little Theatre of Virginia Beach	22,000
Old Coast Guard Station	2,500
Symphonicity-the Symphony Orchestra of Virginia Bea	51,000
Tidewater Arts Outreach	4,000
The Tidewater Winds	17,500
Virginia Arts Festival	20,000
Virginia Beach Chorale	1,500
Virginia Beach Forum	12,500
Virginia Museum of Contemporary Art (MOCA)	117,500
Virginia Musical Theatre	80,000
Virginia Opera Association, Inc.	50,000
Virginia Stage Company	3,000
Virginia Symphony Orchestra	50,000
World Affairs Council of Greater Hampton Roads	5,000
Young Audiences of Virginia, Inc.	10,000
Total	$450,000

- The Arts and Humanities Commission had also budgeted $3,000 in FY 2013-14 for Leadership and Organizational Development (LOD) Grants. These grants are designed to improve the ability of arts leaders to acquire the needed skills to successfully lead their arts organizations. Qualifying organizations receive grants of $500 to help them achieve greater levels of productivity for improved public value and sustainability.

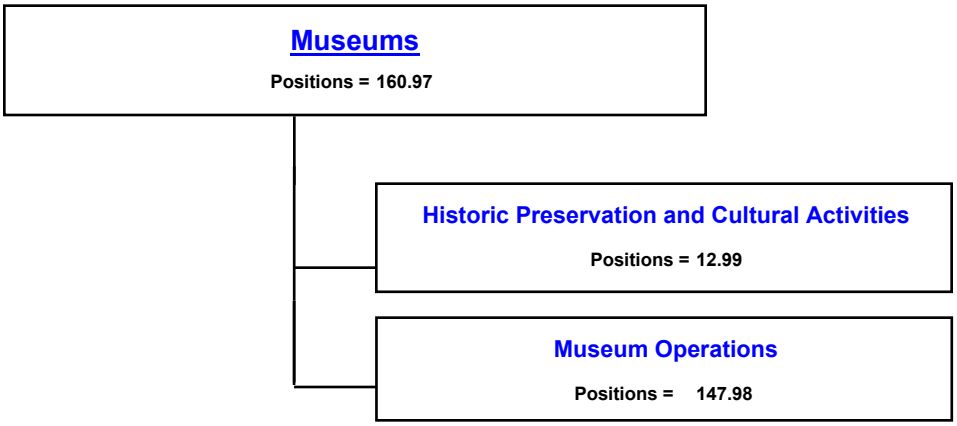
Cultural Affairs - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Cultural Affairs	259,095	439,420	448,558	9,138
Sandler Center	462,500	1,141,124	1,121,364	(19,760)
Contemporary Arts Center Grant	221,092	240,000	230,000	(10,000)
Arts and Humanities Commission	415,262	450,219	500,000	49,781
Total Expenditures	1,357,949	2,270,763	2,299,922	29,159
Revenues				
Fees	0	73,127	53,367	(19,760)
State	5,000	5,000	5,000	0
Total Revenues	5,000	78,127	58,367	(19,760)
General City Support	1,352,949	2,192,636	2,241,555	48,919
152 Tourism Investment Program Fund				
Expenditures				
Cultural Affairs - TIP	50,500	50,500	50,500	0
Total Expenditures	50,500	50,500	50,500	0
Revenues				
Local Taxes	52,685	50,500	50,500	0
Total Revenues	52,685	50,500	50,500	0
General City Support	(2,185)	0	0	0
Total Department Expenditure	1,408,449	2,321,263	2,350,422	29,159
Total Department Revenue	57,685	128,627	108,867	(19,760)
Total General City Support	1,350,764	2,192,636	2,241,555	48,919

Position Summary by Program				
002 General Fund				
Cultural Affairs	3.00	3.00	3.00	0.00
Total	3.00	3.00	3.00	0.00
Total Position Summary	3.00	3.00	3.00	0.00

Resource Summary Notes

The $50,500 in the Tourism Investment Program Fund is for a grant to the Virginia Museum of Contemporary Art for support of the annual Boardwalk Art Show.


Museums
Positions = 160.97
Historic Preservation and Cultural Activities
Positions = 12.99
Museum Operations
Positions = 147.98

Museums

The mission of the Department of Museums is to contribute to the quality of life, economic vitality and education of the citizens of and visitors to the City of Virginia Beach through the operation of a world-class aquarium and history museums.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Attract Visitors to Historic Houses and History Museums						
Visitors to the Historic Houses	#	20,000.0	11,542.0	13,317.0	14,000.0	15,000.0
Customer						
Attract Visitors to Aquarium						
Total Number of Memberships	#	10,000.0	8,873.0	9,262.0	9,350.0	9,500.0
Visitors to the Aquarium	#	625,000.0	601,584.0	620,948.0	620,000.0	625,000.0
Operate Digital Theater						
Digital Theater Attendance	#	125,000.0	84,275.0	87,405.0	100,000.0	100,000.0
Revenue per Visitor Generated by Digital Theater	#	6.5	6.0	6.4	6.4	6.5
Financial						
Earned Revenue Through Museum Store Sales						
Historic House Revenue Generation	$	50,000	35,724	38,313	44,900	44,900
Financial Support for Aquarium						
Aquarium Earned Revenue (in thousands)	$	8,000	7,440	7,956	8,167	8,346
Revenue per Visitor Generated at the Aquarium Store	#	2.3	2.1	2.1	2.3	2.3
Revenue per Visitor Generated by Aquarium Admissions	#	8.6	8.2	8.4	8.6	8.6
Revenue per Visitor Generated by Membership Sales	#	95.0	82.2	89.4	85.6	94.2
Learning & Growth						
Curriculum Programs for Historic Homes to Students						
Historic House Program Participation	#	2,000.0	947.0	984.0	1,500.0	2,000.0

Museums

City Council Amendment

On May 13, 2014, City Council voted to provide a historic marker grant of $10,000.

Major Changes

In FY 2014-15, the Museum's budget totals $11,347,390, which will decrease by $225,520 or 1.7% from the adjusted FY 2013-14 budget. The Aquarium's revenues are sufficient to reduce General Fund support to the department. Including the historic homes, which generate a minimal amount of revenue, the department's revenues cover 86.1% of expenditures in FY 2014-15 compared to 81.5% in FY 2013-14. One-time purchases for the conversion from an IMAX to digital theater occurred in FY 2013-14, and the elimination of these one-time costs will not affect the delivery of services in this year's budget. The Museums' positions will increase by a net of 5.12 FTEs. Six new positions are funded (see below), and 0.88 FTEs are reduced, primarily due to the conversion from IMAX to digital theater.

Change	Impact
Capital Campaign Coordinator	• The position, which is 100% funded by the Aquarium Foundation, will oversee all aspects of the fundraising for the Marsh Pavilion enhancements and the new Mid-Atlantic Marine Animal Care Center. This position will implement the campaign plan, manage day-to-day campaign efforts, oversee corporate campaigns, and develop brochures, talking points, and newsletters.
Staffing (5.0 FTEs) for Aerial Adventure Park	• The Aerial Adventure Park will be operated contractually by a private company (Outdoor Adventures) via the Aquarium Foundation. To provide seamless customer service, Museums' staff will provide ticketing for the Aerial Ropes Course at the Aquarium admissions counters. These positions are fully funded by the Aquarium Foundation. This venue should boost attendance at the Aquarium.

Departmental Overview

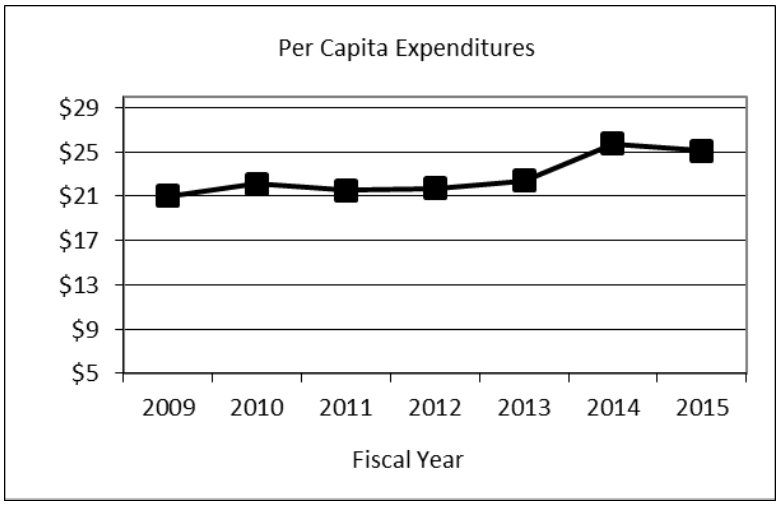
The services provided by the department of Museums and Historic Resources are divided between the Virginia Aquarium & Marine Science Center (Aquarium) and Historic Resources, which oversees the city's historic houses and programming. Both the Aquarium and the historic houses generate revenue through ticket sales, memberships, store sales, and special events. The department relies on the support of private citizens as volunteers, board members, and donors. The department's mission strongly contributes to the City's "A Community for a Sustainable Future" and "Envision Virginia Beach 2040" reports by providing a learning environment, supporting an active lifestyle, a thriving economy/growing and diversifying our tourism sector, a strong sense of community spirit and involvement, and provide cultural experiences.

- **The Virginia Aquarium & Marine Science Center (Aquarium)** – The Aquarium first opened in 1986. It takes visitors on a journey of water through Virginia's marine environment by way of: interactive exhibits; 800,000 gallons of aquariums that feature sharks, river otters, harbor seals and sea turtles; a 40-foot, 100,000 gallon walk-through aquarium with spotted eagle rays and other colorful tropical fishes, an arid coastal desert, a volcanic region with Komodo dragons, and a misty peat swamp featuring Tomistoma crocodiles. The Aquarium had attendance of 620,949, and generated revenue of $9 million in FY 2012-13. In December 2013, the Aquarium Foundation contracted with an outside vendor to construct an adventure park that includes an aerial forest park with 12 trails leading off a central platform, and will include 160 elements of ropes and zip lines. Opening for this project is scheduled for June 2014.

- **Historic Resources** - Includes the operation of the Francis Land House, the Adam Thoroughgood House, the Lynnhaven House, and the Princess Anne County Training School/Union Kempsville High School Museum located in the Renaissance Academy. The Historic Resources division coordinates projects and initiatives for the preservation of the city's historic resources, administers the Virginia Beach Historical Register, and provides educational programs and activities on the grounds of the historic museums it owns and operates. This division also administers grants to the Atlantic Wildfowl Heritage Museum at the DeWitt Cottage and the Old Coast Guard Station Museum, and helps coordinate the work of the Historic Preservation Commission.

Trends and Issues

- The per capita expenditure graph indicates that Museums increased significantly between FY 2008-09 and FY 2009-10 in anticipation of the *Restless Planet* renovation. The flattening between FY 2009-10 and FY 2012-13 was primarily related to the economy. Actual revenues rebounded strongly in FY 2012-13, which resulted in the increase to the budget for FY 2013-14 that funded the Aquarium's conversion from IMAX to digital and replaced the seats in the theater. Revenues in FY 2013-14 have leveled off, which may be attributed to the below average tourism season the city experienced.



- During the past fiscal year, reorganization occurred that separated the Exhibits section of the Virginia Aquarium into two separate areas. This action was taken as part of an overall reorganization of staff to optimize staff functions and to address the Association of Zoos and Aquariums recommendations regarding the Life Support area. The two newly created sections are Facilities, Life Support, and Technology and Live Exhibits. The Facilities, Life Support and Technology section handles the planning for the Aquarium's facilities and technological systems, including the areas of Scientific Exhibits, Life Support Systems, Water Quality Lab, Facilities Management, and Ropes Course & Zip Line. The Live Exhibits section manages the Animal Collections Inventory, Animal Husbandry, Horticulture and Live Exhibit Operations.

Museums - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Aquarium & Marine Science Center Administration	1,819,595	1,480,619	1,444,233	(36,386)
Aquarium Stores	936,502	963,385	916,206	(47,179)
Aquarium Custodial Services	353,726	371,426	383,016	11,590
Aquarium 3D Theater	549,074	1,289,785	362,904	(926,881)
Aquarium Education	489,703	516,199	590,792	74,593
Aquarium Exhibits & Facilities	2,680,285	3,185,580	1,183,513	(2,002,067)
Aquarium Marketing	771,526	812,805	843,989	31,184
Aquarium Research & Conservation	392,150	424,800	519,218	94,418
Aquarium Guest Operations	0	490,382	717,269	226,887
Aquarium Foundation	957,722	1,138,075	1,280,444	142,369
Aquarium Live Exhibits & Animal Husbandry	31,094	0	2,229,709	2,229,709
Historic Houses	0	751,004	633,189	(117,815)
Historic Preservation	0	117,458	252,908	135,450
Total Expenditures	8,981,376	11,541,518	11,357,390	(184,128)
Revenues				
Fees	9,016,169	9,401,596	9,772,028	370,432
Federal	7,729	0	0	0
Total Revenues	9,023,898	9,401,596	9,772,028	370,432
General City Support	(42,522)	2,139,922	1,585,362	(554,560)
183 Grants Consolidated Fund				
Expenditures				
Museums - Grants	15,882	31,392	0	(31,392)
Total Expenditures	15,882	31,392	0	(31,392)
Revenues				
Federal	23,517	31,392	0	(31,392)
Total Revenues	23,517	31,392	0	(31,392)
General City Support	(7,635)	0	0	0
Total Department Expenditure	8,997,258	11,572,910	11,357,390	(215,520)
Total Department Revenue	9,047,415	9,432,988	9,772,028	339,040
Total General City Support	(50,157)	2,139,922	1,585,362	(554,560)

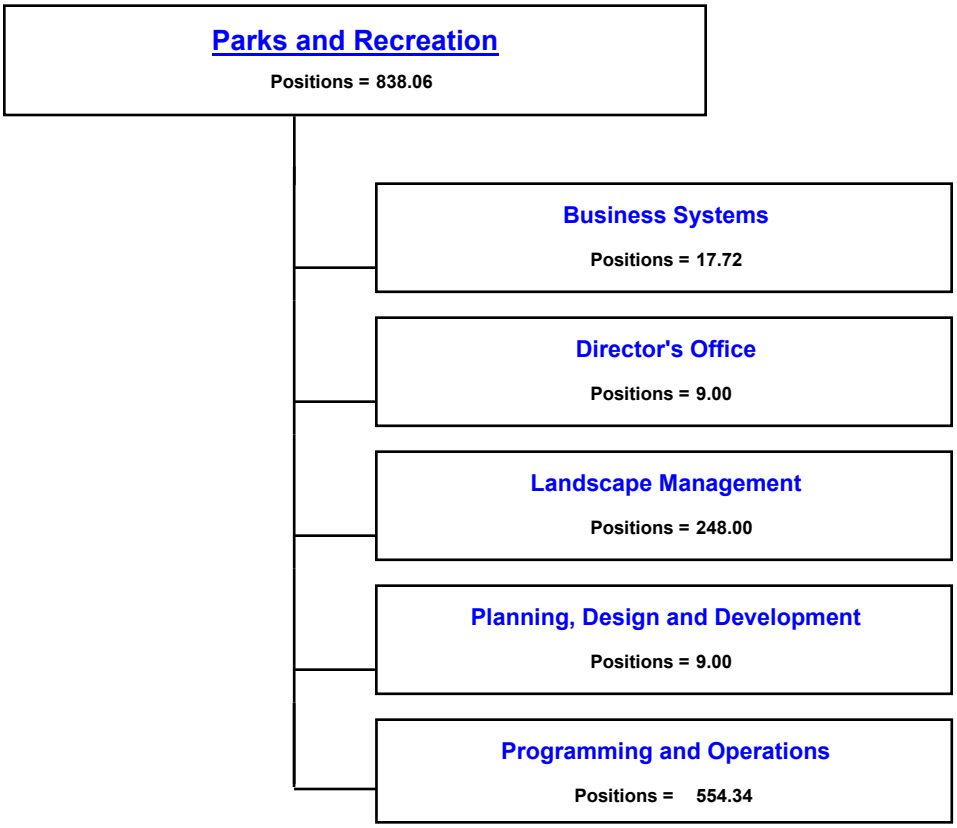
Position Summary by Program				
002 General Fund				
Aquarium & Marine Science Center Administration	26.94	12.00	10.00	-2.00
Aquarium Stores	9.47	9.47	7.47	-2.00
Aquarium Custodial Services	7.73	8.01	8.01	0.00
Aquarium 3D Theater	3.85	2.85	1.85	-1.00
Aquarium Education	10.53	11.13	13.62	2.49
Aquarium Exhibits & Facilities	46.88	49.26	12.13	-37.13
Aquarium Marketing	5.00	4.00	4.00	0.00
Aquarium Research & Conservation	3.85	3.81	3.81	0.00
Aquarium Guest Operations	0.00	15.36	19.36	4.00
Aquarium Foundation	27.35	26.33	29.60	3.27

Museums - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
002 General Fund				
Aquarium Live Exhibits & Animal Husbandry	1.00	0.00	38.13	38.13
Historic Homes Administration	0.22	0.00	0.00	0.00
Historic Houses	12.65	12.87	11.99	-0.88
Historic Preservation	0.00	0.00	1.00	1.00
Total	155.47	155.09	160.97	5.88
183 Grants Consolidated Fund				
Museums - Grants	0.00	0.76	0.00	-0.76
Total	0.00	0.76	0.00	-0.76
Total Position Summary	155.47	155.85	160.97	5.12

Resource Summary Notes

The Coastal Resource Grant previously reflected under the 183 Grants Consolidated Fund in FY 2012-13 and FY 2013-14 is now reflected in the Aquarium Foundation.


Parks and Recreation
Positions = 838.06
Business Systems
Positions = 17.72
Director's Office
Positions = 9.00
Landscape Management
Positions = 248.00
Planning, Design and Development
Positions = 9.00
Programming and Operations
Positions = 554.34

Parks and Recreation

The mission of the Department of Parks and Recreation is to provide a balanced, sustainable, and value-focused system of parks, recreation, and public spaces that creates a sense of community. The Department's mission is to: Deliver parks, recreation programs and public spaces that reflect the priorities of our community; Support tiered levels of service that recognize the diverse needs of our community; and Focus on sustainability of core programs, services and facilities through efficient business practices.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Provide Landscape Maintenace for Divided Highways						
Average Mowing Frequency for Divided Roadways (days)	#	20.5	23.2	24.1	23.6	21.0
Customer						
Enhance Citizens' Access to Natural Areas						
Open Space Acres Acquired	#	5.0	791.0	114.0	6.0	5.0
Percent of Open Space Acquisition Acres Developed	%	3.0	3.0	3.0	3.0	3.0
Enhance Service Delivery						
Monetary Value of Volunteer Involvement	$	1,700,000	1,556,358	1,793,651	1,750,000	1,750,000
Value of Sponsorships, Donations, and Grants	$	100,000	61,730	1,631,764	100,000	100,000
Maintain Citizen Satisfaction Rating of 95%						
Citizen Satisfaction with the Protection of Open Space	%	95.0	80.2	81.3	81.3	81.3
Citizens Satisfied with Recreation Centers, Programs and Classes	%	95.0	93.5	96.2	96.2	95.0
Percent of Citizens Satisfied with Parks	%	95.0	93.6	94.8	94.8	94.0
Provide Safe, Functional & Attractive Facilities						
Number of Park Visits (in thousands)	#	2,700.0	2,781.0	2,787.0	2,800.0	2,750.0
Number of Recreation Center Visits (in thousands)	#	1,800.0	1,701.0	1,855.0	1,911.0	1,911.0
Recreation Center Memberships	#	50,000.0	40,103.0	48,941.0	52,221.0	52,221.0
Residents Reporting Attending a Rec Center in the Past Year	%	50.0	50.8	52.2	52.2	55.0
Residents Reporting Visiting a City Park within the Past Year	%	70.0	75.2	75.4	75.4	70.0

Parks and Recreation

Major Changes

The Parks and Recreation Department's budget for FY 2014-15 totals $ 56,950,845, an increase of $ 1,283,128 or 2.3% from the adjusted FY 2013-14 budget. The main driver of this increase is debt service costs associated with the replacement of the Bow Creek Community Recreation Center. Additionally, costs are increasing for salaries, the provision of health insurance benefits for part-time positions that exceed an average weekly workload of 30 hours or more, risk management charges, and landscaping associated with new City roadways and facilities.

While the Department's budget is increasing by 2.2%, there is a net decrease of 5.87 FTE's in FY 2014-15.

Change	Impact
CLASS Registration System Replacement	• One of the most significant changes impacting customer service in the coming fiscal year will be the upgrade from the current CLASS registration system to ActiveNet. This $250,000 upgrade is being funded through a variety of program and fee increases (see table in this section). Through ActiveNet, customers can manage their accounts as well as complete registration and payment transactions online. The system will allow staff to have remote access directly from child care sites to participant information in the database, improving the safety and well-being of participants. Parents will have online options for submitting and editing account and participant data. Individuals can be associated with multiple accounts, eliminating the current customer service issues associated with split families. Online facility booking will allow customers to reserve shelters and search for available facilities and times. ActiveNet provides remote web-based access anytime from anywhere. The system can be accessed from any mobile device (laptop, tablet, smart phone, etc.) and automatically scales to whichever device is used for access. ActiveNet is scalable for large registration events/peak demand times and Active Network provides a 99.9% uptime guarantee for ActiveNet.
Enhanced Staffing at Princess Anne Athletic Complex	• Due to increased customer service demands at the Princess Anne Athletic Complex (PAAC), funding is included for part-time staffing (1.0 FTE). These staff will perform both operational and field maintenance at the complex, improving customer service and reducing down time due to weather events.
Out of School Time (OST) Expansion	• In FY 2014-15, the Department will be expanding its Out-of-School Time Before School Program to five additional sites. The sites will be selected based on survey results from Middle and Elementary School parents. High quality out-of-school time programs are core strategies of both Envision Virginia Beach 2040 and the City's 3-year Strategic Plan. The need for expansion is predicated on the impact of the new school hours and evidenced by increased registrations at most existing before school sites, including waiting lists at three sites. This expansion is fully funded by fees generated by the expansion.
Urban Forestry Program	• An additional $100,000 has been included in the budget to begin implementation of the Urban Forest Management Program. This funding will allow for the implementation of a neighborhood street tree maintenance program, which will include contractual pruning to reduce conflicts with infrastructure, such as signs and street lights, reduction of view obstructions and maintenance of proper clearance for emergency vehicles, pedestrians and bicyclists. It will also allow for planting of replacement trees to mitigate those removed as safety hazards around the City and will provide resources that will be used to increase public awareness and allow more education about Urban Forestry.

Landscape Services for New Capital Projects	• Funding to the Landscape Services Division has been increased to provide landscape maintenance services to a number of new facilities and roadways that have recently been completed or are anticipated to be completed in the 2014-15 fiscal year. These projects include: Chesapeake Beach Fire Station, Lake Smith Fishing Station, Lake Smith/Lake Lawson Natural Area, Little Island Parking Lot, Lynnhaven House, Creeds Police Training Facility, Providence Park, Town Center Fire Station, Williams Farm Park, Landstown Centre Way, Nimmo Parkway, Princess Anne Road Phase IV, Princess Anne/Kempsville Intersection, Seaboard Road and Wesleyan Drive.
Reduced Staffing at Various City Parks and Recreation Centers	• Due to increased costs mainly related to debt service for the Bow Creek Recreation Center, reductions are necessary to meet available funding within the Parks and Recreation Special Revenue Fund. Part-time staffing has been reduced at both City parks as well as Recreation Centers. These reductions will impact general park management and maintenance, litter control and grounds maintenance, park rules and City Code monitoring and enforcement. Due to the reductions of part-time staff at the Recreation Centers, the front desk will not be staffed when the center opens, the number of drop-in and registered programs will be reduced, support for the other program units which are housed in the recreation centers will be negatively impacted, and the overall monitoring of patron safety will be reduced.

Departmental Overview

Funding for the department comes primarily through fees, dedicated referendum funding from the real estate tax, a non-dedicated general fund transfer, and a revenue transfer from schools (for maintaining landscaping and site infrastructure of school facilities). The core services provided by Parks and Recreation are divided into four broad areas:

- **Administration and Business Systems -** Responsible for budgeting, finance, human resources, marketing, resource development, sponsorships, partnerships, and information systems management for all divisions.

- **Planning, Design and Development -** Manages the construction and replacement of Parks and Recreation facilities, the city's Open Space Program, and implements the Virginia Beach Outdoors Plan and Bikeways and Trails Plan. Oversees the development and implementation of the department's Capital Improvement Program.

- **Programming and Operations -** Includes all indoor and outdoor recreation and park operations and programs, the Youth Opportunities Office, operation of Community Recreation Centers, Out-of-School Time programs, golf course lease management, therapeutic recreation and inclusion services for people with disabilities.

- **Landscape Management -** Provides landscape services for all public infrastructure, roadways, and public buildings, including the Municipal Center, the resort area, Town Center, public spaces, parks and school sites.

Many of the programs and services provided by the Parks and Recreation department contribute directly to the attainment of goals outlined in "Envision Virginia Beach 2040" and the City's Sustainability Plan. In terms of reaching the Community's vision for 2040, the Parks and Recreation Department contributes by:

- **Connected Community -** The Department is proactive in the development, maintenance, and upkeep of a variety of neighborhood and community parks, multi-use trails, greenways and blueways, and develops or preserves open space. This allows citizen's convenient access to an array of recreational and cultural activities to strengthen the body and excite the mind, alternative modes of transportation, and maintains a focus on conservation.

- **Learning Community -** The Department provides opportunities to supplement traditional academic activities through recreation center and school based Out-of-School Time programs. Specifically, the Recreation, Imagination,

Socialization, and Education (RISE) program (a component of Out-of-School time) provides students with literacy and character development as well as mathematics enrichment.

- **Unique Environment -** The Department is responsible for the development or preservation of open space acquired by the City. An example of environmental stewardship exercised by the Department is the Meadow Management Program. This program minimizes the amount of maintenance for certain parcels of land reducing costs and minimizing environmental impacts. The large variety of programs and activities provided by the Department along with parks and other outdoor recreation amenities are key elements of the community's healthy lifestyle. The Department also works to preserve and enhance the current tree canopy of 36 percent. Envision Virginia Beach 2040 established an urban tree canopy goal of 50% of the City's landmass, and the City's recently adopted Urban Forest Management Plan sets a 45% as an interim tree canopy goal and outlines steps towards its achievement over the next 20 years.

- **Active Lifestyle -** Through almost all of the departments programs, residents and visitors of all ages are able to take advantage of parks, bikeways, athletic venues, recreation facilities, and neighborhood trails to sustain a healthy lifestyle.

Annually, the department reviews its fee structure to ensure appropriate pricing of services. The table on the next page shows the proposed new fees and fee increases proposed for FY 2014-15.

Program	Current Price	Proposed Price	Difference	Date of Last Change
Kindergarten After School	$125	$135	$10	FY 2012
Kindergarten Afternoon	$170	$180	$10	FY 2012
Kindergarten Morning	$125	$135	$10	FY 2012
Preschool All Day	$280	$300	$20	FY 2012
Preschool Afternoon	$170	$180	$10	FY 2012
Preschool Morning	$125	$135	$10	FY 2012
Early Childhood Summer All Day	$140	$150	$10	FY 2012
Early Childhood Summer Morning	$75	$80	$5	FY 2012
Early Childhood Summer Afternoon	$75	$80	$5	FY 2012
Early Childhood Summer Special	$75	$85	$10	FY 2012
Out of School Time (OST) Registration Fee	$25	$30	$5	FY 2011
Recreation Operations	$20	$25	$5	FY 2011
OST School-Based Late Fees	$10	$15	$5	FY 2006
OST Recreation Center Based Late Fees	$10	$15	$5	FY 2006
Lifeguard Re-certification	$45	$100	$55	FY 2010
Junior Lifeguard Instruction	$30	$50	$20	FY 2010
All Aquatic Leagues	$100	$125	$25	FY 2011
1 Class Pass - Fitness	$4	$5	$1	FY 2011
30 Day Unlimited Pass - Fitness	$30	$32	$2	FY 2011
90 Day Unlimited Pass - Fitness	$81	$84	$3	FY 2011
Recreation Center Membership – Adult - Annual	$81	$83	$2	FY 2013
Recreation Center Membership – Adult - Month	$11	$12	$1	FY 2013
Recreation Center Membership – Senior - Annual	$65	$67	$2	FY 2013
Recreation Center Membership – Senior - Month	$9	$10	$1	FY 2013
Recreation Center Membership – Youth - Annual	$32	$34	$2	FY 2013
Recreation Center Membership – Non-Resident - Annual	$317	$325	$8	FY 2013
Recreation Center Membership – Non-Resident - Month	$31	$32	$1	FY 2013
Recreation Center Membership – Youth Day Pass	$5	$6	$1	FY 2005
Mini/Small Shelter – Full Day	$30	$35	$5	FY 2010

Program	Current Price	Proposed Price	Difference	Date of Last Change
Medium Shelter – Full day	$60	$70	$10	FY 2010
Large Shelter – Half Day	$60	$70	$10	FY 2010
Large Shelter – Full Day	$120	$140	$20	FY 2010
Field Lighting – Adult Leagues	N/A	$10/Hour	N/A	New
Field Rental – Princess Anne Athletic Complex	N/A	$15/Hour	N/A	New
Field Rental – City View Park	N/A	$20/Hour	N/A	New
Field Rental – Outlying Field	N/A	$40/Hour	N/A	New
OST – Before School Expansion	N/A	$55/Session	N/A	New
Certification for Fitness Programs	N/A	Varied	N/A	New

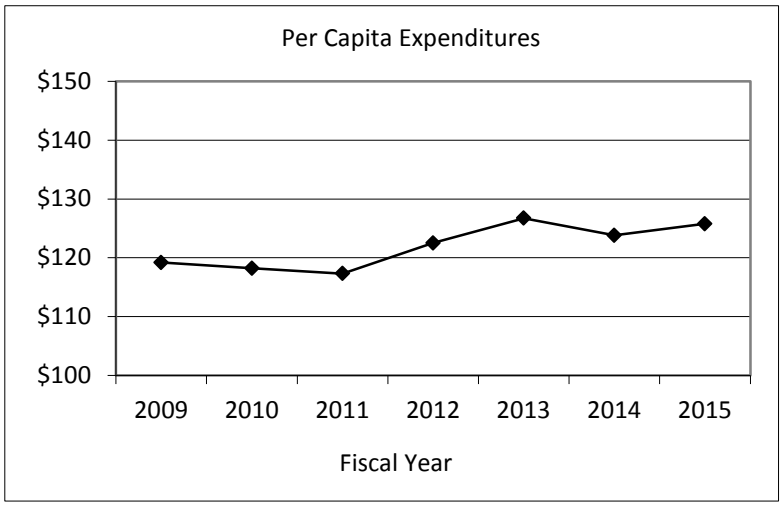
Trends and Issues

- Through its first full year of operation, the Williams Farm Community Recreation Center sold 11,051 memberships and the average participation was over 29,900 per month. During the same period, the Williams Farm Skate Park had an average monthly attendance of over 2,200. Construction continues on the new Bow Creek Community Recreation Center which is scheduled to open in January 2015. Once Bow Creek opens, the Kempsville Community Recreation Center will close and renovations and reconstruction will begin. The staff from Kempsville will transition to Bow Creek.

- Based on the most recent city-wide Citizen Satisfaction Survey, the programs and services provided by the Parks and Recreation Department continue to receive very high marks. Of those surveyed, 96.2% of respondents reported that they were "satisfied" or "very satisfied" with the City's recreation centers, 94.8% reported satisfaction with City parks, and 92.3% reported satisfaction with the overall appearance of the City, for which the Landscape Management Division plays an integral role. Satisfaction levels with both parks and Recreation Centers increased from the last survey (December 2011). When looking at these ratings for respondents who reported that they had visited a City Recreation Center or City park within the last 12 months, user satisfaction ratings were significantly higher (than non-user ratings).

- In response to customer requests for group fitness classes and an ongoing difficulty in keeping part-time fitness instructors, the Department will be transitioning to the Les Mills fitness curriculum. By obtaining the Les Mills certification, the City will be able to hire Les Mills certified instructors. Les Mills has ample certified instructors available making it easier to find qualified instructors to teach these popular classes. Classes will be available at Kempsville, Bayside, Princess Anne, Great Neck and Williams Farm Community Recreation Centers. When Kempsville Community Recreation Center closes, this contract will transition to the Bow Creek Community Recreation Center.

- After declining in FY 2013-14, per capita expenditures for Parks and Recreation are increasing in FY 2014-15. Expenditures are increasing due to debt service costs associated with the replacement of the Bow Creek Community Recreation Center, salaries, the provision of health insurance benefits for part-time positions that exceed an average weekly workload of 30 hours or more, risk management charges, and landscaping associated with new City roadways and facilities.



- The department continues to utilize volunteers to ensure the delivery of programs and services. Last year, volunteers provided the equivalent service of 71 FTE's or approximately $1.8 million in value of the services.

Parks and Recreation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Landscape Asset Management	1,902,445	1,991,454	2,176,627	185,173
Landscape Maintenance Management	5,825,431	6,221,195	6,468,002	246,807
Landscape Life Cycle Management	2,948,592	3,010,949	3,068,208	57,259
Landscape Special Zone Management - Resort Area	1,283,005	1,318,412	1,286,411	(32,001)
Landscape Special Zones Management - Municipal Center	606,367	643,005	656,357	13,352
Total Expenditures	12,565,840	13,185,015	13,655,605	470,590
Revenues				
Fees	21,795	25,000	31,494	6,494
State	4,628,652	4,720,858	4,720,858	0
Transfers	490,883	522,726	619,325	96,599
Total Revenues	5,141,330	5,268,584	5,371,677	103,093
General City Support	7,424,510	7,916,431	8,283,928	367,497
151 Parks and Recreation Special Revenue Fund				
Expenditures				
Director's Office	259,297	294,704	306,769	12,065
Planning, Design and Development	631,424	663,296	684,603	21,307
Business Systems	758,731	848,973	1,128,966	279,993
Parks and Recreation Human Resources	439,746	524,221	496,474	(27,747)
Parks and Natural Areas	2,082,117	1,957,399	1,967,401	10,002
Lynnhaven Boat Ramp and Beach Facility	107,829	137,743	133,355	(4,388)
Outdoor Programming and Special Events	555,449	552,392	546,606	(5,786)
Little Island Park	263,244	267,622	226,422	(41,200)
Lynnhaven Municipal Marina	31,770	30,094	28,191	(1,903)
Owl Creek Municipal Tennis Center	365,721	422,955	391,052	(31,903)
Recreation Centers Landscaping	27,840	56,392	56,033	(359)
Golf Administration	99,820	103,489	107,138	3,649
Red Wing Golf	126	0	0	0
Bow Creek Golf Course	1,077	0	0	0
CRC - Kempsville	1,399	1,865,939	1,913,733	47,794
CRC- Bow Creek	0	150,641	49,610	(101,031)
CRC- Seatack	150	1,036,920	1,050,856	13,936
CRC - Great Neck	188	1,758,285	1,825,819	67,534
CRC - Bayside	2,098	1,906,123	1,919,657	13,534
CRC - Princess Anne	499	1,816,756	1,813,188	(3,568)
CRS-Williams Farm	363	1,866,356	1,860,371	(5,985)
Recreation Centers	9,506,531	0	0	0
Out-of-School Time - Recreation Center Based	2,033,623	1,763,157	2,334,725	571,568
Programming and Operations Administration	687,383	595,967	613,829	17,862
Marketing and Resource Development	928,941	945,071	915,230	(29,841)
Youth Opportunities Office	362,277	398,555	405,741	7,186
Athletic Leagues	749,881	921,312	860,569	(60,743)
Therapeutic Recreation Programs	474,942	502,331	510,777	8,446
Athletic Complexes	456,038	699,124	710,259	11,135
Inclusion Services	174,027	353,672	333,773	(19,899)
Out-of-School Time - School Based	4,474,784	5,193,910	4,753,299	(440,611)
Landscape Special Zone Management - Princess Anne Athletic Complex	365,218	458,523	481,969	23,446
Pottery and Ceramics	29,936	32,718	37,598	4,880
Debt Service	1,278,331	2,106,472	3,551,043	1,444,571
Reserve for Contingencies	0	0	166,832	166,832

Parks and Recreation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
151 Parks and Recreation Special Revenue Fund				
Future C.I.P. Commitments	0	0	365,534	365,534
Transfer to Other Funds	2,573,615	3,331,436	1,604,094	(1,727,342)
Total Expenditures	29,724,413	33,562,548	34,151,516	588,968
Revenues				
Local Taxes	13,897,975	14,147,072	14,873,921	726,849
Fees	14,420,811	14,506,559	15,084,021	577,462
State	27,518	27,000	27,000	0
Transfers	5,463,470	4,804,917	4,139,574	(665,343)
Fund Balance	0	77,000	27,000	(50,000)
Total Revenues	33,809,774	33,562,548	34,151,516	588,968
General City Support	(4,085,361)	0	0	0
152 Tourism Investment Program Fund				
Expenditures				
Landscape Special Zone Management - TIP Resort Area	34,563	34,557	135,128	100,571
Total Expenditures	34,563	34,557	135,128	100,571
Revenues				
Local Taxes	240,490	34,557	135,128	100,571
Total Revenues	240,490	34,557	135,128	100,571
General City Support	(205,927)	0	0	0
172 Open Space Special Revenue Fund				
Expenditures				
Open Space Management and Maintenance	320,581	335,669	331,370	(4,299)
Open Space Planning	163,920	172,109	174,175	2,066
Debt Service	2,426,388	2,827,433	2,576,042	(251,391)
Reserve for Contingencies	0	775	2,676	1,901
Transfer to Other Funds	2,026,724	1,827,258	1,800,000	(27,258)
Total Expenditures	4,937,612	5,163,244	4,884,263	(278,981)
Revenues				
Local Taxes	4,382,109	4,622,374	4,740,926	118,552
Fees	2,255	21,144	0	(21,144)
Fund Balance	0	519,726	143,337	(376,389)
Total Revenues	4,384,364	5,163,244	4,884,263	(278,981)
General City Support	553,248	0	0	0
174 Town Center Special Service District				
Expenditures				
Landscape Special Zone Management - Town Center	26,612	30,501	46,309	15,808
Total Expenditures	26,612	30,501	46,309	15,808
Revenues				
Local Taxes	30,571	30,501	46,309	15,808
Total Revenues	30,571	30,501	46,309	15,808
General City Support	(3,959)	0	0	0

Parks and Recreation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
183 Grants Consolidated Fund				
Expenditures				
Parks and Recreation - Grants	69,837	0	0	0
Total Expenditures	69,837	0	0	0
Revenues				
Federal	81,038	0	0	0
Total Revenues	81,038	0	0	0
General City Support	(11,201)	0	0	0
613 School Landscaping Internal Service Fund				
Expenditures				
Schools Landscaping	3,751,595	3,564,352	3,896,217	331,865
Reserve for Contingencies	0	0	26,807	26,807
Total Expenditures	3,751,595	3,564,352	3,923,024	358,672
Revenues				
Fees	3,762,530	3,564,352	3,923,024	358,672
Total Revenues	3,762,530	3,564,352	3,923,024	358,672
General City Support	(10,935)	0	0	0
908 City Beautification Fund				
Expenditures				
Landscape Beautification Projects	31,859	72,500	100,000	27,500
Total Expenditures	31,859	72,500	100,000	27,500
Revenues				
Fees	135,665	72,500	100,000	27,500
Total Revenues	135,665	72,500	100,000	27,500
General City Support	(103,806)	0	0	0
911 Parks and Recreation Gift Fund				
Expenditures				
Parks and Recreation Gift Fund	24,710	30,000	30,000	0
Sponsorships / Partnerships	8,002	25,000	25,000	0
Total Expenditures	32,712	55,000	55,000	0
Revenues				
Fees	35,976	55,000	55,000	0
Total Revenues	35,976	55,000	55,000	0
General City Support	(3,264)	0	0	0
Total Department Expenditure	51,175,043	55,667,717	56,950,845	1,283,128
Total Department Revenue	47,621,737	47,751,286	48,666,917	915,631
Total General City Support	3,553,306	7,916,431	8,283,928	367,497

Position Summary by Program

002 General Fund				
Landscape Asset Management	23.00	24.00	24.00	0.00

Parks and Recreation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
002 General Fund				
Landscape Maintenance Management	82.00	81.00	81.00	0.00
Landscape Life Cycle Management	39.00	39.00	39.00	0.00
Landscape Special Zone Management - Resort Area	20.00	20.00	20.00	0.00
Landscape Special Zones Management - Municipal Center	14.00	14.00	14.00	0.00
Total	178.00	178.00	178.00	0.00
151 Parks and Recreation Special Revenue Fund				
Director's Office	2.00	2.00	2.00	0.00
Planning, Design and Development	7.00	7.00	7.00	0.00
Business Systems	10.00	10.00	10.00	0.00
Parks and Recreation Human Resources	7.72	7.72	7.72	0.00
Parks and Natural Areas	55.35	47.81	45.56	-2.25
Lynnhaven Boat Ramp and Beach Facility	4.40	4.40	4.10	-0.30
Outdoor Programming and Special Events	10.19	9.18	9.18	0.00
Little Island Park	7.48	8.33	6.55	-1.78
Lynnhaven Municipal Marina	0.85	0.85	0.75	-0.10
Owl Creek Municipal Tennis Center	3.31	3.31	3.31	0.00
Golf Administration	1.00	1.00	1.00	0.00
CRC - Kempsville	0.00	40.11	39.39	-0.72
CRC- Bow Creek	0.00	1.00	0.00	-1.00
CRC- Seatack	0.00	21.96	21.95	-0.01
CRC - Great Neck	0.00	38.89	38.49	-0.40
CRC - Bayside	0.00	40.29	38.95	-1.34
CRC - Princess Anne	0.00	40.06	39.63	-0.43
CRS-Williams Farm	0.00	43.42	43.03	-0.39
Recreation Centers	226.58	0.00	0.00	0.00
Out-of-School Time - Recreation Center Based	46.50	46.50	60.58	14.08
Programming and Operations Administration	8.00	7.00	8.00	1.00
Marketing and Resource Development	7.00	7.00	7.00	0.00
Youth Opportunities Office	3.00	3.00	3.00	0.00
Athletic Leagues	11.67	11.67	11.47	-0.20
Therapeutic Recreation Programs	13.32	13.32	13.32	0.00
Athletic Complexes	6.32	11.22	10.77	-0.45
Inclusion Services	13.35	11.93	11.02	-0.91
Out-of-School Time - School Based	146.26	149.38	137.56	-11.82
Landscape Special Zone Management - Princess Anne Athletic Complex	7.00	7.00	8.00	1.00
Pottery and Ceramics	1.19	1.18	1.33	0.15
Total	599.49	596.53	590.66	-5.87
152 Tourism Investment Program Fund				
Landscape Special Zone Management - TIP Resort Area	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00

Parks and Recreation - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
172 Open Space Special Revenue Fund				
Open Space Management and Maintenance	5.40	5.40	5.40	0.00
Open Space Planning	2.00	2.00	2.00	0.00
Total	7.40	7.40	7.40	0.00
613 School Landscaping Internal Service Fund				
Schools Landscaping	61.00	61.00	61.00	0.00
Total	61.00	61.00	61.00	0.00
Total Position Summary	846.89	843.93	838.06	-5.87

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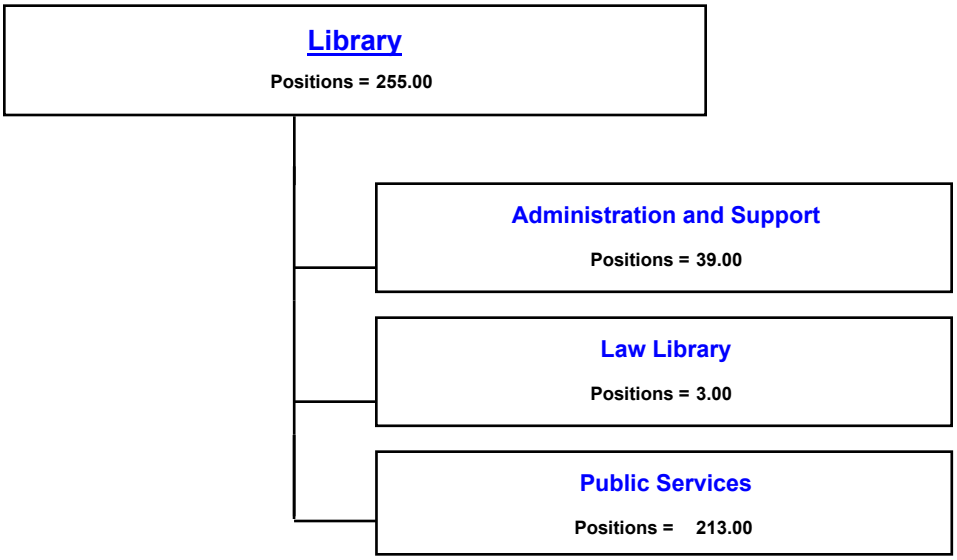
Section Six

Quality Education and Lifelong Learning

Library 6-1

Public Education 6-8


Library
Positions = 255.00
Administration and Support
Positions = 39.00
Law Library
Positions = 3.00
Public Services
Positions = 213.00

Library

The mission of the Virginia Beach Public Libraries is to provide diverse opportunities for learning and gathering that promote personal fulfillment, self-reliance and a sense of community, provide free and convenient access to accurate and current information and materials, and to promote reading as a critical life skill and an enjoyable activity for the entire Virginia Beach community.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Customer Access to Information and Materials						
% of Participants Satisfied with Information Fluency Class (new)	%	90.0	0.0	100.0	97.3	94.0
Informational Fluency Program Attendance (new in 2013)	#	5,000.0	0.0	5,332.0	5,500.0	5,500.0
In-Library Material Use (data collected change)	#	660,000.0	658,975.0	713,440.0	700,000.0	70,000.0
Library Materials Circulated - in thousands	#	3,600.0	3,614.0	3,574.0	3,581.0	3,590.0
Materials in Collection	#	885,000.0	854,332.0	880,975.0	885,000.0	885,000.0
Percent Customers Satisfied with Collection (new in 2013)	%	90.0	0.0	88.9	89.0	90.0
Virtual Visitation - in thousands	#	2,700.0	2,749.0	2,395.0	2,450.0	2,450.0
Increase Library Customer Base						
Active Customers within Year	#	165,000.0	165,000.0	170,964.0	175,000.0	180,000.0
Registered Borrowers	#	200,000.0	216,450.0	201,754.0	210,500.0	215,000.0
Increase the Use of and Satisfaction with Library						
% of Customers Satisfied with Library Classes (new in 2013)	%	90.0	0.0	100.0	93.8	94.0
Library Visitation - in thousands	#	1,766.0	1,741.9	1,741.9	1,750.0	1,750.0
Program Attendance	#	35,000.0	35,000.0	36,087.0	38,000.0	40,000.0
Promote Early Childhood Literacy						
% of Participants Citing Improved Reading (new in 2013)	%	60.0	0.0	69.8	70.0	70.0
Attendance at Early Literacy Programs	#	50,000.0	50,000.0	49,176.0	51,000.0	51,000.0
Circulation of Children's Materials	#	650,000.0	677,619.0	652,603.0	654,500.0	654,500.0
Summer Reading Challenge Program Attendance	#	25,000.0	23,833.0	26,315.0	25,000.0	25,000.0
Provide Customers Access to Legal Resources						
Law Library Walk-in Clients	#	17,000.0	17,300.0	17,172.0	17,150.0	17,150.0
Financial						
Enhance Service through Citizen Volunteer Support						
Volunteer FTE Equivalent	#	12.0	14.0	12.8	12.5	12.5
Volunteer Hours	#	28,000.0	29,127.0	25,803.0	26,000.0	26,000.0
Provide Materials and Information in a Cost Effective Manner						
Expenditures per Registered Borrower	$	74	70	79	90	90

Library

Major Changes

In FY 2014-15, the Virginia Beach Public Libraries budget totals $17,958,764, which will decrease by $106,910 or 0.6% from the adjusted FY 2013-14 budget. The following table highlights key changes in the budget:

Change	Impact
Reduction in Books and Subscriptions	• Reduced by $57,230 which may result in slightly expanded waiting lists for popular titles. However, the city's per capita funding for books ranks second highest among selected peer localities as shown in an accompanying table at the end of this section.
Efficiency Savings	• Libraries eliminated 5.5 positions in this year's budget (0.5 FTE was added below, for a net reduction of 5 positions): 4 positions as a result of the installation/implementation of project 3-622 - Automated Materials and Handling at the Central Library and five braches (Libraries eliminated a total of 9 positions as a result of this technology over two years); and 1.5 as a result of staffing efficiencies at the Joint Use Library. The city is the first in the area to install automated materials handling technology. Since FY 2008-09, the Library department has eliminated 55 FTEs (21.1% of the department's total positions, excluding the opening of the Joint Use Library). Of the position reductions, 14.5 FTEs (5.5 noted above) were due to improvements in efficiency (the residual positions were eliminated because of reduced hours of operation).
Additional Operating Costs for the Joint Use Library	• The current year estimate for operating costs (City's share is 17% and State is responsible for 83%) was based on preliminary information. The actual costs are projected to be higher, particularly for janitorial and landscape services.
Convert Part-Time Position to Full Time for the Law Library	• One full-time position was eliminated in the FY 2008-09 budget. Since then, patron visitation has increased 9%, and the existing part-time position has turned over six times. This conversion to full-time should help address turnover and increased usage.

Departmental Overview

The Virginia Beach Public Libraries rely mainly on general city revenues. The department collects a small amount of revenue (4.3%) through fines and fees, and the Libraries also receives a small amount of assistance from the State (1.6%). However, state revenue decreased as a percentage of the department's resources this year. The department's mission contributes to the City's "A Community for a Sustainable Future" report through promoting youth development opportunities and learning opportunities for our aging residents. The department's major programs are highlighted below:

- **Records Management -** Ensures the protection of permanent, archival, and non-current records for the city, schools, and courts, ensuring that all federal, state, and local records retention and disposition requirements are met in accordance with the Virginia Public Records Act.

- **Meyera E. Oberndorf Central Library, Community Libraries, and Neighborhood Libraries -** Provides reference, information, programming, and circulation services to customers visiting, telephoning, or emailing the libraries in support of lifelong learning, education, and leisure needs.

- **Online Library Services -** This program is available twenty-four hours a day, seven days a week and allows citizens to access library resources easily from anywhere patrons have internet access. The library's website allows customers to download audio books, e-books, and music. Access magazines and newspapers, review an extensive collection of research materials and electronic resources, browse digital collections of local history, photographs, and postcards, and place holds or renew materials. There are also librarians available during library hours to answer questions and provide assistance via phone, email, and text.

- **Early Literacy Outreach (Bookmobile) –** Early Literacy Outreach transformed into a mobile Early Literacy Center in 2010, the bookmobile travels to preschools, child care centers, Title I Schools, Head Start programs, at risk

neighborhoods and after school programs throughout the city. It reaches children and parents who otherwise might not be able to visit the library and provides access to books and electronic databases to support educational and recreational needs for young children and their parents.

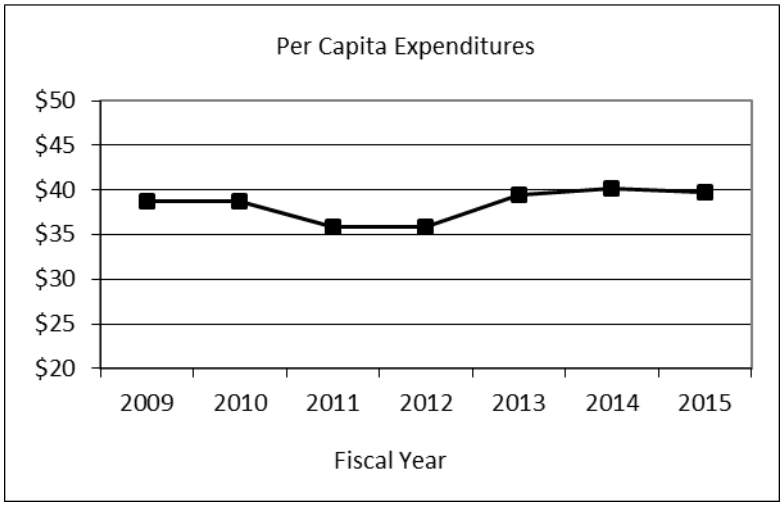
- **Special Services for the Blind and Physically Handicapped -** A sub-regional library of the National Library Service for the Blind located at the Bayside Area Library. This service loans braille, recorded, and large print materials and equipment to registered customers, and provides information services for individuals with disabilities.

- **Joint Use Library –** This library is the result of a joint-partnership between Tidewater Community College and the City of Virginia Beach, and is open to students, faculty, and the general public. Because of its affiliation with Tidewater Community College, it will have extended hours of operation (typically on Monday through Thursday from 7:30 am to 9:00 pm, and on Friday from 7:30 am to 5:00 pm).

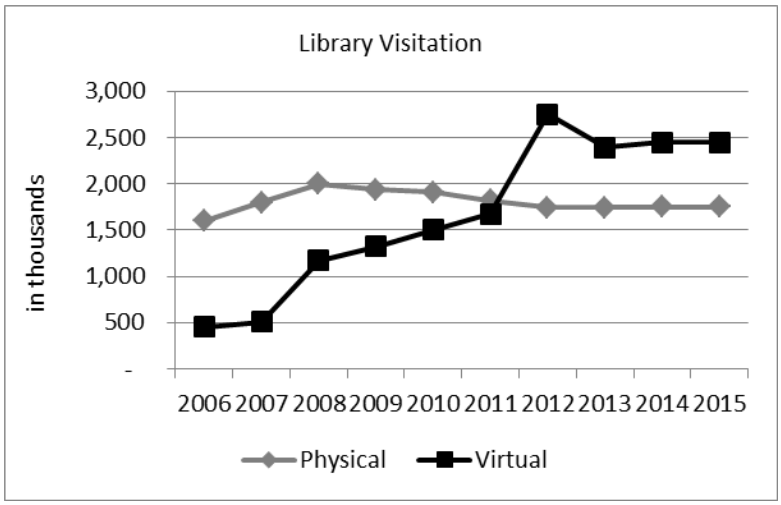
- **The Wahab Public Law Library -** Assists members of the general public and the legal profession, high school and college students, and city, state, and federal government employees with legal research in person, by telephone, or by email. The Law Library acts as the primary agency to which city departments can refer citizens in need of legal information.

Trends and Issues

- The per capita expenditure graph illustrates that budgeted expenditures for the Virginia Beach Public Libraries have decreased from 2010 through 2012. The major decline in expenditures per capita came in FY 2010-11 when the library system reduced hours of operation Monday through Thursday at eight of the city's branch libraries and reduced spending for materials acquisition by $175,000 due to limited city wide funding. The increase beginning in FY 2012-13 is due to the staffing hired in advance of the opening of the Joint Use Library. Since then, the expenditures per capita have remained approximately flat.



- From FY 2005-06 to FY 2011-12, virtual visitation to the Library's website increased over 500%. The increased availability of online resources and e-books has driven these exponential increases over the past six years. The library department anticipates that this trend will continue as additional online resources are added and technology in this area continues to advance. With patrons adjusting to the new library hours and the opening of the Joint Use Library, physical visitation increased slightly in FY 2013-14 and is projected to remain at the same level in FY 2014-15.



- Over 187,000 e-books have circulated since the introduction of the format into the collection in March 2010. Lending e-books is the library's response to customer demand and business model trends for contemporary readers. The efficiencies of electronic resources lie in the reduction of loss and need for processing by Support Services.

- The table below provides comparisons on demand/usage, service standards, and service coverage among peer localities. Benchmarking is never perfect; it is impossible to control for variables that could influence or offer an alternative explanation for differences. Virginia Beach has the lowest circulation per capita and ranks in the middle for visitation per capita compared to the benchmarks. Virginia Beach also ranks near the top regarding annual purchases of books and subscriptions. The city is in the bottom grouping in terms of weekly hours that branches are open.

Library Benchmark Comparisons

	Per Capita				Weekly**	
	Circulation	Visits	Books*	Square Feet	Branch Hours	Bookmobile
Virginia Beach	8.16	3.71	4.9	.69	50	Yes
Chesapeake	10.56	5.65	4.2	.73	59	Yes
Chesterfield	7.88	3.85	3.0	.47	47	No
Henrico	15.75	6.70	5.3	.65	61.5	Yes
Prince William	8.00	3.34	3.7	.30	51	No

*FY 2011-12 budget for books and subscriptions
**for a typical branch, excluding Central Library hours
Sources: Library of Virginia; Public Library Data Services Statistical Report, 2012; Census Bureau; respective Library Departments and Budget Documents/Budget Offices

- The music industry has changed with the digital format, and the demand for music is based more on individual song titles rather than a collection of songs on a CD. The next progression into fulfilling the demand of library customers for downloadable content is the addition of DRM (digital rights management), free copyright safe music downloads for library customers. The service was added and available to customers in August 2011 via the Library website. The Library's media collections (DVD and CD) produces the highest turnover rates for library materials and, based on the fragility of the format, downloading is an economic and efficient method of delivering content in the changing technological environment. The number of Freegal downloads increased from 10,000 in 2011 to over 40,000 in 2012 and more than doubled in 2013.

- Update on Pilot Project for Developing Outcome Performance Measures: The city initiated Pilot Outcome Measure Project (POMP) for three departments (Public Works, Museums, and Libraries) to begin building capacity within the individual departments to measure the impacts (i.e. outcomes) of their programs and services on their customer base/the citizenry. Because of the involvement in the POMP process, the Library Department has used data to provide better services to patrons, including reallocating funding from programs least effective in meeting the needs of patrons to those that are deemed more effective. Examples of data being collected by the Department are as follows:

  - For the goal of providing a collection that meets the needs of patrons - For FY 2012-13, 89% of patrons indicated that their needs were being met.

  - For the goal of promoting the use of the libraries for social and civic engagement - In FY 2012-13 there were 986 bookings of Library space for community events being held by outside organizations, 3,360 bookings for rooms for organizational meetings, and 25,804 hours provided by volunteers in support of community events and meetings being held by organizations.

  - For the goal of providing early literacy resources so that children have the skills for learning - The Department is currently collecting data to determine if parental and child-reading behaviors have changed because of the parents participating in the Department's early literacy program.

Library - Departmental Resource Summary

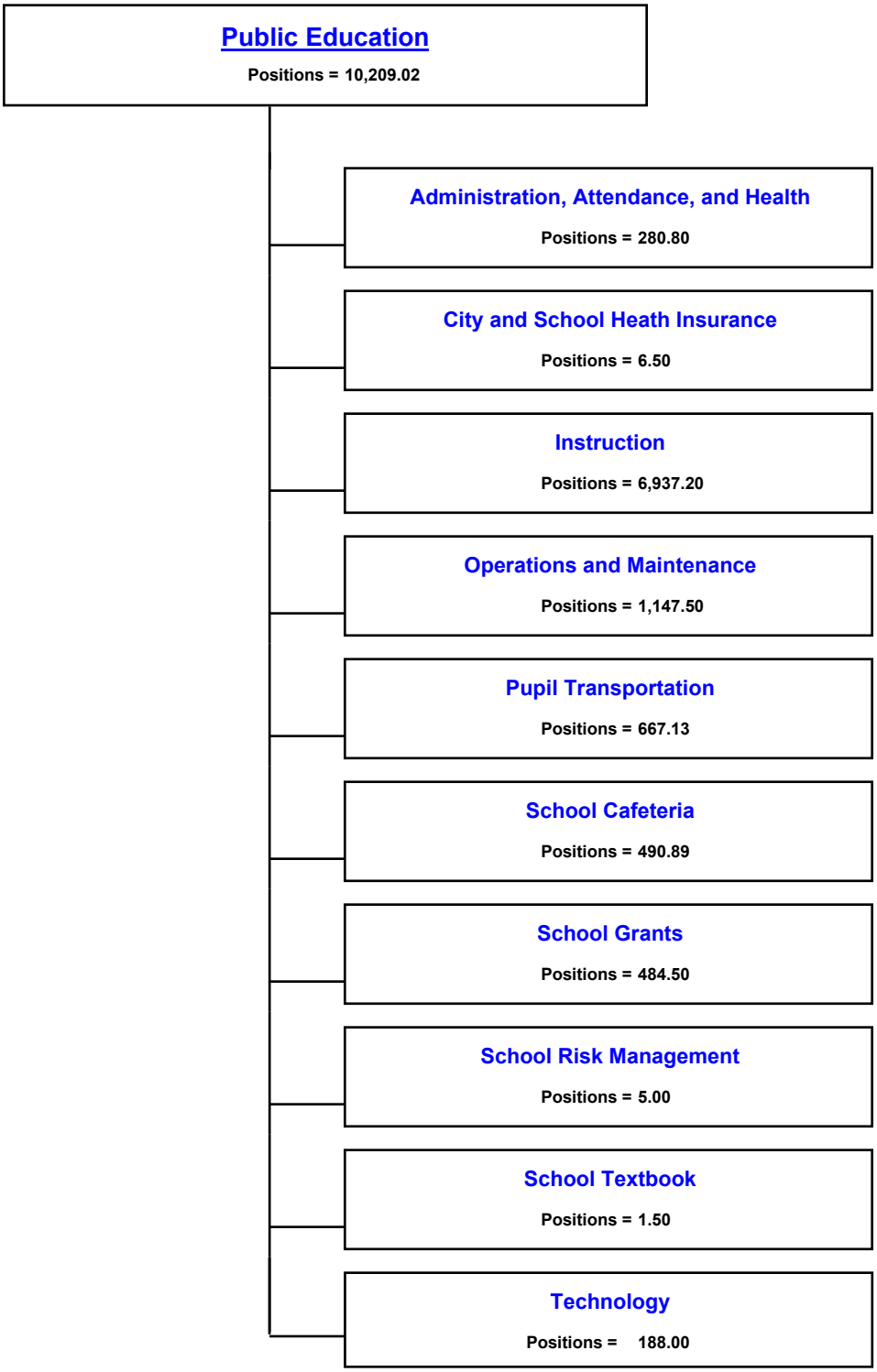
	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	1,347,517	1,466,141	1,433,134	(33,007)
Meyera E. Oberndorf Central Library	2,618,484	2,747,634	2,666,303	(81,331)
Great Neck Area Library	587,235	639,057	657,807	18,750
Bayside Area Library	817,894	918,548	917,865	(683)
Oceanfront Area Library	718,627	770,200	760,228	(9,972)
Kempsville Area Library	1,030,221	1,131,875	1,101,752	(30,123)
Windsor Woods Area Library	540,569	597,506	606,460	8,954
Pungo - Blackwater Area Library	342,757	372,745	379,487	6,742
Princess Anne Area Library	963,295	1,058,946	1,038,619	(20,327)
Joint Use Library	813,424	1,794,878	1,969,011	174,133
South Rosemont Youth Library	0	0	0	0
Mobile Services	0	0	5,514	5,514
Records Management	378,638	410,392	410,731	339
Cataloging Services	26,974	0	0	0
Technology Services	880,617	1,053,917	964,222	(89,695)
Materials Management	4,001,253	3,789,048	3,698,557	(90,491)
Youth and Family Services	682,237	1,015,337	1,031,934	16,597
Total Expenditures	15,749,741	17,766,224	17,641,624	(124,600)
Revenues				
Fees	490,189	463,800	463,800	0
State	233,897	279,702	284,647	4,945
Total Revenues	724,085	743,502	748,447	4,945
General City Support	15,025,656	17,022,722	16,893,177	(129,545)
130 Law Library Fund				
Expenditures				
Law Library	198,596	234,928	244,382	9,454
Reserve for Contingencies	0	270	506	236
Transfer to Other Funds	57,252	57,252	57,252	0
Total Expenditures	255,848	292,450	302,140	9,690
Revenues				
Fees	296,852	287,450	297,140	9,690
Fund Balance	0	5,000	5,000	0
Total Revenues	296,852	292,450	302,140	9,690
General City Support	(41,004)	0	0	0
183 Grants Consolidated Fund				
Expenditures				
Library - Grants	15,781	0	0	0
Total Expenditures	15,781	0	0	0
General City Support	15,781	0	0	0

Library - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
909 Library Gift Fund				
Expenditures				
Library Donations	167	4,000	12,000	8,000
Special Services Gift Fund	50	3,000	3,000	0
JUL Children's Area	13,336	0	0	0
Total Expenditures	13,553	7,000	15,000	8,000
Revenues				
Fees	192,574	7,000	15,000	8,000
Total Revenues	192,574	7,000	15,000	8,000
General City Support	(179,020)	0	0	0
Total Department Expenditure	16,034,923	18,065,674	17,958,764	(106,910)
Total Department Revenue	1,213,511	1,042,952	1,065,587	22,635
Total General City Support	14,821,413	17,022,722	16,893,177	(129,545)

Position Summary by Program

002 General Fund				
Director's Office	15.50	15.50	16.00	0.50
Meyera E. Oberndorf Central Library	52.50	51.50	48.50	-3.00
Great Neck Area Library	12.00	12.00	12.00	0.00
Bayside Area Library	18.00	18.50	18.50	0.00
Oceanfront Area Library	13.50	13.50	13.50	0.00
Kempsville Area Library	22.00	22.50	22.50	0.00
Windsor Woods Area Library	12.00	12.00	12.00	0.00
Pungo - Blackwater Area Library	6.00	6.00	6.00	0.00
Princess Anne Area Library	21.50	21.50	21.50	0.00
Joint Use Library	49.50	40.00	38.00	-2.00
Records Management	4.50	4.50	4.50	0.00
Technology Services	5.00	5.00	5.00	0.00
Materials Management	19.00	19.00	18.00	-1.00
Youth and Family Services	12.00	16.00	16.00	0.00
Total	263.00	257.50	252.00	-5.50
130 Law Library Fund				
Law Library	2.50	2.50	3.00	0.50
Total	2.50	2.50	3.00	0.50
Total Position Summary	265.50	260.00	255.00	-5.00


Public Education
Positions = 10,209.02
Administration, Attendance, and Health
Positions = 280.80
City and School Heath Insurance
Positions = 6.50
Instruction
Positions = 6,937.20
Operations and Maintenance
Positions = 1,147.50
Pupil Transportation
Positions = 667.13
School Cafeteria
Positions = 490.89
School Grants
Positions = 484.50
School Risk Management
Positions = 5.00
School Textbook
Positions = 1.50
Technology
Positions = 188.00

Public Education

Major Changes:

This section provides a summary of educational funding. The total, net school budget for FY 2014-15 is $860,622,217 (excluding Internal Service Funds), which represents a 2.5% increase over last year's budget. The School Operating Fund is $748,137,298, which represents a 3.1%. This primarily reflects modest increases in local and state dollars and use of fund balance offset by a slight decrease in federal revenue. The City's local contribution through the revenue sharing formula is $390,017,424, which represents a 2.9% increase.

The Constitution of Virginia requires the Board of Education to prescribe standards of quality for the public schools of Virginia. These standards, found in the Code of Virginia, are known as the Standards of Quality (SOQ) and encompass the requirements that must be met by all Virginia public schools and divisions. For FY 2014-15, the city's total funding (operations, debt service, and capital projects) exceeds the SOQ amount by 129.3%.

Change	Impact
Replace Project X-CD (Project Exceed) with a New Middle School Literacy Program	• Project X-CD, which was created in 1998, limited class sizes to no more than 15 in three middle schools. After extensive evaluation, the data suggest the program did not have an impact. In place of this program, .5 part-time Reading Specialists will be added to 13 middle schools (excluding only Kemps Landing Magnet and the Renaissance Academy, which have lower class sizes than at the traditional middle schools).
Literacy Programs in Elementary Schools	• The budget includes funding for two literacy programs: three hundred kindergarten through second grade teachers will receive extensive professional development in instructional strategies for effectively teaching struggling readers; and a summer reading program will serve the 12 neediest, non-Title I schools (students from Title I schools, 40% of students come from low income households, already have specialized reading programs).
Pay Raise	• This funds a 2.79% pay raise (offset by 1% employee contribution for second year of mandatory phase-in of employee contributions to VRS). This level of a pay raise will mean the average employee will receive approximately a 1.45% net pay raise. (The contribution to VRS is pre-tax; however, the pay raise is subject to Social Security taxes, and 1.34% approximately offsets the tax impact).
Pay Inequities	• The budget includes approximately $1.1 million to address pay inequities in the schools' Unified Pay Scale. These funds will be allocated to address pay for bus drivers, and various personnel in food service, clerical, trades, and for teaching assistants.
Green Run Collegiate Charter	• Green Run Collegiate, which opened in September 2013, represents the schools first charter school. It is an academically challenging college and career preparatory experience, which will initially serve 100 ninth graders and will add up to 100 additional students and one grade level each year until a full nine-12 program is in place. The Special Revenue Fund for Green Run Collegiate Charter (104), which is 100% funded with local city dollars and is subject to reversion policy, is first appearing in the FY 2014-15 budget.

At the end of this section, the Virginia Beach FY 2014-15 School Board Adopted Operating Budget is included in its entirety.

Departmental Overview

The City Council appropriates funding to the Schools by major category (Instruction, Administration, Health, and Attendance, Pupil Transportation, Operations and Maintenance, Technology, and Debt Service) in the School Operating Fund and by fund for each of the Schools remaining funds. How this funding is spent within these categories and funds is solely at the discretion of the School Board.

City/School Revenue Sharing Formula: The City Council first adopted a City/School Revenue Sharing Policy in 1997 to provide a stable source of local funding for the Public School System. This policy shared, at that time, seven of the fastest growing and most stable revenue sources between City and School services and programs. The formula was revised several times to reflect changes in State law and the revenue streams. With the adoption of the FY 2011-12 Operating Budget, the City Council believed that the formula no longer served its purpose, especially in light of the recessionary conditions. Therefore, the FY 2012-13 Operating Budget was adopted without a revenue sharing formula; however, the City Council and the School Board directed the staffs of the respective bodies to develop a new formula for consideration for the FY 2013-14 Operating Budget. The new formula was adopted in FY 2013-14, and includes a four-step computation:

(1) **Total Non-Dedicated Local Revenues:** the base from which the computation derives is the total non-dedicated local tax revenues, which represents a more diverse stream of revenues compared to the previous formula;
(2) **Fund 100% of Required Local SOQ Match:** the formula acknowledges the required local match under the State SOQ by dedicating 100% of local revenues to equal this match, which is then subtracted from the total non-dedicated local tax revenues;
(3) **Funding Above SOQ Match:** the formula specifies that 32.37% of the remaining total non-dedicated local tax revenues (after subtracting the local SOQ match) are allocated to the School System as the discretionary local match; and
(4) **Additional Dedication of Real Estate Taxes:** finally, the formula adds the dedication of four cents of real estate taxes established by the City Council with the FY 2012-13 Operating Budget to offset lost State funding due to the recession. As State revenues increase, this dedication may be recalculated.

School Operating Funding and Total School Funding: Note the School Board's adopted budget does not include debt service, but it is included in the city's proposed budget. This serves as the explanation of the difference between the funding levels in these two documents. As noted, the city's proposed budget includes a city contribution to the Schools in the amount of $390.0 million, which includes $45.5 million for debt service for school capital projects. Additionally, the Schools receive $3,591,000 in surplus funds from the Sandbridge TIF. The Schools allocated $2 million in the operating budget (reflected as use of Fund Balance/appropriation of Specific Fund Reserves), and $1,591,000 to their CIP. The following table shows the composition of school funding by source:

Source of Funds for Operating Budget	% of Total
Charges for Services/Miscellaneous	0.5%
State	43.1%
City	51.8%
Federal	2.2%
Fund Balance	2.4%

The following represents the funding distribution for all the School funds:

Source of Funds for All School Funds	% of Total
Charges for Services/Miscellaneous	2.9%
State	39.9%
City	45.3%
Federal	8.9%
Fund Balance	3.0%

Benchmarking: School funding levels and performance represent important issues for any community, and the table on the following page provides comparisons on selected measures for selected localities. School output (labor market success, college attendance, graduation rates, and, most frequently, standardized test scores) is a function of school inputs (teachers), parental and peer influences, and the innate ability and effort of students. With the exception of Norfolk (large, neighboring city), the localities chosen for comparison represent large, suburban communities with similar socio-economic

demographics. Comparing or matching localities with similar characteristics may somewhat help control for student (innate ability) input variable and parental influences (research shows the education level of parent represents a good proxy for a home environment that fosters education). Benchmarking is never perfect, however. It is impossible to control for variables that could influence or offer an alternative explanation for differences.

Selected Measures of School Funding and Performance

	Va Beach	Chesapeake	Norfolk	Chesterfield	Henrico
Enrollment as a % of Population	15.6%	17.0%	13.3%	18.0%	15.8%
% Eligible for Free & Reduced Lunch	36.2%	34.6%	67.0%	32.9%	40.0%
SOQ State Funding Percentage	0.4033	0.3609	0.3122	0.3495	0.4058
% of Local Funding for Operations above SOQ*	121.5%	103.2%	92.5%	92.8%	44.6%
Local Funding Per Student (Ops, Debt, Capital)	$5,436	$5,517	$3,959	$4,058	$4,395
Composition of Expenditures:					
Administration	2.5%	2.2%	5.2%	3.0%	2.7%
Instruction	78.1%	79.9%	78.8%	78.0%	78.8%
Attendance & Health Services	1.5%	1.5%	1.9%	1.5%	1.4%
Pupil Transportation	4.2%	6.3%	3.5%	6.1%	6.0%
Operations and Maintenance Services	13.7%	10.0%	10.6%	11.4%	11.0%
Pupil-Teacher Ratio:					
K-7	14.46	13.48	12.85	14.99	14.16
8-12	12.74	13.53	12.23	14.13	15.36
Number of Instructional Days	183	179	179	176	175
% of Students Enrolled in Advance Placement	28.8%	16.0%	26.4%	20.7%	23.4%
SOL Pass Rates for All Grades:					
Reading	78.0%	77.0%	60.4%	78.4%	74.9%
Writing	78.3%	79.3%	63.6%	77.9%	75.8%
Math	72.5%	76.6%	57.0%	75.6%	71.6%
Science	83.5%	85.5%	67.5%	82.2%	84.6%
History & Social Science	85.3%	90.1%	74.8%	84.5%	87.3%
Graduation Rate	88.0%	92.0%	77.9%	90.2%	89.9%
Promotion Rate	98.2%	97.8%	94.1%	98.1%	98.1%
% High School Graduates Continuing Education	74.3%	75.3%	54.7%	73.3%	73.9%
Attendance Rates	95.6%	96.0%	95.4%	95.7%	96.1%

*for FY 13 and excludes funding for Capital Projects.

Sources: Virginia Department of Education's web site; budget documents; Weldon Cooper Center for Public Service

Public school enrollment in Virginia Beach represents the second smallest percentage of total population among the benchmark localities, yet Virginia Beach's local contribution to schools is the second highest on a per student basis, slightly behind Chesapeake, and our schools rank first in funding effort above the Standards of Quality requirements. Funding allocated to Instruction varies in a narrow range across localities. The schools funding for Administration is relatively low, but funding for Operations and Maintenance is high. The schools fund more projects (under the $250,000 threshold for Capital Projects) from the operating budget for repair, maintenance, and replacement of older schools. Virginia Beach's allocation to Pupil Transportation compares favorably, even with our geography (waterways and distance between rural area and some schools) that could limit efficiency in bus routes. The pupil-teacher ratios (class sizes) are second highest for k-7, but are second lowest for grades 8-12. Virginia Beach's school year is the longest, and a greater percentage of its students enroll in Advance Placement courses compared to the benchmark localities. In terms of performance, the city's schools perform at or near the top in SOL Reading and Writing, and in the middle for the other SOL tests. Our grade promotion rate ranks first, but our graduation rank is second to the last. Approximately three-quarters of Virginia Beach graduates plan to continue their education, ranking second only to Chesapeake. Attendance rates show little variation across school districts.

Recent Accolades:

- Virginia Beach City Public Schools (VBCPS) was one of only seven school divisions in Virginia to be named to the Advanced Placement (AP) District Honor Roll by the College Board. This distinction was given to the division for expanding access to AP coursework while also improving the number of students scoring 3 or higher on AP exams.

- VBCPS was named an Arts Partner in 2013 ALLI Awards by the Cultural Alliance of Greater Hampton Roads, recognizing the division's commitment to developing diverse fine arts and music programs that reach large audiences.

- VBCPS and military commands in Hampton Roads earned the 2013 Pete Taylor Partnership of Excellence Aware. This means that VBCPS' efforts to meet the needs of military-connected children have been recognized as the best in the nation.

- All 11 VBCPS high schools were ranked in the top 9 percent nationwide by *The Washington Post* newspaper.

Schools Support "Envision Virginia Beach 2040" and "A Community Plan for a Sustainable Future": the Schools significantly contribute to the goals outlined in these reports by ensuring all citizens have access to quality, life-long learning and educational opportunities, our schools and higher learning institutions will prepare a skilled and educated workforce, and a learning community.

SOQ Local Funding Percentage: The Composite Index determines a school division's ability to pay education costs fundamental to the commonwealth's Standards of Quality (SOQ). The Composite Index is calculated using three indicators of a locality's ability-to-pay:

- True value of real property (weighted 50 percent)
- Adjusted gross income (weighted 40 percent)
- Taxable retail sales (weighted 10 percent)

Each locality's index is adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent. The Schools' new Composite Index funding level for FY 14 to FY 16 is .4033, which means the Schools are responsible for 40.33% of the SOQ funding level. The table on the right shows a recent history, which has been slowly rising over time:

Virginia Beach Local Composite Index	
FY 00 - 02	.3523
FY 02 - 04	.3394
FY 04 - 06	.3353
FY 06 - 08	.3492
FY 08 - 10	.3704
FY 10 - 12	.4060
FY 12 - 14	.4110
FY 14 - 16	.4033

Public Education - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
104 Green Run Collegiate Charter School				
Expenditures				
School Green Run Collegiate Charter Instruction	0	0	2,233,351	2,233,351
School Green Run Collegiate Administration	0	0	8,000	8,000
School Green Run Collegiate Charter Transporation	0	0	159,128	159,128
School Green Run Collegiate Charter Oper & Maint	0	0	21,400	21,400
School Green Run Collegiate Charter Technology	0	0	25,000	25,000
Total Expenditures	0	0	2,446,879	2,446,879
Revenues				
Transfers	0	0	2,446,879	2,446,879
Total Revenues	0	0	2,446,879	2,446,879
General City Support	0	0	0	0
107 School Equipment Replacement Special Revenue Fund				
Expenditures				
Reserve for Contingencies	33,899	453,782	369,641	(84,141)
Total Expenditures	33,899	453,782	369,641	(84,141)
Revenues				
Fees	3,891	0	0	0
Fund Balance	0	453,782	369,641	(84,141)
Total Revenues	3,891	453,782	369,641	(84,141)
General City Support	30,008	0	0	0
108 School Instructional Technology Fund				
Expenditures				
Instructional Technology	0	0	159,700	159,700
Total Expenditures	0	0	159,700	159,700
Revenues				
Fund Balance	0	0	159,700	159,700
Total Revenues	0	0	159,700	159,700
General City Support	0	0	0	0
109 School Vending Operations Fund				
Expenditures				
School Vending Operations	302,238	363,047	220,289	(142,758)
Total Expenditures	302,238	363,047	220,289	(142,758)
Revenues				
Fees	192,966	192,550	192,550	0
Fund Balance	0	170,497	27,739	(142,758)
Total Revenues	192,966	363,047	220,289	(142,758)
General City Support	109,272	0	0	0

Public Education - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
112 School Communication Tower Technology Fund				
Expenditures				
Communication Tower Technology	95,713	600,000	600,000	0
Total Expenditures	95,713	600,000	600,000	0
Revenues				
Fees	478,608	260,000	260,000	0
Fund Balance	0	340,000	340,000	0
Total Revenues	478,608	600,000	600,000	0
General City Support	(382,895)	0	0	0
114 School Cafeteria Fund				
Expenditures				
Food Services	26,503,047	28,600,954	30,278,999	1,678,045
Total Expenditures	26,503,047	28,600,954	30,278,999	1,678,045
Revenues				
Fees	12,202,712	14,005,578	12,744,655	(1,260,923)
State	507,862	488,000	500,000	12,000
Federal	14,373,628	13,675,982	16,254,782	2,578,800
Fund Balance	0	431,394	779,562	348,168
Total Revenues	27,084,202	28,600,954	30,278,999	1,678,045
General City Support	(581,155)	0	0	0
115 School Operating Fund				
Expenditures				
Instruction	507,778,098	518,411,377	533,735,053	15,323,676
Administration, Attendance, and Health	20,158,024	21,615,583	22,675,243	1,059,660
Pupil Transportation	85,225,055	30,893,091	31,026,585	133,494
Operations and Maintenance	30,850,164	86,963,647	87,505,569	541,922
Technology	29,072,564	26,975,580	27,687,623	712,043
Debt Service	44,747,986	43,094,767	45,507,225	2,412,458
Total Expenditures	717,831,890	727,954,045	748,137,298	20,183,253
Revenues				
Fees	3,537,647	3,325,383	3,455,086	129,703
State	307,402,791	311,389,423	322,657,768	11,268,345
Federal	20,486,105	17,141,085	16,453,899	(687,186)
Transfers	398,445,180	396,098,154	405,570,545	9,472,391
Total Revenues	729,871,723	727,954,045	748,137,298	20,183,253
General City Support	(12,039,833)	0	0	0

Public Education - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
116 School Grants Fund				
Expenditures				
School Grants	46,386,479	67,040,031	63,534,234	(3,505,797)
Total Expenditures	46,386,479	67,040,031	63,534,234	(3,505,797)
Revenues				
Fees	3,203,997	3,044,467	3,299,327	254,860
State	7,253,694	15,904,631	16,021,049	116,418
Federal	35,906,349	48,090,933	44,213,858	(3,877,075)
Total Revenues	46,364,040	67,040,031	63,534,234	(3,505,797)
General City Support	22,438	0	0	0
117 School Textbook Fund				
Expenditures				
Textbook	5,627,065	9,556,428	9,952,535	396,107
Total Expenditures	5,627,065	9,556,428	9,952,535	396,107
Revenues				
Fees	72,136	110,000	110,000	0
State	3,635,238	3,606,022	3,959,589	353,567
Fund Balance	0	5,840,406	5,882,946	42,540
Total Revenues	3,707,374	9,556,428	9,952,535	396,107
General City Support	1,919,691	0	0	0
119 School Athletic Special Revenue Fund				
Expenditures				
Athletics	5,067,226	4,910,642	4,922,642	12,000
Total Expenditures	5,067,226	4,910,642	4,922,642	12,000
Revenues				
Fees	4,894,062	4,910,642	4,922,642	12,000
Total Revenues	4,894,062	4,910,642	4,922,642	12,000
General City Support	173,163	0	0	0
614 School Risk Management Fund				
Expenditures				
School Risk Management	0	11,488,946	4,806,319	(6,682,627)
Total Expenditures	0	11,488,946	4,806,319	(6,682,627)
Revenues				
Fees	0	11,488,946	4,806,319	(6,682,627)
Total Revenues	0	11,488,946	4,806,319	(6,682,627)
General City Support	0	0	0	0

Public Education - Departmental Resource Summary

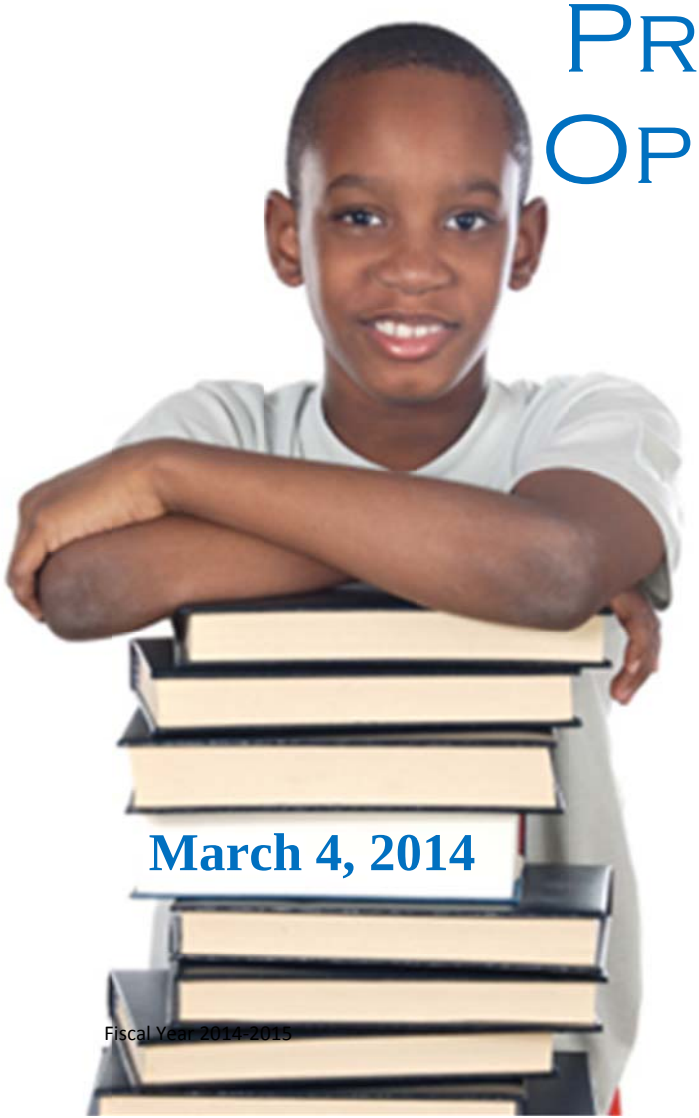
	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
615 City and School Health Insurance Fund				
Expenditures				
City and School Health Insurance	130,261,334	132,851,161	145,389,250	12,538,089
Total Expenditures	130,261,334	132,851,161	145,389,250	12,538,089
Revenues				
Fees	119,837,318	128,439,727	145,389,250	16,949,523
Fund Balance	10,424,016	4,411,434	0	(4,411,434)
Total Revenues	130,261,334	132,851,161	145,389,250	12,538,089
General City Support	0	0	0	0
Total Department Expenditure	932,108,890	983,819,036	1,010,817,786	26,998,750
Total Department Revenue	942,858,200	983,819,036	1,010,817,786	26,998,750
Total General City Support	(10,749,310)	0	0	0

Position Summary by Program

114 School Cafeteria Fund				
Food Services	492.89	492.89	490.89	-2.00
Total	492.89	492.89	490.89	-2.00
115 School Operating Fund				
Instruction	6,959.70	6,848.10	6,937.20	89.10
Administration, Attendance, and Health	278.80	278.80	280.80	2.00
Pupil Transportation	667.13	667.13	667.13	0.00
Operations and Maintenance	1,139.50	1,139.50	1,147.50	8.00
Technology	187.00	188.00	188.00	0.00
Total	9,232.13	9,121.53	9,220.63	99.10
116 School Grants Fund				
School Grants	588.50	563.50	484.50	-79.00
Total	588.50	563.50	484.50	-79.00
117 School Textbook Fund				
Textbook	1.50	1.50	1.50	0.00
Total	1.50	1.50	1.50	0.00
614 School Risk Management Fund				
School Risk Management	5.00	5.00	5.00	0.00
Total	5.00	5.00	5.00	0.00
615 City and School Health Insurance Fund				
City and School Health Insurance	4.50	6.50	6.50	0.00
Total	4.50	6.50	6.50	0.00
Total Position Summary	10,324.52	10,190.92	10,209.02	18.10

Virginia Beach
City Public Schools

FY 2014/15
School Board
Proposed Operating Budget



March 4, 2014

The Virginia Beach City Public Schools prohibits discrimination on the basis of race, religion, gender, national origin, age, disability, pregnancy, or marital status. School Board policies and supporting regulation (Policies 2-33, 4-4, 5-7, and 6-7 and Regulation 5-44.1) provide equal access to courses, programs, counseling services, physical education, athletics, vocational education, instructional materials, and extracurricular activities. Violations of these policies should be reported to the Director of Student Leadership at 263-2020 or the Assistant Superintendent of Human Resources at 263-1133.

Alternative formats of this publication, which may include a CD, Braille, or large print material, are available upon request for individuals with disabilities. Call or write Sandra Childress, Office of Budget Development, 2512 George Mason Drive, Virginia Beach, Virginia 23456-0038. Telephone (757) 263-1066; fax (757) 263-1173 or email Sandra.Childress@vbschools.com.

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School Division Structure

School Board Members

Ms. Beverly M. Anderson
At-Large Seat

Mr. William J. Brunke, IV
Vice Chairman
District 7-Princess Anne

Ms. Emma L. Davis
District 5-Lynnhaven

Mr. Daniel D. Edwards
Chairman
District 2-Kempsville

Ms. Dorothy M. Holtz
At-Large Seat

Mr. Joel A. McDonald
District 3-Rose Hall

Mr. Bobby Melatti
At-Large Seat

Mr. Sam Reid
District 6-Beach

Ms. Elizabeth E. Taylor
At-Large Seat

Mr. Leonard C. Tengco
District 1-Centerville

Ms. Carolyn D. Weems
District 4-Bayside

Dr. Sheila S. Magula
Superintendent

Executive Leadership Team

Office of the Superintendent	Executive Assistant	Ms. Heather M. Allen
Office of Equity Affairs	Director	Ms. Jobynia G. Caldwell
Teaching and Learning	Chief Academic Officer	Dr. Amy E. Cashwell
Budget and Finance	Chief Financial Officer	Mr. Farrell E. Hanzaker
Division Services	Chief Operations Officer	Mr. Dale R. Holt
Technology	Chief Information Officer	Mr. Ramesh K. Kapoor
School Leadership	Elementary Schools, Assistant Superintendent	Ms. Shirann C. Lewis
Human Resources	Chief Human Resources Officer	Mr. John A. Mirra
Media and Communications	Chief Media and Communication Officer	Ms. Kathleen E. O'Hara
School Leadership	Secondary Schools, Assistant Superintendent	Dr. George Parker III
Planning, Innovation, and Accountability	Assistant Superintendent	Dr. Donald E. Robertson, Jr.

Leadership Support Team

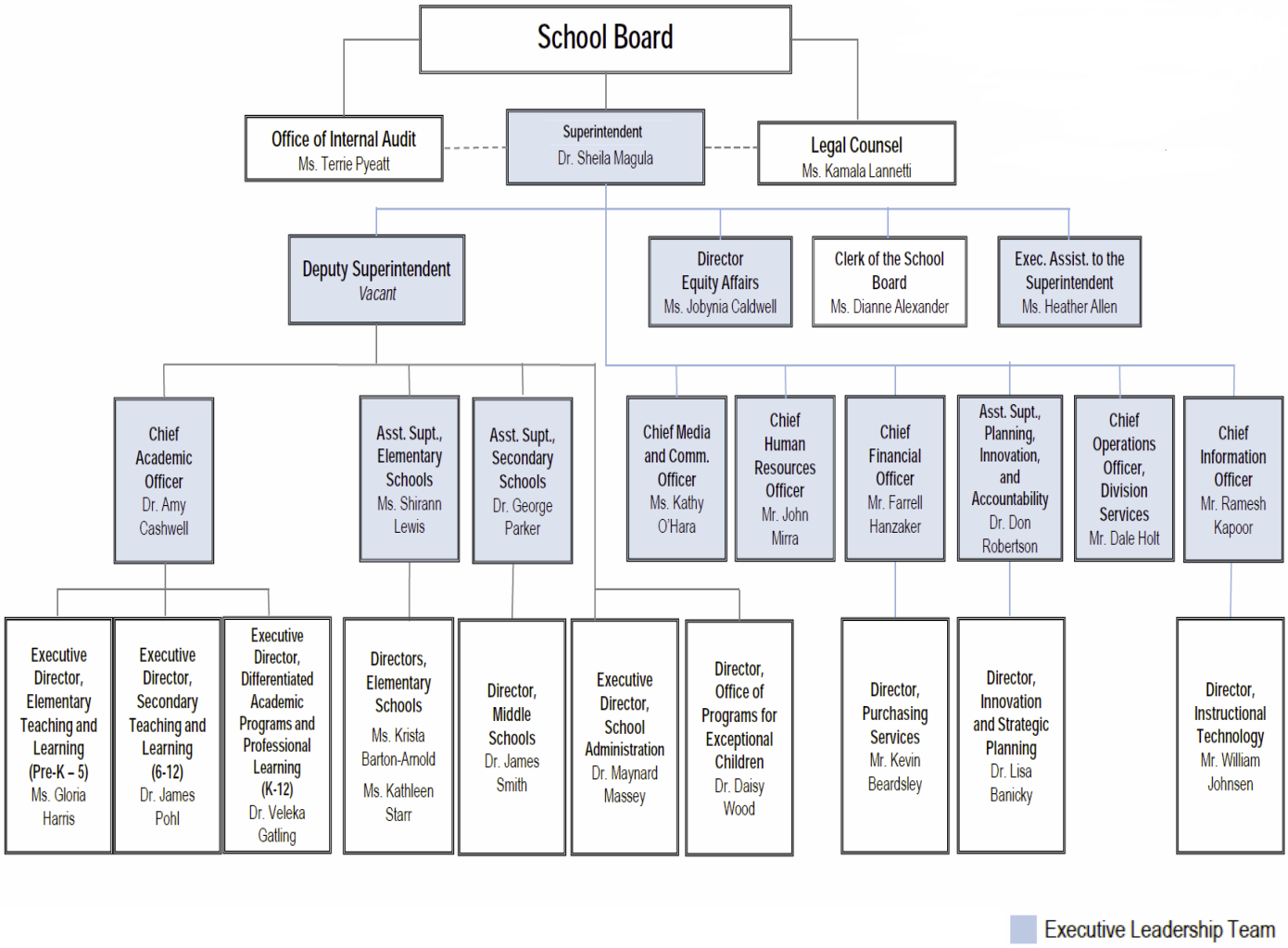
Innovation and Strategic Planning	Director	Dr. Lisa A. Banicky
Elementary Schools	Director	Ms. Krista Barton-Arnold
Purchasing Services	Director	Mr. J. Kevin Beardsley
Differentiated Academic Prog. and Prof. Learning	Executive Director	Dr. Veleka S. Gatling
Elementary Teaching and Learning	Executive Director	Ms. Gloria S. Harris
Instructional Technology	Director	Mr. William L. Johnsen
School Administration	Executive Director	Dr. Maynard E. Massey
Secondary Teaching and Learning	Executive Director	Dr. James M. Pohl
Middle Schools	Director	Dr. James J. Smith
Elementary Schools	Director	Ms. Kathleen A. Starr
Office of Programs for Exceptional Children	Director	Dr. Daisy B. Wood

School Division Structure

Organizational Chart

Virginia Beach City Public Schools is one of the largest divisions in the state of Virginia and has earned a broad national reputation for its outstanding educational opportunities for its students. The division recognizes the importance of effective leadership and engaging partnerships with the community to provide an environment which fosters intellectual development, citizenship, responsibility, and mutual respect among students.

Effective October 28, 2013, the school division completed the reorganization of its administrative offices.



VIRGINIA BEACH CITY PUBLIC SCHOOLS
AHEAD OF THE CURVE

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Carolyn D. Weems, District 4 – Bayside

March 4, 2014

The Honorable William D. Sessoms, Mayor
Members of City Council
City of Virginia Beach
Building 1
Municipal Center
Virginia Beach, VA 23456

Dear Mayor and Members of City Council:

The School Board is pleased to submit its proposed $705 million Operating Budget for 2014-15 for City Council's consideration. We have allocated the funds projected by the Governor's 2014 budget proposal and the current Revenue Sharing Agreement for local funds to those areas with the greatest need. We recognize there may be adjustments to both, but do not anticipate major swings in revenues.

While there was some increase in state funding, it was all required to cover the major increase in VRS. The funds required for our employee retirement benefits are increasing approximately 16%. We are pleased there is a modest increase in local school funding from the Revenue Sharing Formula. While we have many needs, all of the new funds have been allocated to employee compensation simply because Virginia Beach Schools is losing its competitive edge in the marketplace for both teaching and skilled support staff. We have funded a 2.79% pay raise inclusive of the mandatory 1% VRS increase for employees which they must pay to the state VRS fund. When considering the tax implications which vary by employee of this 1% raise which flows to VRS, the actual employee increase is approximately 1.5%.

We need to do more for our employees now or soon. In the past, Beach schools took pride in providing nearly the best pay in the region. Our starting and mid-level pay are now in the bottom half of the school divisions in South Hampton Roads. While our employees take pride in contributing to the significant collective success of our schools, they do notice our pay significantly lags many in the area.

Two other elements of compensation adjustments are an incremental approach to fixing compression and scale placement problems for non-teaching staff on the unified scale. We have allocated $900 thousand to adjust those employees paid significantly less than their skills and years of experience warrant based on their current position on the scale. At this rate, it will take 5-6 years with similar funding to fix these alignment issues. These "equity adjustments" will affect about 1,700 of the 4,807 employees on this scale. These adjustments represent the monetary difference (increase in pay) needed to correct a pay disparity between employees on the same grade with the same or comparable years of experience.

The Board also moved our bus drivers from Scale-8 to Scale-9 based on both their scope of responsibility and market factors. We have had ongoing recruitment challenges for our drivers and this $200 thousand adjustment should mitigate this to some extent.

The School Board also identified an additional $1.9 million to lower both the proposed deductibles and the employee cost of employee health care. In fact, the total additional cost of the health care subsidy will be $3.8 million on a full year basis. Surging health care costs combined with new federal fees and regulations makes sustaining an employee health care plan an onerous task.

Our mission statement and current strategic plan, Compass to 2015, place student achievement at the front end of all decision making. This was true of the budget process as well. While not able to fund new programs, we have sustained our continuous improvement model through self-examination and reprioritizing. We permitted the sunset of Project X-CD, a middle school program for at-risk students, since the longitudinal data did not validate a long-term impact in the three middle schools where it operated. We have allocated the $1.6 million annual cost of this program to system wide improvements that should have a positive impact on more schools.

While the operating budget allows VBCPS to make some small gains, the state of the Capital Improvement Program (CIP) is a concern. We are clearly pleased with the new Kellam High School and are pleased that a consolidated Kemps Landing Magnet-Old Donation Center is now under design. In addition, modernization plans for John B. Dey Elementary School will get under way as well. Virginia Beach's steady, strategic approach to renovation and rebuilding over recent years has ensured that children are attending school in buildings that meet today's instructional needs. However, at $316.6 million, the CIP is less than half of the approved $635 million it totaled five years ago. The elimination of all state support, including lottery funding and our inability to allocate operating funds to the CIP, with an inventory of 85 schools, calls for another funding source. At this pace, our replacement cycle has slipped to a century and a half – we believe our citizens expect us to do better.

The upcoming fiscal year will bring many challenges not the least of which will be the reshaping of a new strategic plan; we look forward to the input of all stakeholders, especially city leadership. VBCPS has become renowned across the country for its groundbreaking Compass to 2015, which has helped drive improved graduation rates, decrease the dropout rate, increase the number of industry certifications our students have earned and offer new opportunities for children, such as Green Run Collegiate and An Achievable Dream Academy. Undoubtedly, it is the fine support of our City Council and city leadership that have helped distinguish VBCPS as a leader in public education and thousands of children have been and are benefiting.

Sincerely,

Daniel D. Edwards, Chairman
School Board of the City of Virginia Beach

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Budget Resolution – FY 2014/15

WHEREAS, the mission of the Virginia Beach City Public Schools (VBCPS), in partnership with the entire community, is to empower every student to become a life-long learner who is a responsible, productive and engaged citizen within the global community; and

WHEREAS, the School Board of the City of Virginia Beach has adopted a comprehensive strategic plan and school improvement priorities to guide budgetary decisions; and

WHEREAS, the School Board has studied the recommended FY 2014/15 Operating Budget in view of state and federal requirements, the strategic plan, priorities, expectations, competitive compensation for employees and the best educational interests of its students; and

WHEREAS, the proposed Operating Budget includes a 2.79 percent salary increase for school employees of which employees will have to pay an additional 1 percent to VRS leaving a net increase of 1.79 percent; and

WHEREAS, the savings remaining in the School Reserve Special Revenue Fund is $16,000,000, which would have normally been used for major one-time purchases; and construction projects, which have been deferred in anticipation of a budget shortfall; and have been budgeted to use these funds in the FY 2014/15 Operating Budget; and

WHEREAS, the total funds requested for FY 2014/15 from the City of Virginia Beach to the School Board of the City of Virginia Beach is $390,017,424; and

WHEREAS, the debt service payment is estimated to be $45,029,858 leaving a balance of $344,987,566 to allocate between the Operating Budget, and the Capital Improvement Program (CIP); and

WHEREAS, the City of Virginia Beach has determined that Local Revenue in the amount of $2,446,879 shall be directly appropriated to Green Run Collegiate Charter School – Fund 104, leaving a balance of $340,540,687 to be allocated to the Operating Budget; and

WHEREAS, the amount of the Sandbridge TIF available to the School Board for FY 2014/15 is $3,591,000.

NOW, THEREFORE, BE IT

RESOLVED: That $2,000,000 of the Sandbridge TIF be allocated to the Operating Budget bringing the Operating Budget total to $342,540,687 and allocating $1,591,000 to the Schools CIP; and be it

FURTHER RESOLVED: That the $342,540,687 be allocated as follows: $342,540,687 to the Operating Budget, and $0 to the CIP; and be it

FURTHER RESOLVED: That $16,000,000 of the School Reserve Special Revenue Fund be added to the Operating Budget, bringing the total with these additions to $358,540,687; and be it

FURTHER RESOLVED: That Federal Funds in the amount of $15,976,532 along with State Funds in the amount of $322,657,768 and Other Local Funds in the amount of $3,455,086 be added to the Operating Budget bringing it to a total for FY 2014/15 of $702,630,073; and be it

FURTHER RESOLVED: That the School Board of the City of Virginia Beach requests a Lump Sum Appropriation of $702,630,073 for FY 2014/15 from the City Council of Virginia Beach for the School Board FY 2014/15 Operating Budget; and be it

FURTHER RESOLVED: That the School Board of the City of Virginia Beach requests an appropriation of $112,484,919 for special grants and other special revenue funds comprised of Federal Grants in the amount of $44,276,695, State Grants in the amount of $19,257,539, and other special revenue funds in the amount of $48,950,685 for the 2014/15 fiscal year and that the total of these funds be included in the Lump Sum Appropriation for $815,114,992;; and be it

FURTHER RESOLVED: Requests the City Council appropriate adequate funds to provide comparable compensation adjustments for municipal and school employees; and be it

FINALLY RESOLVED: That a copy of this resolution be spread across the official minutes of this Board, and the Clerk of the Board is directed to deliver a copy of this resolution to the Mayor, each member of the City Council, the City Manager, and the City Clerk.

Adopted by the School Board of the City of Virginia Beach this 4th day of March 2014.

SEAL

Daniel D. Edwards, Chairman

Attest:

Dianne P. Alexander, Clerk of the Board

VIRGINIA BEACH CITY PUBLIC SCHOOLS
AHEAD OF THE CURVE

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CIP RESOLUTION
FY 2014/15 --- FY 2019/20 Capital Improvement Program

WHEREAS, the mission of the Virginia Beach City Public Schools, in partnership with the entire community, is to empower every student to become a life-long learner who is a responsible, productive and engaged citizen within the global community; and

WHEREAS, the School Board of the City of Virginia Beach has adopted a comprehensive strategic plan and school improvement priorities to guide budgetary decisions; and

WHEREAS, the primary funding sources for the School CIP have been Pay as You Go funds and the issuance of debt by the City; and

WHEREAS, the City Council Revenue Sharing Formula provides 32.37% of certain general fund revenues to meet obligations of the School Board of the City of Virginia Beach; and

WHEREAS, the City Council Revenue Sharing Formula allocates funds first to Debt Service, while the balance is used for the Operating Budget; and

WHEREAS, due to the current economic conditions the School Board is unable to allocate Pay as You Go CIP funding; and

WHEREAS, the School Board has comprehensively reviewed all sources of funding, projected various scenarios and prioritized the needs of the Operating and Capital Improvement Budgets.

NOW, THEREFORE, BE IT
RESOLVED: That the School Board of the City of Virginia Beach adopts a CIP program of $316,674,068 (as shown on the attached School Board Funding Summary dated February 11, 2014), and be it

FINALLY RESOLVED: That a copy of this resolution be spread across the official minutes of this Board, and the Clerk of the Board is directed to deliver a copy of this resolution to the Mayor, each member of City Council, the City Manager, and the City Clerk.

Adopted by the School Board of the City of Virginia Beach this 4th day of March 2014

SEAL

Daniel D. Edwards, Chairman

Attest:

Dianne P. Alexander, Clerk of the Board

Capital Improvement Program 2014-15/2019-20

March 4, 2014

Funding Source

Funding Sources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Charter Bonds	$ 32,300,000	$ 32,300,000	$ 32,300,000	$ 32,300,000	$ 32,300,000	$ 32,300,000
Sandbridge	1,591,000	2,591,000	2,591,000	3,591,000	3,591,000	3,591,000
Public Facility Revenue Bonds	-	-	-	-	-	-
PayGo	-	1,000,000	1,000,000	1,500,000	2,000,000	2,000,000
Interest/Sale of Property	675,000	-	-	-	-	-
Unencumbered Funds/Completed Projects	*	-	-	-	-	-
State Construction Grants	-	-	-	-	-	-
Lottery Funds	-	-	-	-	-	-
Total	$ 34,566,000	$ 35,891,000	$ 35,891,000	$ 37,391,000	$ 37,891,000	$ 37,891,000

*The $450,000 shown on February 4, 2014 Superintendent's Proposed CIP moved into "Appropriations to Date"

School Board Fund Summary by Category

Project Category	Total Project Cost	Six Year Appropriations	Appropriations to Date	Year 1 2014-2015	Year 2 2015-2016	Year 3 2016-2017	Year 4 2017-2018	Year 5 2018-2019	Year 6 2019-2020
1-003 Renovations and Replacements - Energy Management II	$ 6,975,000	$ 6,975,000	$ -	$ 750,000	$ 800,000	$ 1,325,000	$ 1,000,000	$ 1,500,000	$ 1,600,000
1-004 Tennis Court Renovations II	1,000,000	1,000,000	-	200,000	200,000	200,000	200,000	200,000	-
1-035 John B. Dey Elementary School Modernization	23,289,241	23,289,241	450,000	1,550,000	6,887,000	14,402,241	-	-	-
1-043 Thoroughgood Elementary School Replacement	28,270,000	28,270,000	-	-	-	4,438,759	10,000,000	8,000,000	5,831,241
1-056 Princess Anne Middle School Replacement	81,000,000	36,441,759	-	-	-	3,100,000	13,491,000	9,216,000	10,634,759
1-099 Renovations and Replacements - Grounds - Phase II	13,250,000	13,250,000	6,500,000	800,000	800,000	1,175,000	1,250,000	1,325,000	1,400,000
1-103 Renovations and Replacements - HVAC - Phase II	56,567,724	56,567,724	25,126,724	3,716,000	3,300,000	5,625,000	5,700,000	6,350,000	6,750,000
1-104 Renovations and Replacements - Reroofing - Phase II	44,685,639	44,685,639	21,151,639	3,400,000	3,009,000	3,975,000	4,000,000	4,450,000	4,700,000
1-105 Renovations and Replacements - Various - Phase II	18,685,000	18,685,000	8,860,000	1,250,000	1,350,000	1,650,000	1,750,000	1,850,000	1,975,000
1-107 Princess Anne High School Replacement	105,000,000	10,000,000	-	-	-	-	-	5,000,000	5,000,000
1-109 Energy Performance Contracts	14,149,705	14,149,705	14,149,705	-	-	-	-	-	-
1-233 Old Donation Center/Kemps Landing Magnet	63,360,000	63,360,000	20,915,000	22,900,000	19,545,000	-	-	-	-
		Total	Appropriations	Year 1 2014-2015	Year 2 2015-2016	Year 3 2016-2017	Year 4 2017-2018	Year 5 2018-2019	Year 6 2019-2020
Grand Total (all projects)	456,232,309	**316,674,068**	**97,153,068**	**34,566,000**	**35,891,000**	**35,891,000**	**37,391,000**	**37,891,000**	**37,891,000**
Targets		**219,521,000**		**34,566,000**	**35,891,000**	**35,891,000**	**37,391,000**	**37,891,000**	**37,891,000**
Difference		**97,153,068**		**-**	**-**	**-**	**-**	**-**	**-**

VIRGINIA BEACH CITY PUBLIC SCHOOLS
AHEAD OF THE CURVE

Sheila S. Magula, Ed.D.
Superintendent

February 4, 2014

Chairman Edwards and School Board Members:

For the last six months, I have had the pleasure of helping guide many important initiatives toward fruition. Looking forward, the presentation of a 2014-15 fiscal year budget certainly ranks among the most important because it essentially will make possible everything we do on behalf of children in the next school year. Before I get into the details of this proposal, I would like to take a moment to celebrate all the hard work and positive outcomes the division has seen this year. Our teachers, principals, administrators and support personnel have performed superbly under the weight of a stagnant economy and increasing professional challenges. For that, we thank them. They have inspired many, many students who will use the life lessons they have learned here to propel them to success.

Among notable school division accomplishments are:

- Virginia Beach City Public Schools (VBCPS) was one of only seven school divisions in Virginia to be named to the Advanced Placement (AP) District Honor Roll by the College Board. This distinction was given to the division for expanding access to AP coursework while also improving the number of students scoring 3 or higher on AP exams.
- VBCPS was also named an Arts Partner in the 2013 ALLI Awards by the Cultural Alliance of Greater Hampton Roads, recognizing the division's commitment to developing diverse fine arts and music programs that reach large audiences.
- VBCPS and our partner military commands in Hampton Roads earned the 2013 Pete Taylor Partnership of Excellence Award. This means our joint efforts to meet the needs of military-connected children have been recognized as the best in the nation.
- Each year many of our wonderful staff members achieve awards and honors. As examples, Carrie Gantt, Virginia Beach Teacher of the Year, received the distinction of being named the 2014 Region 2 Teacher of the Year. In addition, Paula Johnson was named the 2013 Outstanding Secondary Assistant Principal of the Year by the Virginia Association of Secondary School Principals.
- VBCPS has outperformed the state on an important key academic measure – the cohort Dropout Rate. The dropout rate for the Class of 2013 was 4.9 percent. The state average was 5.9 percent.
- All 11 VBCPS high schools were ranked in the top 9 percent nationwide by *The Washington Post* newspaper.

We have much to be proud of in Virginia Beach; developing a fiscal year budget that helps maintain VBCPS as a high-performing school division chief among them. While this budget proposal does not contain funding for aggressive new initiatives and program improvements, it continues to provide a solid foundation as VBCPS moves ahead with its groundbreaking strategic plan, *Compass to 2015* – a plan that will be refined and reshaped in the coming year.

At $697.8 million, the proposed FY 2014-15 operating budget stands at $13 million more than the current operating budget. However, this increase is somewhat deceiving because it implies on the face of things that VBCPS has additional funding to spend on new initiatives. That is not the case. Plans are to target any additional funds received from the state and the City of Virginia Beach toward addressing significant new and increased costs. Even then, we will have to access monies held in reserve funds to close the gap. It is for this very purpose that I am recommending $16 million be moved from the special school reserve fund and $2 million from the Sandbridge TIF into the operating budget.

I would like to stress that over the last four years we have moved $51 million out of savings into our operating budgets -- an action that undoubtedly saved jobs and programs. This ability to draw on reserve funds is attributable to the aggressive savings efforts put into place over recent years to keep the school division's financial house in order. In previous budget messages, the superintendent enumerated numerous savings strategies such as cutting positions, initiating energy savings programs, cutting non-personnel spending across the board and eliminating targeted programs. These efforts contributed to the solid budget proposal I am able to put forth now.

Without access to savings and some increases in state and city funding, VBCPS would be hard pressed to handle the cost increases ahead. For instance:

- Our net VRS costs will significantly increase next fiscal year – by $6 million, the result of rising rates; and
- The costs associated with providing quality employee health care are expected to rise by approximately 4 percent, assuming that there will be some employer cost savings from plan design changes and adjusted deductibles for employees. The extra funding needed amounts to more than $1.3 million.

Some of the additional cost increases VBCPS is facing are self-imposed, but necessary to help ensure that employees receive some measure of relief in an environment where the pressure is on them to help shoulder unwieldy benefit cost increases. Therefore:

- It is recommended that VBCPS provide all eligible employees a 1.34 percent adjustment to their base salaries. The cost of this adjustment is $6.5 million. However, this will be year three of requiring employees to pay another 1 percent of their salaries into the Virginia Retirement System (VRS). This does allow the school system to recoup a savings of $4.3 million, which will largely offset the cost of the recommended salary increase.
- In addition, $900,000 is being set aside to address equity issues on the unified scale.

However, even while strategic transfers provide some necessary resources to address cost increases; more money is needed when you consider real expenses. In fact, when the additional costs are totaled, unadjusted expenses total $708.2 million, resulting in the need to trim. Administration recommends accomplishing this by allowing Project X-CD to sunset, thus saving $1.6 million, and by trimming $8.9 million from the baseline budget. Adjustments to that baseline largely were made by recouping savings in the salary line items from turnover and the subsequent hiring of personnel who, for the most part, have salaries that are lower than the individuals they are replacing.

As in any budget, progress is maintained by strategic moves of monies within resources. For example, $1 million has been set aside to provide a pool of funds for all middle schools to address the needs of students who are struggling with literacy. While details of this plan will be shared with the School Board in the near future, one important aspect involves providing 13 schools with a .5 reading specialist (excluding only Kemps Landing Magnet and the Renaissance Academy middle school program since its class sizes are lower than at the traditional middle

schools). In essence, this funding allows an expansion of much-needed resources, beyond the current three Project X-CD schools, to students who struggle with the skill most fundamental to their success. In addition, the budget proposal allocates $600,000 for two other literacy programs at the elementary level: Three hundred kindergarten through second grade teachers would receive extensive professional development in instructional strategies for effectively teaching struggling readers. In addition, a summer reading program would be developed to serve the 12 neediest, non-Title I schools.

Now that I have addressed some of the particulars of next year's recommendations, I would like to address the timing of this budget submission. As you are aware, VBCPS must present an operating budget to the City of Virginia Beach prior to the finalization of the state's biennial budget and the city's final accounting of revenues due to the school system under the revenue-sharing formula. Consequently, the possibility exists that VBCPS will receive more funding than what is addressed in this proposal. If that proves the case, a starting point for the School Board's discussions could be those needs that could not be accommodated in the current proposal, but have nonetheless been deemed worthy of consideration. An accounting of those needs is included on page 23 in this document.

The other issue I want to address is the Capital Improvement Program (CIP). The School Board is aware that in the past monies from the Sandbridge TIF were transferred into the CIP to help expedite important projects. However, in recent years, the operating budget's needs have proved more pressing. Consequently, the administration has recommended, and the Board has supported, transferring those funds into the operating budget rather than the CIP. Understandably, reduced funding for the CIP has contributed to a slowdown in the Virginia Beach City Public Schools building and renovation program. At the current rate of funding, VBCPS will complete only four projects in the next eight to 10 years. Clearly we need to have strategic conversations in the near future about how to improve this worrisome reality.

In closing, inherent in any fiscal year budget is a certain amount of stress because difficult choices have to be made. However, budgets also come with a measure of hope. This proposal is no exception. It has been thoughtfully developed to transition from *Compass to 2015* to the next iteration in strategic planning. This is a school division that lives and breathes its motto, "Ahead of the Curve." With the help of a community that loves its public schools, the future holds promise of great things to come. Together we will shape a new strategic plan that will take VBCPS to even greater heights. So, while I offer a budget proposal that is constrained by our present-day financial reality, please know that I am proud to be part of the team that is determined to secure a stellar future for the children of this city

Sincerely,

Sheila S. Magula
Superintendent

Budget Calendar

FY 2014/15 Operating Budget and FY 2014/15 – FY 2019/20 Capital Improvement Program (CIP)

2013

August	Develop Budget Calendar
September 17	Present Budget Calendar to School Board for information: FY 2014/15 Operating Budget and FY 2014/15 – FY 2019/20 Capital Improvement Program Budget Calendar
September 19	Conduct Budget Kick-Off Meeting: Budget instructions and request forms are made available to Executive Leadership Team (ELT), Leadership Support Team (LST), and budget managers
October 1	Present Budget Calendar to School Board for action: FY 2014/15 Operating Budget and FY 2014/15 – FY 2019/20 Capital Improvement Program Budget Calendar
October 21 – December 6	Executive Leadership Team/Leadership Support Team/budget managers: Submit budget requests to the Budget Office
November 19	Present to School Board and City Council: Five-Year Forecast
December 3	Conduct Public Hearing: FY 2014/15 Operating Budget and FY 2014/15 – FY 2019/20 Capital Improvement Program Budget
December 6	Human Resources: Submit recommendation of part-time hourly rate increases to the Budget Office
December 13	Draft Capital Improvement Program prepared for Superintendent's review
December (3rd week)	Department of Education: Release state revenue estimates

2014

January 2 –10	Budget Office: Review, refine, and summarize budget requests submittals
January 13	Present to Superintendent, ELT, and LST: Capital Improvement Program
January 13	Present to Superintendent, ELT, and LST: Recommendation of Operating Budget
February 4	Present to the School Board: Superintendent's Estimate of Needs for FY 2014/15
February 4	Present to the School Board: Superintendent's Proposed FY 2014/15 – FY 2019/20 Capital Improvement Program
February 11	School Board Budget Workshop #1: 5:00-8:00 p.m.
February 18	School Board Budget Workshop #2: 2:00-5:00 p.m.
February 18	Conduct Public Hearing: FY 2014/15 Superintendent's Estimate of Needs and FY 2014/15 – FY 2019/20 Capital Improvement Program Budget
February 25	School Board Budget Workshop #3: 5:00-8:00 p.m. (if needed)
March 4	School Board Budget Adoption: FY 2014/15 Operating Budget and FY 2014/15 – FY 2019/20 Capital Improvement Program Budget
March 11	Provide School Board Adopted Budget to City staff
April	Present School Board Approved Budgets to City Council: FY 2014/15 School Board Operating Budget and FY 2014/15 – FY 2019/20 Capital Improvement Program Budget (Sec. 15.1-163)
No Later Than May 15	City Council: Approve and adopt Operating and CIP budgets (Sec. 22.1-93; 22.1-94; 22.1-115)

Next, the School Board provides its proposed budget to City staff.

Budget Process/Budget Summary

On February 11, the School Board began deliberating on the School Board Proposed Operating Budget using the *Superintendent's Estimate of Needs* (SEON) as its basis for discussion. To recap, a snapshot of the *Superintendent's Estimate of Needs* is reflected as follows:

- The SEON stood at $697,813,039, which included $18 M in one-time funds to balance the budget.
- Higher Virginia Retirement System (VRS) and health care costs generated $7.3 M in associated personnel costs.
- Increased enrollment initiated the need for additional positions to support the division.

To reconcile, the *Superintendent's Estimate of Needs* also made further adjustments:

- Baseline adjustments for attrition and other cost adjustments .....$ (8,985,322)
- Cost of 1.34% salary increase 6,519,170
- Fringe benefits cost adjustment 7,319,330
- Adjustment for enrollment, K-3 Class-size Initiative, and other positions 7,190,750
- Eliminate Project X-CD ..... (1,611,277)
- Add middle school program (replaces Project X-CD)..... 1,021,700
- Add K-2 Struggling Readers Program 600,005
- Unified Pay Scale adjustment 899,405

The School Board proposes to follow the recommendations of the Superintendent for the $697.8 M Operating Budget. However, for the School Board's Proposed FY 2014/15 budget, City revenue projections indicate that

the school division will receive an additional $7.3 M through the City/Schools Revenue Sharing Formula. These additional funds are the result of a projected increase in the various tax revenues in the Revenue Sharing Formula. The School Board has approved to use these funds with much of the focus being placed on increasing employee compensation.

- $6.6 M is dedicated to increasing employee base compensation by an additional 1.45 percent.
- $197,344 used to institute a reclassification of school bus drivers, upgrading from grade 8 to grade 9.

Also $899,405 was set aside to make equity adjustments to the unified scale. The School Board advises that although this is a step in the right direction toward fixing market/equity adjustments, there is still a long way to go. The School Board also approved an additional $600,000 to apply toward the Schools' health plan employer contribution.

School Board Proposed Budget Revenue and Expenditures	
Federal	$ 15,976,532
State	252,592,470
State Sales Tax	70,065,298
Local Contributions* **(increased $7.3 M from SEON)**	**342,540,687**
Other Local	3,455,086
	$ 684,630,073
Special School Reserve	16,000,000
Sandbridge TIF	2,000,000
	$ 18,000,000
Total Adjusted Revenue	**$ 702,630,073**
*Includes adjustment for Green Run Collegiate (GRC)	
Adjustments: FROM SEON TO Proposed SB Budget	
SEON Expenditures	$ 697,813,039
Healthcare Adjustment	600,000
1.45% Additional Salary Increase	6,550,936
Reclassification of Bus Drivers**	112,977
Adjustment for GRC	(2,446,879)
Total Expenditures	**$ 702,630,073**
** Additonal funding will bring total to $197 K.	

During the February 18th and 25th workshops, lengthy discussions were conducted regarding the ending of Project X-CD. This middle school program was created in 1998 with hopes that smaller class sizes would make a difference for struggling/at-risk students. In 2010, after extensive research/analysis, School Board members added a sunset clause that would end the program in June 2014. The Board has voted to move forward with the closure of this program and, in its place, new strategies have been developed to better address the needs of struggling students. More detail will be provided later in this document on the items adopted in the FY 2014/15 School Board Proposed Operating Budget on March 4.

School Board Funds

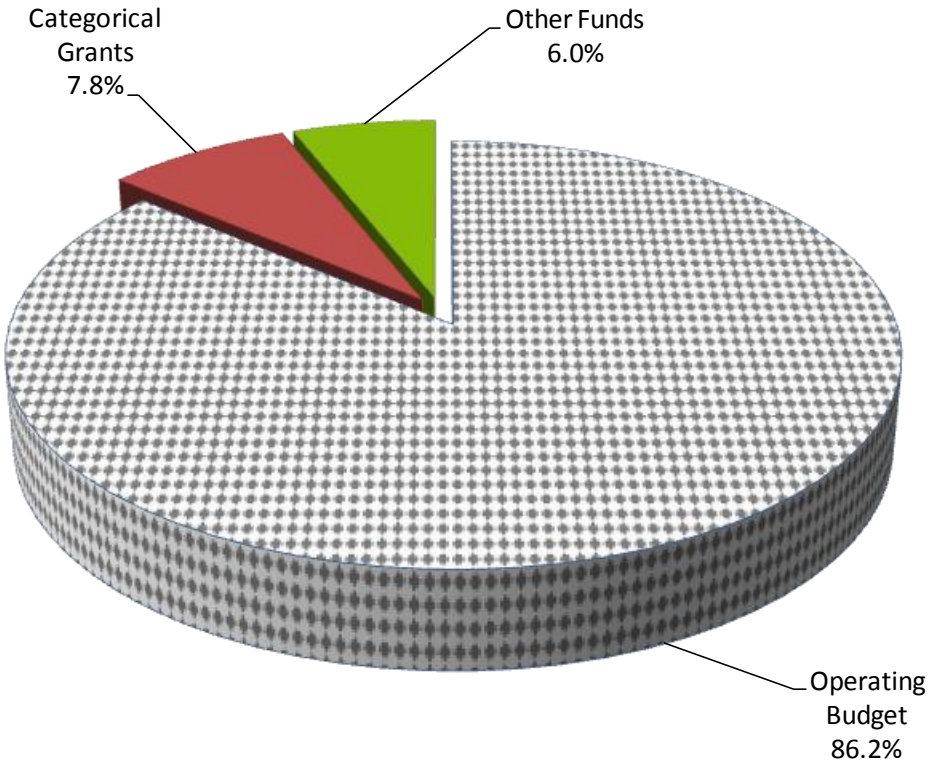
The budget consists of the following major funds that are under the control of the School Board:

Funding Source	Purpose	
Athletics	The Athletics fund is a special revenue fund that accounts for revenues and expenditures associated with specific athletic activities.	..... $ 4.9 M
Capital Improvement	The Capital Improvement Budget is the basic financing plan for capital needs, including school facilities. While the capital budget addresses the current year's needs, the Capital Improvement Program has capital projects programmed over a six-year span.	.....34.6 M
Categorical Grants	Categorical Grants provide assistance to school divisions for particular program purposes of federal and state interest. These grants encourage recipient divisions to expand expenditures to support certain instructional funds.	..... 63.5 M
Communication Towers Technology	The Communication Towers Technology fund is a special revenue fund to receive payments from leasing of School Board property for commercial wireless communication towers. The funds received from lease payments and the interest earned will be used to acquire and replace technology including computers, software, wiring, training, facsimile, and copy machines.	..... 600.0 K
Equipment Replacement	The Equipment Replacement fund is a special revenue fund that will provide an equipment replacement cycle for selected capital equipment for schools and support departments. Funding is provided from an allocation of either reversion funds or city/schools revenue funding actual over budget funds.	..... 369.6 K
Food Services	The Food Services (Cafeteria) fund is a special revenue fund that supports cafeteria and food services operations. The purpose of the fund is the management and control of resources and funding for cafeteria food services.	.....30.3 M
Green Run Collegiate Charter	Green Run Collegiate (GRC) Charter school is housed within Green Run High School. It is a subsidiary of the School Operating Budget and its finances are recorded separately. The responsibility for staffing and oversight of day-to-day operations is guided by the Head of School and the GRC Governing Board.	..... 2.4 M
Instructional Technology	The Instructional Technology fund is a special revenue fund to provide for the cyclical replacement of classroom and instructional technology.	..... 159.7 K
Operating Budget	The School Board Operating Budget is the basic funding plan for the schools. It includes funds for the fiscal operation of the school system. The budget is divided into five of the major budget categories: Instruction; Administration, Attendance, and Health; Transportation; Operations and Maintenance; Technology.	..... 702.6 M
Textbooks	The Textbooks fund is a special revenue fund that was historically supported by textbook rental fees and other revenues. A free textbook system presently exists and is financially supported by the state and Operating Budget transfers.	.....10.0 M
Vending Operations	The Vending Operations fund is a special revenue fund to account for receipts and expenditures relating to the exclusive bottled drinks vending operations in the school division.	..... 220.3 K

NOTE: City Council must approve the appropriation of these funds no later than May 15.

Total Budget

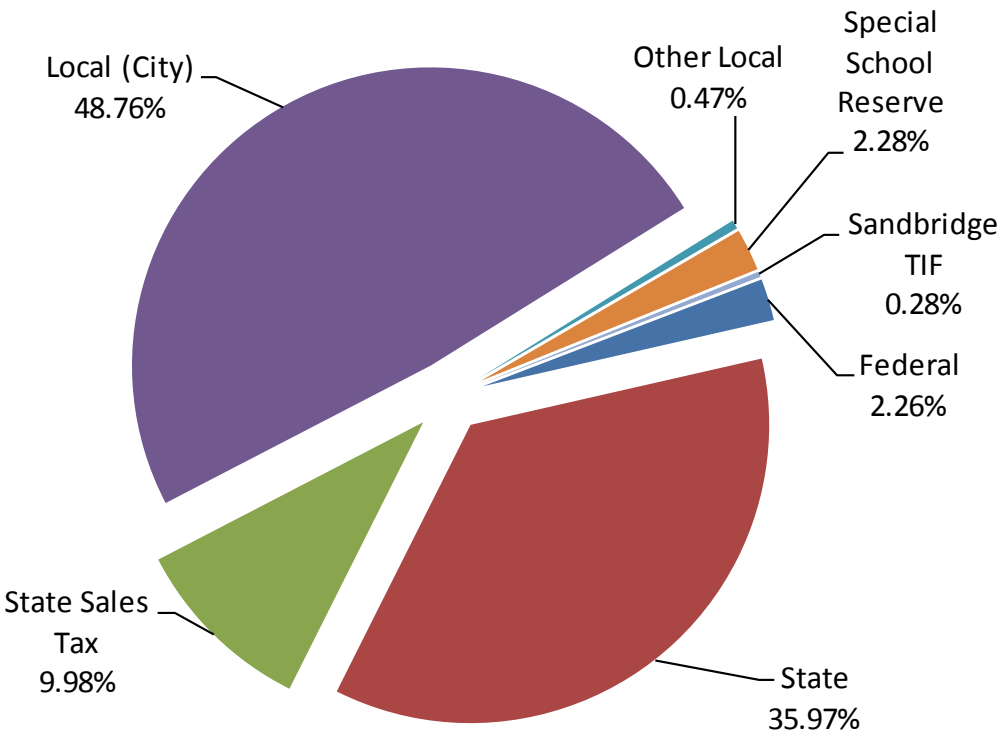
$815, 114, 992



	Operating Budget	Categorical Grants	Other Funds	Total
Local Revenue	$ 342,540,687	$ -	$ 16,417,784	$ 358,958,471
State Revenue	252,592,470	16,021,049	4,459,589	273,073,108
State Sales Tax	70,065,298	-	-	70,065,298
Federal Revenue	15,976,532	44,213,858	16,254,782	76,445,172
Fund Balance	-	-	7,399,888	7,399,888
Transfers from Other Funds	-	3,299,327	4,418,642	7,717,969
Other Local Revenue	3,455,086	-	-	3,455,086
Revenue Total	**684,630,073**	**63,534,234**	**48,950,685**	**797,114,992**
Special School Reserve	16,000,000	-	-	16,000,000
Sandbridge TIF Reallocation	2,000,000	-	-	2,000,000
Additional Funds Total	**18,000,000**	**-**	**-**	**18,000,000**
Revenue Total	**$ 702,630,073**	**$ 63,534,234**	**$ 48,950,685**	**$ 815,114,992**
Percent of Total	86.20%	7.79%	6.01%	100.00%
Personnel Services	$ 434,478,624	$ 26,436,430	$ 13,436,515	$ 474,351,569
Fringe Benefits	166,864,935	9,147,516	5,284,063	181,296,514
Purchased Services	42,937,437	9,211,875	1,352,192	53,501,504
Other Charges	23,509,901	359,234	380,423	24,249,558
Materials and Supplies	25,239,690	18,270,055	27,072,618	70,582,363
Capital Outlay	1,578,969	109,124	924,874	2,612,967
Transfers to Other Funds	7,780,216	-	500,000	8,280,216
Land, Structure, & Improvements	240,301	-	-	240,301
Expenditure Total	**$ 702,630,073**	**$ 63,534,234**	**$ 48,950,685**	**$ 815,114,992**
Percent of Total	86.20%	7.79%	6.01%	100.00%

Operating Budget – Revenue Sources

$702,630, 073



- Federal ..... $ 15,976,532
  Consists of general and categorical funds

- State $252,592,470
  Consists of the Standards of Quality (SOQ) payments, incentive funds, and categorical funding established by the State General Assembly on a biennial basis

- State Sales Tax $70,065,298
  Another source of state revenue that consists of funding from 1 1/8 percent State Sales Tax, which is dedicated to public education and distributed to school divisions based on the number of school-aged children residing in the locality

- Local Contribution $342,540,687
  The Schools obligation to debt service is the first consideration for local (RSF) funding. Next, the allocation is funding for GRC ($ 2.4M). The balance of the funding is allocated as operating budget support.

- Other Local $3,455,086
  Local revenue consists largely of funding from the governing body, the City Council. The City Council must contribute a minimum level of funding referred to as SOQ payments. However, the City of Virginia Beach provides an appropriation for education in excess of the SOQ payments. The amount is based on the revenue sharing agreement between the Schools and City.

- Additional Funds (non-recurring) $18,000,000
  Special School Reserve (school reversion/savings) - $16 M and funding from the Sandbridge TIF - $2 M

Operating Budget - Revenue by Major Sources

	FY 2010/11 Budget	FY 2011/12 Amended	FY 2012/13 Budget	FY 2013/14 Budget	FY 2014/15 Proposed	Percent of Total
Public Law 874 (Operation)	$ 14,461,723	$ 14,461,723	$ 14,461,723	$ 14,461,723	$ 13,711,723	1.95%
Department of Defense (P.L. 486)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.21%
Rebates and Refunds (NJROTC)	100,000	100,000	100,000	100,000	100,000	0.01%
Other Federal Funds	575,000	575,000	1,079,362	575,000	664,809	0.09%
Federal Revenue Total	**16,636,723**	**16,636,723**	**17,141,085**	**16,636,723**	**15,976,532**	**2.26%**
Basic School Aid	166,591,426	166,430,660	168,036,256	165,146,295	177,241,022	25.24%
State Sales Tax	67,116,477	72,311,348	69,064,589	70,522,688	70,065,298	9.98%
Foster Home Children	538,109	564,832	548,362	265,116	229,378	0.03%
Gifted and Talented	1,833,196	1,854,776	1,868,432	1,848,624	1,934,117	0.28%
Special Education	19,268,928	19,495,757	18,481,230	18,405,861	18,188,926	2.59%
Special Education (Homebound)	129,247	89,620	55,766	99,199	86,033	0.01%
Special Education (Regional Tuition)	8,748,142	8,490,677	8,104,869	8,643,658	8,608,309	1.23%
Remedial Summer School	1,201,110	1,160,030	1,173,172	299,770	366,598	0.05%
Prevention, Intervention, and Remediation	2,770,163	2,802,773	3,330,683	3,295,373	4,073,990	0.58%
Vocational Education	3,014,589	3,050,076	2,518,321	2,491,623	2,139,874	0.30%
Vocational Education (Categorical)	334,436	299,093	328,986	348,222	287,278	0.04%
Social Security	9,980,734	10,098,225	10,073,286	9,966,493	10,329,005	1.47%
Virginia Retirement System	5,906,965	9,150,228	16,815,888	16,637,613	21,151,828	3.01%
State Employee Insurance	366,639	370,955	649,889	643,000	699,574	0.10%
English as a Second Language	581,632	571,684	599,483	556,287	564,188	0.08%
At-Risk Initiative	1,592,986	1,615,494	1,954,938	1,935,709	2,358,729	0.34%
Class Size Initiative	2,241,253	2,261,346	3,036,295	2,997,943	4,295,554	0.61%
Supplemental State Support	-	5,326,418	3,479,228	3,442,748	-	0.00%
Composite Index Hold Harmless	14,923,023	1,720,723	-	-	-	0.00%
Compensation Supplement	-	-	-	3,843,201	-	0.00%
Math/Reading Instructional Specialists	-	-	-	-	38,067	0.01%
State Revenue Total	**307,139,055**	**307,664,715**	**310,119,673**	**311,389,423**	**322,657,768**	**45.95%**
Local Contributions*	298,556,120	285,955,817	313,816,166	336,390,771	342,540,687	48.76%
Additional Local Contributions	712,582	678,838	702,737	722,283	722,283	0.10%
Rental of Facilities	450,000	450,000	450,000	450,000	450,000	0.06%
Summer School Tuition	1,197,970	700,000	700,000	700,000	700,000	0.10%
General Adult Education Tuition	142,839	142,839	142,839	142,839	142,839	0.02%
Vocational Adult Education Tuition	169,750	169,750	169,750	169,750	169,750	0.02%
Non-Resident Tuition	100,000	100,000	100,000	100,000	100,000	0.01%
Driver Education Tuition	322,125	322,125	322,125	322,125	322,125	0.05%
Licensed Practical Nursing Tuition	25,575	25,575	25,575	25,575	25,575	0.00%
Renaissance Academy Tuition	20,811	20,811	20,811	20,811	20,811	0.00%
Sale of School Vehicles	15,000	15,000	15,000	15,000	15,000	0.00%
Sale of Salvage Equipment	12,000	12,000	12,000	12,000	12,000	0.00%
Other Funds	95,000	95,000	95,000	95,000	224,703	0.03%
Flexible Benefits Forfeitures	15,000	-	-	-	-	0.00%
Indirect Costs of Grants	550,000	550,000	550,000	550,000	550,000	0.08%
Local Revenue Total	**302,384,772**	**289,237,755**	**317,122,003**	**339,716,154**	**345,995,773**	**49.23%**
Revenue Total	**$ 626,160,550**	**$ 613,539,193**	**$ 644,382,761**	**$ 667,742,300**	**$ 684,630,073**	
Instructional Technology Fund Balance Transfer	-	3,793,767	-	-	-	0.00%
School Risk Management Fund Balance Transfer	-	5,500,000	-	-	-	0.00%
Special School Reserve/EOY Reversion Funds	13,000,000	13,300,000	11,000,000	14,000,000	16,000,000	2.28%
Sandbridge TIF Reallocation	-	-	2,000,000	3,116,978	2,000,000	0.28%
Additional Funds Total	**13,000,000**	**22,593,767**	**13,000,000**	**17,116,978**	**18,000,000**	**2.56%**
Adjusted Revenue Total	**$ 639,160,550**	**$ 636,132,960**	**$ 657,382,761**	**$ 684,859,278**	**$ 702,630,073**	**100.00%**

***NOTE:** Effective FY 14, Local Contributions includes Technology Category funding. Prior to FY 14, these funds were located in a separate technology fund (106 Fund).

Federal Revenue:

Public Law 874:

Sequestration, set in motion in the 2011 Budget Control Act, has reduced federal funds received through Impact Aid. Impact Aid funds make up for local lost tax revenues due to a federal presence. In FY 2014/15, Public Law 874 revenues are projected to reduce by $750,000.

State Revenue:

VRS (employer contribution):

Rates used to compute the budget:

- VRS (Professional) ..... 17.43 percent of salaried dollars
  Included within this employer contribution rate is the 1 percent reduction for the State required VRS phase-in. (FY 15 marks the third year of the five-year phase-in process.)
- VRS (Non-Professional) ..... 11.40 percent of salaried dollars

The FY 2015 is based on an ADM of 68,965.

Other funding changes:

- Composite Index decreased from 40.60 percent to 40.33 percent beginning FY 2014/15. Note that when the composite index decreases, VBCPS receives additional state funds and when it increases, we receive decreased state funds.
- K-3 Initiative funding increased by $1.3 M from FY 14 to offset the cost of adding five additional eligible schools.
- State funding for math/reading specialists was added to provide the state's share of the cost for one reading or math instructional specialist in underperforming schools. Eligible schools include those that have been denied accreditation or were accredited with warning for the third consecutive year. This amounted to $38.1 K in additional revenue.
- The overall net change in state revenue is projected to increase $11.3 M from the FY 14 budget.

The State has not unveiled its final budget for the Schools. The legislative body is still in mediation. Although based on information from the House and Senate bills, there are suggestions that the Schools will receive additional funding - it is unknown at this time how much that will be. During the budget workshops, the Board held preliminary discussions about possible uses for the additional state monies and how they might allocate those funds if the funds came to fruition. The priority of these funds would be to make additional equity adjustments for specific unified salary scale groups that require the most attention.

Local Revenue:

Revenue Sharing Formula for Local Contribution:

The Schools are projected to receive an additional $7.3 M due to the increase in the City's tax collection projections.

One-Time Funds:

Funding used to supplement the budget:

The School Board will budget $18 M of one-time monies to balance the budget.

- Special School Reserve (End-of-Year Reversion funds) ..... $16 M
- Sandbridge Tax Increment Financing (TIF) ..... $ 2 M

The remaining funds from the Sandbridge TIF in the amount of $1.6 M will be allocated to the CIP.

The School Board discussed its reliance on using one-time funds to balance the budget – The ongoing use of reserves and one-time revenue for recurring expenditures could pose significant challenges on future budgets. These funds are typically used to fund one-time expenditures, such as bus replacement, and to replenish the CIP fund.

The total one-time funds used for the past six fiscal years equates to an average of $14.1 M per fiscal year.

Fiscal Year	School Reserve	Fund Balance	Sandbridge TIF
FY 15	$16,000,000		$2,000,000
FY 14	$14,000,000		$3,116,978
FY 13	$11,000,000		$2,000,000
FY 12	$13,300,000	$9,293,767	
FY 11	$13,000,000		
FY 10	$800,000		

Grant Revenue:

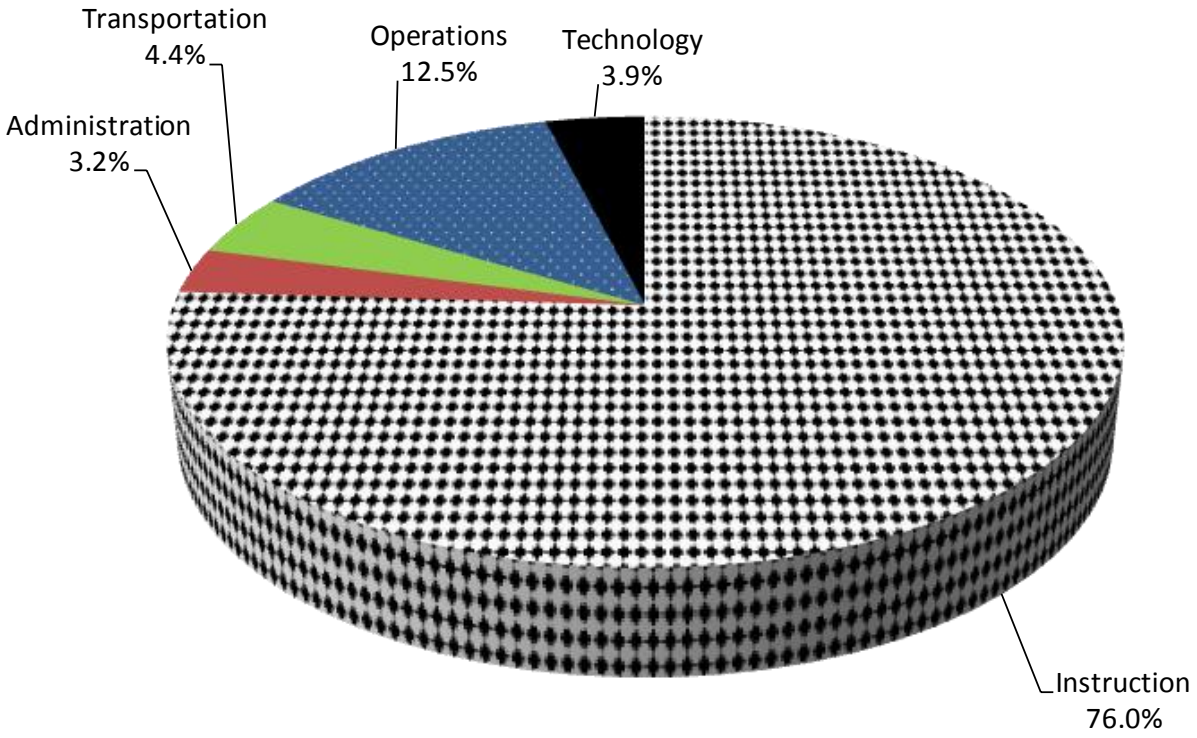
Grant revenues have decreased by $3.5 M from FY 13/14. The majority of the decreases have come from changes in federal revenues in the Individuals with Disabilities Education Act (IDEA) and No Child Left Behind (NCLB) grants. Though funds have decreased, the division was awarded several new grants, including Department of Defense Education Activity – Military Connected Local Educational Agencies for Academic and Support Programs (DODEA – MCASP) Operation Pride, a three-year federal award of $2.5 M, and $683 K in state funds for the eBackpack Technology Initiative to provide funding for ninth graders to purchase tablet devices at three high schools.

Other Funds Revenue:

Funding totaling $2.4 M has been budgeted for Green Run Collegiate Charter.

Operating Budget - Expenditures

$702,630,073



	Instruction	Administration	Transportation	Operations	Technology	Total	% of Total
Personnel	$ 357,977,249	$ 13,889,211	$ 16,917,941	$ 33,337,290	$ 12,356,933	**$ 434,478,624**	**61.85%**
Fringe Benefits	135,357,652	6,007,169	7,274,696	13,798,787	4,426,631	**166,864,935**	**23.75%**
Purchased Services	22,154,788	1,942,442	217,908	12,856,131	5,766,168	**42,937,437**	**6.11%**
Other Charges	1,418,478	403,535	852,435	20,602,386	233,067	**23,509,901**	**3.35%**
Materials and Supplies	8,276,972	432,886	5,763,605	6,421,076	4,345,151	**25,239,690**	**3.59%**
Capital Outlay	1,350,194	-	-	224,598	4,177	**1,578,969**	**0.22%**
Improvements and Transfers	7,199,720	-	-	265,301	555,496	**8,020,517**	**1.13%**
Total Operating Budget	**$ 533,735,053**	**$ 22,675,243**	**$ 31,026,585**	**$ 87,505,569**	**$ 27,687,623**	**$ 702,630,073**	
Percent of Total	**75.96%**	**3.23%**	**4.42%**	**12.45%**	**3.94%**		**100.00%**

Operating Budget - Expenditures by Major Category

		FY 2009/10 Amended	FY 2010/11 Budget	FY 2011/12 Amended	FY 2012/13 Budget	FY 2013/14 Budget	FY 2014/15 Proposed
50100	Elementary Classroom	$137,883,315	$ 130,315,257	$129,867,309	$138,163,350	$137,678,499	$146,262,249
50200	Senior High Classroom	78,612,200	73,755,309	69,301,664	76,572,019	71,637,634	75,399,181
50300	Technical and Career Education	20,911,033	19,327,171	18,743,887	17,059,161	18,412,590	17,201,825
50400	Gifted Education and Academy Programs	12,272,081	11,857,067	12,807,859	13,444,417	13,196,882	13,373,477
50500	Special Education	83,947,030	79,366,268	80,425,553	83,926,050	85,182,869	86,371,237
50600	Summer School	3,266,681	3,269,702	3,216,632	1,821,402	1,722,293	1,998,296
50700	General Adult Education	2,254,393	1,868,497	1,889,201	1,816,577	1,722,878	1,851,612
50800	Alternative Education - Renaissance	5,831,595	5,858,305	6,897,291	6,815,879	6,836,124	6,587,956
50900	Student Activities	7,076,489	6,968,086	7,087,206	7,058,556	7,413,488	7,488,188
51000	Office of the Principal - Elementary	23,736,804	22,329,442	22,783,453	23,495,941	24,830,838	24,397,154
51100	Office of the Principal - Senior High	9,632,472	9,306,938	9,218,465	9,493,412	10,229,409	10,769,358
51200	Office of the Principal - Technical & Career Edu.	521,115	499,960	511,607	537,556	569,416	575,167
51300	Guidance Services	16,137,032	15,123,018	15,710,477	15,714,981	16,127,834	16,045,044
51400	Social Work Services	2,507,166	2,394,831	2,465,971	2,614,417	3,050,055	3,160,921
51500	Media & Communications	1,808,031	1,728,781	1,763,301	1,668,146	1,623,947	1,669,139
51700	Teaching and Learning Support	12,228,552	12,179,931	13,899,983	13,189,019	12,942,235	13,612,862
51710	Instructional Center for Teacher Leadership	1,448,437	1,709,961	1,941,649	1,685,976	1,530,568	1,368,594
51720	Diversity	-	-	-	10,290	9,775	9,775
51800	Special Education Support	2,742,419	2,525,184	2,747,099	2,772,098	2,834,323	3,023,718
51900	Gifted Edu. and Academy Programs Support	2,100,469	2,002,946	2,131,068	2,309,122	2,453,423	2,234,551
52000	Media Services Support	12,706,030	12,264,730	12,490,151	12,572,112	12,345,414	12,553,387
52100	Planning, Innovation, and Accountability	2,706,100	2,480,326	2,921,988	2,757,671	2,815,857	2,933,577
52200	Middle School Classroom	58,956,074	54,852,599	53,820,332	57,496,793	56,025,390	57,995,592
52300	Remedial Education	7,477,702	8,978,696	9,285,380	9,628,235	9,654,628	8,535,161
52400	Office of the Principal - Middle School	8,493,943	8,145,856	8,326,331	8,269,879	8,572,694	8,758,767
52500	Homebound Services	600,429	602,891	656,962	616,561	509,269	403,114
52600	Technical and Career Education Support	984,105	952,986	894,236	933,861	931,290	956,757
52700	Student Leadership	1,326,775	1,302,295	1,304,167	1,255,131	1,229,159	1,277,939
52800	Psychological Services	3,283,690	3,081,396	3,161,213	3,366,805	3,383,800	3,571,936
52900	Audiological Services	388,885	375,376	382,697	405,308	412,710	425,515
53100	School Administration	1,285,609	1,227,154	1,397,644	1,212,600	1,208,485	1,535,789
53200	Alternative Education	3,751,072	1,863,332	1,361,556	1,299,594	1,317,601	1,387,215
Instruction Total		**526,877,728**	**498,514,291**	**499,412,332**	**519,982,919**	**518,411,377**	**533,735,053**
54100	Board, Legal, and Governmental Services	1,117,541	1,107,334	1,108,457	1,027,612	1,001,274	1,005,667
54200	Superintendent	1,337,648	1,206,082	1,224,530	1,222,914	1,258,721	1,550,909
54300	Budget and Finance	3,701,448	3,493,195	3,655,873	3,756,839	3,696,387	3,830,317
54400	Human Resources	4,548,556	4,343,158	4,984,203	4,800,721	4,795,149	5,001,324
54500	Internal Audit	350,312	338,634	357,012	397,497	400,679	421,003
54600	Purchasing Services	1,067,273	991,603	1,030,734	1,024,669	1,020,736	1,046,688
54700	Center for Teacher Leadership	1,946,808	2,088,639	1,162,254	574,121	549,081	552,976
55000	Benefits	1,750,830	1,617,275	1,637,154	1,665,655	1,867,429	1,931,016
55200	Health Services	6,568,686	6,274,054	6,418,166	6,855,207	7,026,127	7,335,343
Administration Total		**22,389,102**	**21,459,974**	**21,578,383**	**21,325,235**	**21,615,583**	**22,675,243**
56100	Management	2,042,123	1,830,254	1,911,122	1,952,910	1,978,118	2,199,471
56200	Vehicle Operation	17,385,301	17,538,334	17,041,484	17,135,024	17,894,925	17,707,926
56250	Vehicle Operation - Special Education	5,149,513	5,038,593	4,956,998	4,989,769	5,098,236	5,205,618
56300	Vehicle Maintenance	2,951,312	2,912,739	2,979,487	2,863,388	3,030,197	3,000,838
56400	Monitoring Services	2,798,961	2,606,014	2,707,436	2,859,140	2,891,615	2,912,732
Pupil Transportation Total		**30,327,210**	**29,925,934**	**29,596,527**	**29,800,231**	**30,893,091**	**31,026,585**
57100	Facilities Planning and Construction	743,784	716,215	739,648	696,331	706,278	757,097
57200	School Plant	49,169,587	47,625,680	43,818,937	43,661,034	44,314,160	43,445,296
57300	Supply Services	1,368,030	1,305,402	1,598,367	1,598,429	1,555,908	1,615,477
57400	Grounds Services	3,867,990	3,867,990	3,751,950	3,751,950	3,564,352	3,884,352
57500	Custodial Services	27,734,362	26,952,009	26,734,184	27,803,034	27,920,243	28,862,482
58100	Safety and Loss Control	6,224,580	6,224,497	6,392,422	6,583,431	6,723,011	6,830,334
58200	Vehicle Services	1,023,580	1,022,772	995,981	997,652	1,050,631	1,054,082
58300	Telecommunications	1,638,905	1,545,786	1,514,229	1,182,515	1,129,064	1,056,449
Operations and Maintenance Total		**91,770,818**	**89,260,351**	**85,545,718**	**86,274,376**	**86,963,647**	**87,505,569**
60000	Technology*	-	-	-	-	26,975,580	27,687,623
Technology Total		**-**	**-**	**-**	**-**	**26,975,580**	**27,687,623**
Expenditures Total		**$ 671,364,858**	**$ 639,160,550**	**$ 636,132,960**	**$ 657,382,761**	**$ 684,859,278**	**$ 702,630,073**

* Effective FY14, funding for the Technology Category will be reported under the Operating (General Fund) Budget.

Enrollment:
Enrollment is projected to have a net increase of 106 students from the FY 2013/14 September 30th student membership.

	Grade Level	Change from FY 2013/14
Elementary	K - 5	171
Middle	6 - 8	(159)
High	9 - 12	94
	Net Change	106

Budget database adjustments:
Adjusting the budget database is a necessary step to bring the budget in line with current projections and assumptions in building a budget. Expenditure adjustments were made for enrollment changes, staffing turnover/ changes, retirement savings, mandates, local requirements, and other required adjustments. The collective impact of these circumstances has affected the budget database across hundreds of budget line items.

Employee Compensation:
The School Board is proposing to address employee compensation on several levels:

- In the *SEON* it was recommended that employee compensation increase by 1.34 percent effective July 1, 2014, to provide employees with relief from having to pay an additional 1 percent for VRS. The 0.34 percent of the increase is to help offset the reduction of take-home pay due to the VRS offset. This is the third year in which employees are required to pay an additional (pre-tax) 1 percent of their base salaries into VRS. The State has required that employees pay 5 percent of their base salaries into VRS by FY 2016/17. VBCPS has been phasing in this requirement of 1 percent annually since FY 2012/13.
- In addition, it is proposed that employees receive a pay raise of 1.45 percent. This increase will come with a one-month delay. The Board elected to use the majority of the additional RSF monies to compensate employees.
- A breakdown of the proposed 2.79 percent pay increase is as follows:

Proposed Pay Increase Effective Date	Employees Levels		
	12 mos.	11 mos.	10 mos.
July 1, 2014	1.34%		
August 1, 2014	1.45%	1.34%	
August 19, 2014			1.34%
September 1, 2014		1.45%	
September 19, 2014			1.45%
Total Pay Increase	2.79%	2.79%	2.79%

Unified Pay Scale Adjustment:
The proposed budget objective is also to address the shortcomings in the Unified Pay Scale.

- Approximately $900,000 has been set-aside in order to make equity adjustments for 1,699 of the 4,807 employees on the Unified Pay Scale. This adjustment will affect approximately 35.3 percent of the unified employees. The chart below reflects preliminary analysis of affected pay grades.

Cost by Pay Grade	# EE	Tot w/ Adj	% of group	16.67%
4	877	195	22%	9,429.03
5	189	24	13%	2,363.38
6	159	24	15%	1,255.39
7	471	136	29%	22,218.26
8	1104	317	29%	31,374.28
9	422	158	37%	49,372.71
10	348	147	42%	43,524.99
11	251	146	58%	88,272.69
12	130	102	78%	52,174.51
13	54	41	76%	26,508.18
14	41	25	61%	23,729.33
15	57	53	93%	66,317.77
16	53	34	64%	28,779.78
17	49	28	57%	23,123.39
18	247	123	50%	87,637.24
19	91	66	73%	65,958.13
20	70	11	16%	12,797.85
21	50	8	16%	13,910.60
22	144	61	42%	63,401.79
Estimated Percentage Cost of Equity Adjustments	4807	1,699		**712,149.29**
Benefits	26.32%			187,437.69
Estimated Cost Including Benefits				**899,586.98**

Totals may fluctuate due to rounding.

Personnel costs:
Additional positions have been budgeted to cover increases in enrollment, instructional program improvements, and increased square footage due to school building opening/relocations occurring in the current fiscal year.

Fringe Benefits Cost Adjustments:
Rates are updated.

- Health Insurance employer contribution will increase $1.9 M.
- VRS employer contribution costs are projected to increase by $10.1 M; however, with the effects of a 1 percent offset, the net increase to the budget is projected to be $6.0 M.

Elimination of Project X-CD:
With the elimination of Project X-CD, two new programs will begin to continue efforts of address the needs of students at schools who are struggling academically. Elimination of Project X-CD generated a total savings of $1.6 M. These funds will be reallocated to serve a larger number of students who are struggling academically.

Middle School (MS) Program:
Approximately $1 M will be used to address literacy at middle schools to include additional professional developmental training and sub costs for MS teachers to attend the UVA Struggling Readers Academy.

MS Initiative	Funding
Implement AVID[1] at the current Project X-CD schools and one additional school as determined by administration. Current Project X-CD Schools: - Corporate Landing MS - Larkspur MS - Plaza MS (already implemented AVID)	$ 410,190
Add 0.5 reading teacher to each MS, excluding Kemps Landing Magnet but including Renaissance Academy – totals 7 reading specialists.	501,500
Provide literacy professional development for the current 21 MS reading teachers to attend the UVA Struggling Readers Academy.	21,000
Provide sub days for collaboration and professional development centered on math and literacy.	17,000
Add one full-time math coach position, thus creating full-time math coaches for the three former Project X-CD schools and Bayside.	72,000
	$1,021,690

K-2 Struggling Readers Program:
Many children, especially struggling readers, lose some of what they have learned during the summer months. To prevent the summer slide, the budget includes funding for a 10 week Summer Reading Program for rising first and second grade students offered to the 12 neediest (non-Title I) elementary schools/960 students.

In addition, a program similar to the MS program will be offered to grade level K-2 teachers. Funds are allocated for 300 teachers to attend a UVA 30-hour non-credit workshop for professional development in instructional strategies for effectively teaching struggling readers.

Each of the K-2 programs will be allocated $300,000.

Additional Needs:
There are still a number of important projects and initiatives that could not be accommodated in the FY 2014/15 Proposed Operating Budget. They run the gamut from major infrastructure replacements to class-size reduction efforts. The School Board also discussed the necessity of further correcting the Unified Pay Scales – this has been a focus for the past 8+ years.

The additional needs list on the following page captures one-time and on-going costs as determined by administration and the School Board. Note that the attached list is not in priority order; nor is it a list of the division's total needs.

[1] AVID, Advancement Via Individual Determination, is a college readiness system for elementary through higher education that is designed to increase schoolwide learning and performance. The AVID College Readiness System (ACRS) accelerates student learning, uses research based methods of effective instruction, provides meaningful and motivational professional learning, and acts as a catalyst for systemic reform and change.

Additional Needs

School Administration's Recommendations

Item #	Description of Need	Total Cost Ongoing	Total Cost Cumulative		Total Cost One-time	Total Cost Cumulative
1	Additional teacher/employee salary increases (if funds available) to prevent further market slide	undetermined	undetermined		-	-
2	Various building projects for upgrade/replacement items in schools (HVAC, plumbing, elect., etc.)	$ 4,810,000	$ 4,810,000		$ 8,190,000	$ 8,190,000
3	Unified pay scale adjustments	7,087,920	11,897,920		-	8,190,000
4	Purchase replacement school buses	3,841,250	15,739,170		548,750	8,738,750
5	Reduce class-size 6-12 from 20.25:1 to 19.75:1	4,344,692	20,083,862		-	8,738,750
6	Instructional desktop/laptop replacements	500,000	20,583,862		1,000,000	9,738,750
7	Purchase 45 replacement vehicles	-	20,583,862		1,350,000	11,088,750
8	Elementary & secondary math coaches	1,235,570	21,819,432		-	11,088,750
9	Substitute days for teacher collaboration (ES, MS, and HS)	700,000	22,519,432		-	11,088,750
10	Increase athletic trainers full-time high school level	684,000	23,203,432		-	11,088,750
11	Copier replacements for schools	-	23,203,432		350,000	11,438,750
12	Add 235 bus video cameras	-	23,203,432		210,000	11,648,750
13	Recurring technology replacements (storage, VMWare Servers, UPS replacement in data centers)	195,000	23,398,432		-	11,648,750
14	Elementary Language Arts Resources (K-5 investigator kits, benchmark guided reading fiction/non-fiction)		23,398,432		185,000	11,833,750
15	Telecom infrastructure - additional support	60,000	23,458,432			11,833,750
16	New position to support expanding online learning	48,000	23,506,432		-	11,833,750
17	Replace Verizon ONT systems (College Park & Transportation Bldg.)		23,506,432		30,000	11,863,750

School Board's/ Other's Requests

Item #	Description of Need	Total Cost Ongoing	Total Cost Cumulative		Total Cost One-time	Total Cost Cumulative
1	Full-day kindergarten at all elementary schools	$ 12,648,000	$ 12,648,000		$ -	$ -
2	Reduce class-size 6-12 from 20.25:1 to 19:1	$ 10,861,730	$ 23,509,730		$ -	$ -
3	Add 1 teacher assistant to every 1st grade classroom (+290 FTEs)*	$ 9,001,600	$ 32,511,330		$ -	$ -
4	Reclassification teacher assistants	$ 931,733	$ 33,443,063		$ -	$ -
5	Add clerical assistants to each academy (8 FT for costing purposes)**	$ 243,320	$ 33,686,383		$ -	$ -

*Add 1 teacher assistant for every 4 - 1st grade classrooms (+73.5 FTEs) $ 2,250,400

**If adding only part-time clerical (multiply X # by FT equivalent by $30,415)

Grants and Other Funds - Revenue Sources

	Local	Fund Balance	State	Federal	Total
Adult Basic Education Funds	$ 62,837	$ -	$ -	$ 327,729	$ 390,566
Carl D. Perkins Vocational and Technical Education Act	-	-	-	826,701	826,701
DODEA - MCASP	-	-	-	990,718	990,718
DODEA - MCASP C/O	-	-	-	141,806	141,806
DODEA - MCASP Operation Pride	-	-	-	891,187	891,187
DODEA - MCASP Operation Pride C/O	-	-	-	89,188	89,188
DODEA - SFLEP	-	-	-	157,225	157,225
DODEA - SFLEP C/O	-	-	-	12,050	12,050
LENS	-	-	-	49,543	49,543
McKinney -Vento Homeless Assistance Act (NCLB)	-	-	-	70,000	70,000
My CAA - ALC	-	-	-	5,000	5,000
My CAA - LPN	-	-	-	10,000	10,000
Preschool Incentive	-	-	-	474,975	474,975
Preschool Incentive - C/O	-	-	-	115,051	115,051
Reserve for Contingency	-	-	-	4,500,000	4,500,000
Startalk	-	-	-	72,700	72,700
Title I - Part A (NCLB)	-	-	-	9,747,042	9,747,042
Title I - Part A (NCLB) - FY 14 C/O	-	-	-	2,933,529	2,933,529
Title I - Part A (NCLB) - FY 13 C/O	-	-	-	275,672	275,672
Title I - Part D - Subpart I	-	-	-	31,720	31,720
Title I - Part D - Subpart I - C/O	-	-	-	28,212	28,212
Title I - Part D - Subpart 2	-	-	-	257,542	257,542
Title I - Part D - Subpart 2 - FY 14 C/O	-	-	-	202,531	202,531
Title I - Part D - Subpart 2 - FY 13 C/O	-	-	-	13,018	13,018
Title II - Part A	-	-	-	2,174,206	2,174,206
Title II - Part A - C/O FY14	-	-	-	201,504	201,504
Title II - Part A - C/O FY13	-	-	-	62,772	62,772
Title III Language Instruction for LEP	-	-	-	103,710	103,710
Title III Language Instruction for LEP - C/O FY 14	-	-	-	103,710	103,710
Title III Immigrants & Youth	-	-	-	88,246	88,246
Title III Immigrants & Youth - C/O	-	-	-	15,000	15,000
Title IV - Part B - 21st Century Bayside MS C/O	-	-	-	71,959	71,959
Title IV - Part B - 21st Century Williams ES	-	-	-	200,000	200,000
Title IV - Part B - 21st Century Williams ES C/O	-	-	-	88,175	88,175
Title VI-B (IDEA)	-	-	-	13,544,416	13,544,416
Title VI-B (IDEA) - C/O	-	-	-	5,337,021	5,337,021
Federal Grants Total	**62,837**	**-**	**-**	**44,213,858**	**44,276,695**
Algebra Readiness Initiative	333,741	-	478,281	-	812,022
Career Switcher	5,500	-	5,500	-	11,000
CTE State Equipment	-	-	83,412	-	83,412
Early Intervention Reading Initiative	581,282	-	833,029	-	1,414,311
General Adult Education	-	-	34,586	-	34,586
Individual Student Alternative Educational Plan (ISAEP)	-	-	62,689	-	62,689
Industry Certification Examination	-	-	90,711	-	90,711
Jail Education Program	-	-	221,063	-	221,063
Juvenile Detention Home Grant	-	-	954,419	-	954,419
National Board Certification	-	-	285,000	-	285,000
New Teacher Mentor Program Grant	29,663	-	29,662	-	59,325
Opportunity Inc - STEM	-	-	220,000	-	220,000
Opportunity Inc - STEM C/O	-	-	61,837	-	61,837
Race to GED Activities	-	-	64,188	-	64,188
Reserve for Contingency	-	-	2,700,000	-	2,700,000
Technology Initiative	436,400	-	2,182,000	-	2,618,400
Technology Initiative - C/O FY13	-	-	2,004,136	-	2,004,136
Technology Initiative - C/O FY14	-	-	2,618,400	-	2,618,400
Virginia eLearning Backpack Initiative - Bayside	44,800	-	224,000		268,800
Virginia eLearning Backpack Initiative - Green Run	35,120	-	175,600		210,720
Virginia eLearning Backpack Initiative - Kempsville	33,920	-	169,600		203,520
Virginia Initiative for At-Risk Four-Year-Old Children	1,736,064	-	2,487,936	-	4,224,000
Virginia Middle School Teacher Corps	-	-	35,000	-	35,000
State Grants Total	**3,236,490**	**-**	**16,021,049**	**-**	**19,257,539**
Athletics	4,922,642	-	-	-	4,922,642
Communication Towers Technology	260,000	340,000	-	-	600,000
Equipment Replacement	-	369,641	-	-	369,641
Food Services	12,744,655	779,562	500,000	16,254,782	30,278,999
Green Run Collegiate Charter	2,421,879	-	-	-	2,421,879
Green Run Collegiate Charter - Technology	25,000	-	-	-	25,000
Instructional Technology	159,700		-	-	159,700
Textbooks	110,000	5,882,946	3,959,589	-	9,952,535
Vending Operations	$192,550	27,739	-	-	220,289
Other Funds Total	**20,836,426**	**7,399,888**	**4,459,589**	**16,254,782**	**48,950,685**
Categorical Grants and Other Funds Total	**$ 24,135,753**	**$ 7,399,888**	**$20,480,638**	**$ 60,468,640**	**$ 112,484,919**

Grants and Other Funds - Expenditures

	Personnel Services	Fringe Benefits	Purchased Services	Other Charges	Materials and Supplies	Capital Outlay	and Transfers	Total
Adult Basic Education Funds	$ 304,364	$ 62,386	$ 17,891	$ -	$ 5,925	$ -	$ -	$ 390,566
Carl D. Perkins Vocational and Technical Education Act	25,190	1,927	263,666	141,250	285,544	109,124	-	826,701
DODEA - MCASP	217,741	76,217	449,471	21,000	226,289	-	-	990,718
DODEA - MCASP C/O	64,080	42,726	35,000	-	-	-	-	141,806
DODEA - MCASP Operation Pride	162,125	56,300	478,962	8,000	185,800	-	-	891,187
DODEA - MCASP Operation Pride C/O	55,349	33,839	-	-	-	-	-	89,188
DODEA - SFLEP	98,768	37,629	10,600	8,500	1,728	-	-	157,225
DODEA - SFLEP C/O	5,871	2,104	-	2,575	1,500	-	-	12,050
LENS	41,563	3,180	-	-	4,800	-	-	49,543
McKinney -Vento Homeless Assistance Act (NCLB)	-	-	63,500	3,500	3,000	-	-	70,000
My CAA - ALC	-	-	5,000	-	-	-	-	5,000
My CAA - LPN	-	-	10,000	-	-	-	-	10,000
Preschool Incentive	344,700	118,526	9,769	-	1,980	-	-	474,975
Preschool Incentive - C/O	81,925	21,508	2,288	-	9,330	-	-	115,051
Reserve for Contingency	-	-	-	-	4,500,000	-	-	4,500,000
Startalk	32,752	2,506	23,435	2,350	11,657	-	-	72,700
Title I - Part A (NCLB)	5,815,590	2,045,713	705,830	67,500	1,112,409	-	-	9,747,042
Title I - Part A (NCLB) - FY 14 C/O	1,766,644	615,209	359,132	5,500	187,044	-	-	2,933,529
Title I - Part A (NCLB) - FY 13 C/O	65,000	4,973	103,613	-	102,086	-	-	275,672
Title I - Part D - Subpart I	21,548	8,672	-	500	1,000	-	-	31,720
Title I - Part D - Subpart I - C/O	14,325	6,387	-	-	7,500	-	-	28,212
Title I - Part D - Subpart 2	148,985	27,285	35,297	7,500	38,475	-	-	257,542
Title I - Part D - Subpart 2 - FY 14 C/O	109,129	24,236	49,166	5,000	15,000	-	-	202,531
Title I - Part D - Subpart 2 - FY 13 C/O	-	-	10,018	-	3,000	-	-	13,018
Title II - Part A	1,351,316	467,609	326,037	5,244	24,000	-	-	2,174,206
Title II - Part A - C/O FY14	70,701	27,509	94,294	5,000	4,000	-	-	201,504
Title II - Part A - C/O FY13	22,467	6,203	34,102	-	-	-	-	62,772
Title III Language Instruction for LEP	77,684	23,893	2,133	-	-	-	-	103,710
Title III Language Instruction for LEP - C/O FY 14	77,684	23,893	2,133	-	-	-	-	103,710
Title III Immigrants & Youth	3,015	231	31,652	-	53,348	-	-	88,246
Title III Immigrants & Youth - C/O	-	-	15,000	-	-	-	-	15,000
Title IV - Part B - 21st Century Bayside MS C/O	51,761	3,960	8,475	1,150	6,613	-	-	71,959
Title IV - Part B - 21st Century Williams ES	154,494	11,819	6,700	2,500	24,487	-	-	200,000
Title IV - Part B - 21st Century Williams ES C/O	72,872	5,575	4,200	2,500	3,028	-	-	88,175
Title VI-B (IDEA)	8,278,002	3,963,648	852,083	55,000	395,683	-	-	13,544,416
Title VI-B (IDEA) - C/O	4,104,781	995,093	193,647	3,500	40,000	-	-	5,337,021
Federal Grants Total	**23,640,426**	**8,720,756**	**4,203,094**	**348,069**	**7,255,226**	**109,124**	**-**	**44,276,695**
Algebra Readiness Initiative	129,000	9,869	489,998	-	183,155	-	-	812,022
Career Switcher	11,000	-	-	-	-	-	-	11,000
CTE State Equipment	-	-	-	-	83,412	-	-	83,412
Early Intervention Reading Initiative	965,707	91,064	1,300	3,000	353,240	-	-	1,414,311
General Adult Education	32,128	2,458	-	-	-	-	-	34,586
Individual Student Alternative Educational Plan (ISAEP)	1,101	84	21,600	500	39,404	-	-	62,689
Industry Certification Examination	-	-	90,711	-	-	-	-	90,711
Jail Education Program	175,118	35,570	850	3,000	6,525	-	-	221,063
Juvenile Detention Home Grant	663,446	236,556	33,422	4,665	16,330	-	-	954,419
National Board Certification	285,000	-	-	-	-	-	-	285,000
New Teacher Mentor Program Grant	59,325	-	-	-	-	-	-	59,325
Opportunity Inc - STEM	74,018	20,274	99,150	-	26,558	-	-	220,000
Opportunity Inc - STEM C/O	13,412	3,975	41,950	-	2,500	-	-	61,837
Race to GED Activities	54,239	4,149	5,800	-	-	-	-	64,188
Reserve for Contingency	-	-	-	-	2,700,000	-	-	2,700,000
Technology Initiative	99,170	7,587	-	-	2,511,643	-	-	2,618,400
Technology Initiative - C/O FY13	99,170	7,587	-	-	1,897,379	-	-	2,004,136
Technology Initiative - C/O FY14	99,170	7,587	-	-	2,511,643	-	-	2,618,400
Virginia eLearning Backpack Initiative - Bayside	-	-	-	-	268,800	-	-	268,800
Virginia eLearning Backpack Initiative - Green Run	-	-	-	-	210,720	-	-	210,720
Virginia eLearning Backpack Initiative - Kempsville	-	-	-	-	203,520	-	-	203,520
Virginia Initiative For At-Risk Four-Year-Old Children	-	-	4,224,000	-	-	-	-	4,224,000
Virginia Middle School Teacher Corps	35,000	-	-	-	-	-	-	35,000
State Grants Total	**2,796,004**	**426,760**	**5,008,781**	**11,165**	**11,014,829**	**-**	**-**	**19,257,539**
Athletics	2,920,458	223,415	763,728	214,750	611,300	188,991	-	4,922,642
Communication Towers Technology	-	-	-	-	600,000	-	-	600,000
Equipment Replacement	-	-	-	-	-	369,641	-	369,641
Food Services	9,091,375	4,524,211	358,323	82,673	15,442,855	279,562	500,000	30,278,999
Green Run Collegiate Charter	1,355,920	508,972	227,641	83,000	234,500	11,846		2,421,879
Green Run Collegiate Charter - Technology	-	-	1,000	-	24,000	-	-	25,000
Instructional Technology	-	-	-	-	159,700	-	-	159,700
Textbooks	68,762	27,465	1,500	-	9,854,808	-	-	9,952,535
Vending Operations	-	-	-	-	145,455	74,834	-	220,289
Other Funds Total	**13,436,515**	**5,284,063**	**1,352,192**	**380,423**	**27,072,618**	**924,874**	**500,000**	**48,950,685**
Categorical Grants and Other Funds Total	**$ 39,872,945**	**$14,431,579**	**$ 10,564,067**	**$739,657**	**$ 45,342,673**	**$ 1,033,998**	**$ 500,000**	**$ 112,484,919**

Allocated Positions

#

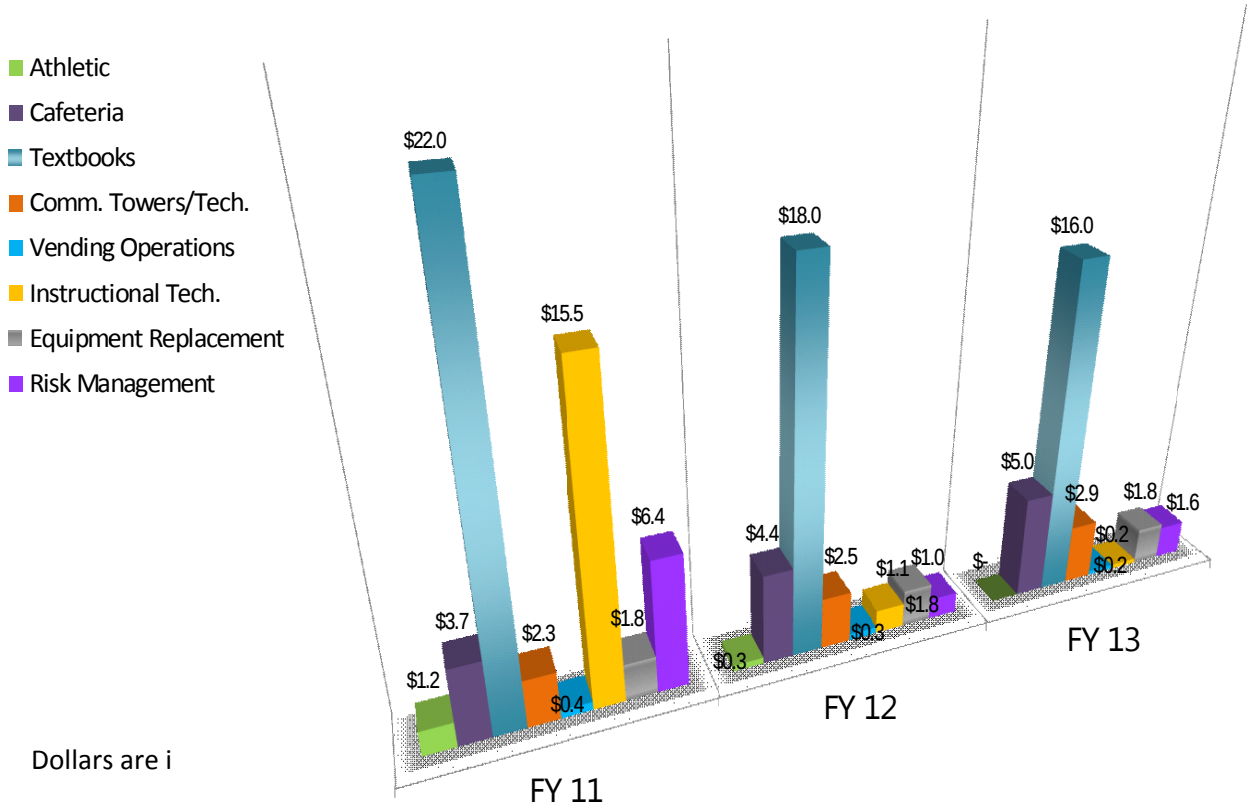
Position review is a part of the budget process and adjustments are subject to School Board approval. The chart below reflects the overall changes in the number of positions within the major budget category and the categorical grants and other funds.

	FY 2010/11 Budget	FY 2011/12 Amended	FY 2012/13 Budget	FY 2013/14 Budget	FY 2014/15 Proposed	Variance
Instruction						
Elementary Classroom	2,109.90	2,065.40	2,115.10	2,084.60	2,162.90	78.30
Senior High Classroom	1,074.40	1,007.60	1,022.20	982.60	978.80	(3.80)
Technical and Career Education	271.20	254.90	225.40	211.45	216.35	4.90
Gifted Ed. and Academy Programs	156.00	156.00	156.00	156.00	157.00	1.00
Special Education	1,180.00	1,178.00	1,178.00	1,178.00	1,178.00	-
General Adult Education	22.00	22.00	20.00	20.00	20.00	-
Alternative Education - Renaissance Academy	83.80	96.60	96.60	96.60	93.60	(3.00)
Student Activities	29.50	30.50	30.50	30.50	30.50	-
Office of the Principal - Elementary	343.00	343.00	337.00	336.00	336.00	-
Office of the Principal - High School	128.50	127.50	124.00	122.00	127.00	5.00
Principal - Technical and Career Education	7.00	7.00	7.00	7.00	7.00	-
Guidance Services	212.40	215.40	209.40	209.60	206.60	(3.00)
Social Work Services	31.25	31.25	31.00	31.00	31.00	-
Media and Communications	15.00	15.00	15.00	15.00	15.00	-
Teaching and Learning Support	56.00	57.00	51.00	51.00	47.00	(4.00)
Instructional Center for Teacher Leadership	-	7.00	8.00	8.00	8.00	-
Special Education Support	30.00	32.00	32.00	32.00	32.00	-
Gifted Ed. and Academy Programs Support	19.00	19.00	19.50	20.00	20.00	-
Media Services Support	200.50	199.50	200.50	196.50	196.50	-
Planning, Innovation, and Accountability	17.00	19.00	19.00	19.00	19.00	-
Middle School Classroom	768.60	746.40	761.40	740.75	745.65	4.90
Remedial Education	102.50	104.50	104.50	106.50	85.50	(21.00)
Office of the Principal - Middle School	117.00	115.00	115.00	112.00	112.00	-
Homebound Services	1.00	1.00	1.00	1.00	1.00	-
Office of the Principal - Tech. and Career Ed. Support	9.40	8.40	8.60	9.00	9.00	-
Student Leadership	7.00	7.00	7.00	7.00	9.00	2.00
Psychological Services	38.00	38.00	38.00	38.00	38.00	-
Audiological Services	4.00	4.00	4.00	4.00	4.00	-
School Administration	9.00	9.00	8.00	8.00	10.00	2.00
Alternative Education	22.00	15.00	15.00	15.00	15.00	-
Instruction Total	**7,064.95**	**6,931.95**	**6,959.70**	**6,848.10**	**6,911.40**	**63.30**
Board, Legal, and Governmental Services	13.00	13.00	12.00	12.00	12.00	-
Superintendent	7.00	7.00	7.00	7.00	8.50	1.50
Budget and Finance	43.00	43.00	43.00	43.00	43.00	-
Human Resources	44.50	47.30	47.30	47.30	47.30	-
Internal Audit	4.00	4.00	4.00	4.00	4.00	-
Purchasing Services	13.00	13.00	13.00	13.00	13.00	-
Center for Teacher Leadership	16.80	8.00	6.00	6.00	5.50	(0.50)
Benefits	15.00	15.00	15.50	15.50	16.50	1.00
Health Services	131.00	131.00	131.00	131.00	131.00	-
Administration, Attendance, & Health Total	**287.30**	**281.30**	**278.80**	**278.80**	**280.80**	**2.00**
Management	26.00	26.00	27.00	27.00	27.00	-
Vehicle Operation	354.69	354.69	354.69	354.69	354.69	-
Vehicle Operation - Special Education	122.56	122.56	122.56	122.56	122.56	-
Vehicle Maintenance	57.00	57.00	56.00	56.00	56.00	-
Monitoring Services	106.88	106.88	106.88	106.88	106.88	-
Pupil Transportation Total	**667.13**	**667.13**	**667.13**	**667.13**	**667.13**	-
Facilities Planning and Construction	6.00	6.00	6.00	6.00	6.00	-
School Plant	197.00	197.00	197.00	197.00	197.00	-
Supply Services	23.50	23.50	23.50	23.50	23.50	-
Custodial Services	726.00	726.00	709.00	709.00	717.00	8.00
Safety and Loss Control	197.00	197.00	197.00	197.00	198.00	1.00
Vehicle Services	4.00	4.00	4.00	4.00	4.00	-
Telecommunications	3.00	3.00	3.00	3.00	3.00	-
Operations and Maintenance Total	**1,156.50**	**1,156.50**	**1,139.50**	**1,139.50**	**1,148.50**	**9.00**
Instructional Technology	-	-	-	110.00	110.00	-
Technology	-	-	-	7.00	6.00	(1.00)
Technology Maintenance	-	-	-	71.00	72.00	1.00
Technology Total	**-**	**-**	**-**	**188.00**	**188.00**	**-**
Operating Budget Total	**9,175.88**	**9,036.88**	**9,045.13**	**9,121.53**	**9,195.83**	**74.30**
State Grants	12.00	13.00	14.00	14.00	14.00	-
Federal Grants	639.00	646.50	574.50	549.50	470.50	(79.00)
Food Services Fund	492.89	492.89	492.89	492.89	490.89	(2.00)
Risk Management Fund	5.00	5.00	5.00	5.00	5.00	-
Health Insurance Fund	4.50	4.50	6.50	6.50	6.50	-
Technology Category	186.00	187.00	187.00	-	-	-
Textbook Fund	1.50	1.50	1.50	1.50	1.50	-
Green Run Collegiate Charter School	-	-	-	-	24.80	24.80
Categorical Grants and Other Funds Total	**1,340.89**	**1,350.39**	**1,281.39**	**1,069.39**	**1,013.19**	**(56.20)**
All Funds Total	**10,516.77**	**10,387.27**	**10,326.52**	**10,190.92**	**10,209.02**	**18.10**

NOTE: Effective FY 2013/14, the Technology (fund 106) Category will be located in the Operating fund.

Fund Balance Summary

VBCPS organizes its account code system on a fund basis. A fund is a self-balancing set of accounts which is segregated for a specific purpose or activity. The charts below represent the ending fund balances as of June 30th of the fiscal year. The fund balance is increased or decreased based on the fund's net revenue over (or under) expenditures for the fiscal year. The division has developed and implemented a spending plan for the fund balances that is in alignment with the schools' Strategic Plan and the projected expenditures for each of these funds.



Dollars are i

Actuals and Projections Based on the Spending Plan

	Historical				Projected fund balance after anticipated spending plan	
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Athletics	$1.1	$1.2	$0.3	$0	$0	$0
Cafeteria	$2.7	$3.7	$4.4	5.0	$4.5	$3.8
Textbooks	$22.2	$22.0	$18.0	$16.0	$10.2	$4.3
Communications Towers/Tech.	$2.0	$2.3	$2.5	$2.9	$2.7	$2.4
Vending Operations	$0.5	$0.4	$0.3	$0.2	$0.1	$0
Instructional Technology	$19.0	$15.5	$1.1	$0.2	$0.02	$0
Equipment Replacement	$2.0	$1.8	$1.8	$1.8	$1.4	$.98
Risk Management	$20.6	$6.4	$1.0	$1.6		

FY 2014/15 – 2019/20 Capital Improvement Program (CIP)

The VBCPS School Board develops a multi-year Capital Improvement Program (CIP) that is updated annually to address facility needs. The CIP process begins in September with a preliminary meeting with the city staff. The CIP is presented to the School Board for information in February, is adopted in March, and then sent to the city for review and approval. The city adopts the CIP in May along with the Operating Budget.

The FY 2014/15 – 2019/20 CIP proposes funding in the amount of $316.7 million. The proposed amount includes funds for the modernization and/or replacement of some of the oldest schools in the division. The primary funding source for the current modernization program is city-issued charter bonds.

Below are highlights of that six-year plan:

- One project is under design – a consolidated Old Donation Center/Kemps Landing Magnet.
- John B. Dey Elementary School modernization has been delayed from a 2018 completion to 2019. This school was originally proposed for a modernization that would have accommodated a 2016 opening.
- Thoroughgood Elementary School also has been delayed from 2017 to 2020.
- Full funding for Princess Anne High School has been delayed beyond the six-year CIP.
- The school system approaches its modernizations in the framework of a Long-Range Facilities Master Plan that was adopted by the School Board in 2007. Phase I of the plan addressed nine schools. Projects completed/started to date in that first phase are:
    - College Park Elementary School
    - Kellam High School
    - Old Donation Center/Kemps Landing Magnet School
- The proposed six-year CIP of $316.7 million is less than half of the approved $635 million total five years ago.
- The proposed CIP for FY 2014/15 is $35 million. This proposal marks the fifth consecutive year the school system has not had the benefit of state capital funding. In addition, it has been unable to provide PAYGO funds for the CIP. PAYGO funds are monies that are transferred into the CIP from the School Board Approved Operating Budget.

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COMPASS to 2015

A Strategic Plan for Student Success

Adopted by the School Board October 21, 2008

Our Strategic Goal

Recognizing that the long range goal of the VBCPS is the successful preparation and graduation of every student, the near term goal is that by 2015, 95 percent or more of VBCPS students will graduate having mastered the skills that they need to succeed as 21st century learners, workers, and citizens.

Our Outcomes for Student Success

Our primary focus is on teaching and assessing those skills our students need to thrive as 21st century learners, workers, and citizens. All VBCPS students will be:

- Academically proficient;
- Effective communicators and collaborators;
- Globally aware, independent, responsible learners and citizens; and
- Critical and creative thinkers, innovators and problem solvers.

Our Strategic Objectives

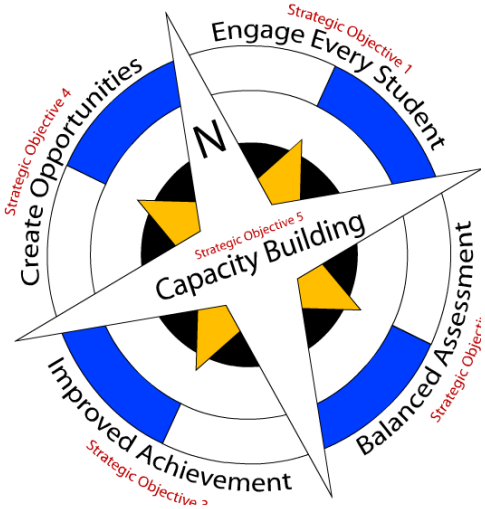
1. All teachers will engage every student in meaningful, authentic, and rigorous work through the use of innovative instructional practices and supportive technologies that will motivate students to be self-directed and inquisitive learners.

2. VBCPS will develop and implement a balanced assessment system that accurately reflects student demonstration and mastery of VBCPS outcomes for student success.

3. Each school will improve achievement for all students while closing achievement gaps for identified student groups, with particular focus on African American males.

4. VBCPS will create opportunities for parents, community and business leaders to fulfill their essential roles as actively engaged partners in supporting student achievement and outcomes for student success.

5. VBCPS will be accountable for developing essential leader, teacher, and staff competencies and optimizing all resources to achieve the school division's strategic goal and outcomes for student success.



VIRGINIA BEACH CITY PUBLIC SCHOOLS

Key Operating Measures

EDUCATIONAL RESOURCES	09-10	10-11	11-12	12-13
Student Enrollment (as of September 30)	69,469	69,433	69,282	68,408
Elementary School Pupil-Teacher Ratios (excluding resource teachers)	19:1	20:1	22:1	21:1
Secondary School Average Class Size	23.0	22.5	23.4	24.0
Number of Portables (overall)	310	258	236	230
Number of Temporary Allocated Portables Due to Construction	56	17	12	0
Per Pupil Expenditure (total)	$10,706	$10,772	$10,876	†
Per Pupil Expenditure (local)	$4,891	$5,167	$5,172	†
Percentage of Students Receiving Special Education Services (September 30: K to 12 Serving Count)	11.4%	10.9%	10.6%	10.2%
Percentage of Students Receiving Special Education Services (December 1: Pre-K to 12 Responsible Count)	13.1%	12.6%	12.2%	11.8%
Percentage of Gifted Program Student Membership	12.2%	12.0%	11.8%	11.7%
WORK FORCE				
Percentage of Core Courses Taught by Highly Qualified Teachers	99.75%	99.82%	98.78%	99.60%
Percentage of Highly Qualified Teacher Assistants	81.69%	82.68%	82.91%	82.44%
Number of Professional Development Courses Offered	3,500	3,645	2,826	3,400
Average Years of Teaching Experience	15.2	15.2	15.2	14.9
Percentage of Teachers With Graduate Degrees	53%	54%	52%	53%
Number of Teachers With National Board Certification	90	93	101	114
Number of Teachers With the Division Designation of Career Teacher	1,256	1,224	1,376	1,327
RECOGNITION OF DIVERSITY				
Percentage of Minority Staff (overall)	24.93%	24.99%	24.91%	25.23%
Percentage of Minority Instructional Staff	14.60%	14.99%	14.91%	14.96%
Number of Student Diversity Ambassadors	71	110	192	286
Number of Faculty Diversity Advisors	19	35	71	80
Percentage of Employees Completing Online Diversity Awareness Training (full- and part-time)	99.0%	97.9%	98.0%	96.0%
USE OF TECHNOLOGY				
Ratio of Students to Instructional Computers	1.8:1	1.5:1	1.4:1	1.3:1
Number of Distance Learning Classes (being sent)	94	99	106	96
Number of Online Courses Taken by Students	727	891	978	960
Standards of Learning Subject Area Tests Administered Online	25	28	31	34
SAFE SCHOOLS				
Number of Persistently Dangerous Schools	0	0	0	0
Dollars Spent on Security Infrastructure	$1,926,010	$1,446,645	$1,446,173	$1,642,535
Number of School Security Assistants/Night Security	199	205	205	211
Number of School Resource Officers	29	29	29	29
Percentage of Students, Teachers, Building Administrators, and Parents Indicating That Schools Are a Safe and Orderly Place to Learn	†	87.8%	†	89.0%
Percentage of Students Referred for Discipline Infractions	21.5%	20.2%	19.8%	17.7%
Number of OSHA Incidents Per 100 VBCPS Employees	1.3	3.2††	3.2	2.6
Workers' Compensation Costs	$681,683	$958,308	$1,221,893	$647,637
Number of Student Safety Incidents	465	567	586	537
Number of Vehicle Crashes Per 100 Vehicles in Service	14.7	15.4	18.3	18.2
COMMUNITY INVOLVEMENT				
PTA/PTSA Membership/Percent of Student Enrollment	40,568/58.4%	38,362/55.3%	35,828/51.7%	33,838/49.5%
Number of Volunteers in Education	18,945	22,268	24,918	26,769
Partners in Education	1,491	1,744	1,871	2,014
Schoolwide and Teacher Grants Awarded by Virginia Beach Education Foundation	$100,000	$100,000	$100,000	$75,000
Scholarships Awarded by Virginia Beach Education Foundation	$33,350	$34,926	$29,200	$17,000
Number of ACCESS Scholarships Granted	244	206	218	231
Dollar Value of ACCESS Scholarships	$179,447	$162,377	$157,089	$495,225

Per-Pupil Expenditures

The tables below provide average per-pupil expenditures based upon specific state requirement and categories as used in the state funding formula and VBCPS' *Annual School Report*. The state counts students in specific ways and includes revenues from various funds; i.e., operations and food services.

VBCPS Average Per-Pupil Expenditure for Operations*

Sources of Financial Support	FY 2012 (a) State Average	FY 2012 (a) VBCPS
State	$ 3,420	$ 3,489
Sales Tax	935	1,035
Federal	1,065	1,180
Local[(b)]	5,549	5,172
Total	**$ 10,969**	**$ 10,876**

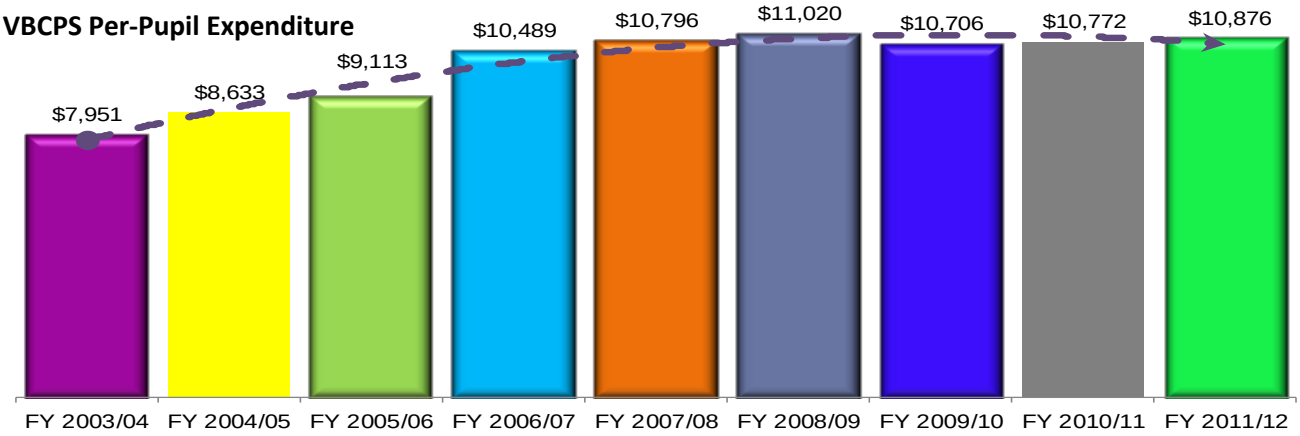
Totals may fluctuate due to rounding.

* Includes regular day school, school food services, summer school, adult education, athletics, textbooks, and other educational costs, but does not include facilities, debt service, capital outlay additions, and pre-kindergarten program expenses

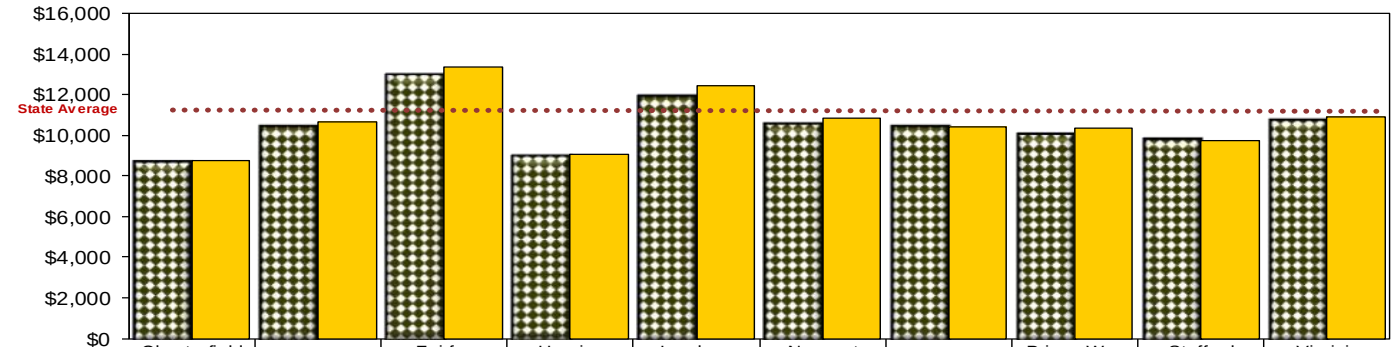
(a) Commonwealth of Virginia, Superintendent's Annual Report for Virginia

(b) Includes City of Virginia Beach and other local sources; i.e., rental of facilities summer school tuition, adult education fees, and food services charges

VBCPS Per-Pupil Expenditure



Per-Pupil Expenditure for the Ten Largest School Divisions



	Chesterfield County	Chesapeake	Fairfax County	Henrico County	Loudoun County	Newport News	Norfolk City	Prince Wm. County	Stafford County	Virginia Beach
FY 2010/11	$8,772	$10,490	$13,008	$9,015	$11,946	$10,582	$10,500	$10,079	$9,858	$10,772
FY 2011/12	$8,755	$10,680	$13,391	$9,041	$12,429	$10,842	$10,419	$10,380	$9,751	$10,876

Student Membership

FY 2013/14

The school division uses a cohort survival model to generate base student membership projects. This model essentially compares the number of students in a particular grade to the number of students in the previous grade during the previous year. Ratios are computed for each grade progression over a multi-year period and are then used to project future enrollments. To project kindergarten enrollment, birth data lagged five years behind its respective kindergarten class is used to calculate a cohort ratio. Student projections are further adjusted based on analysis generated in the school division's Geographic Information System (GIS), a detailed analysis of residential housing trends, Virginia Beach resident birth rates, and other available data that may impact student enrollment.

For the past several years, the Office of Demographics and Planning has shared how recent economic conditions have had a significant impact on the division's student membership. Factors such as the increasing numbers of students in shared housing and homeless situations, fluctuations in the numbers of students opting to attend private schools, and volatility in the real estate market combined, have created instability in VBCPS student enrollment.

The FY 2013/14 actual September 30th student membership for K-12 was 68,859. This membership was 629 students below earlier projections for the FY 2013/14 projected student membership of 68,230 for FY 14.

The FY 2013/14 actual total division student membership net increase was 237 students from FY 2012/13

- Elementary student membership increased by 364 students
- Middle school declined by 4 students
- High schools declined by 123 students

The FY 2014/15 student membership is projected to have a net increase of 106 students from the FY 2013/14 September 30th student membership.

- Elementary student membership increased by 171 students
- Middle school declined by 159 students
- High schools increased by 94 students

The total division student membership six-year history and the six-year projection follows on the next page.

Student Membership

by Grade Level

Virginia Beach City Public Schools
September 30th Historical Student Membership and
FINAL September 30th Student Membership Projections
Division Summary
Grades K-12

HISTORICAL STUDENT MEMBERSHIP

Elementary	Sept 30th Membership 2008/09	Sept 30th Membership 2009/10	Sept 30th Membership 2010/11	Sept 30th Membership 2011/12	Sept 30th Membership 2012/13	Sept 30th Membership 2013/14
K	4,605	4,810	4,739	5,047	4,810	4,914
1	5,230	5,264	5,401	5,476	5,587	5,397
2	5,310	5,162	5,309	5,359	5,336	5,523
3	5,396	5,339	5,202	5,248	5,298	5,384
4	5,151	5,393	5,368	5,208	5,196	5,326
5	5,271	5,156	5,401	5,355	5,163	5,210
Total	30,963	31,124	31,420	31,693	31,390	31,754
Change from previous year	-200	161	296	273	-303	364
% Change from previous year	-0.64%	0.52%	0.95%	0.87%	-0.96%	1.16%

Middle	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
6	5,358	5,278	5,232	5,427	5,344	5,239
7	5,368	5,358	5,251	5,284	5,437	5,347
8	5,389	5,364	5,379	5,256	5,231	5,422
Total	16,115	16,000	15,862	15,967	16,012	16,008
Change from previous year	-506	-115	-138	105	45	-4
% Change from previous year	-3.04%	-0.71%	-0.86%	0.66%	0.28%	-0.02%

High	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
9	6,365	6,014	5,995	5,869	5,740	5,781
10	5,749	5,794	5,588	5,452	5,372	5,304
11	5,463	5,451	5,470	5,207	5,212	5,128
12	5,033	5,116	5,030	5,063	4,896	4,884
Total	22,610	22,375	22,083	21,591	21,220	21,097
Change from previous year	-288	-235	-292	-492	-371	-123
% Change from previous year	-1.26%	-1.04%	-1.31%	-2.23%	-1.72%	-0.58%

Division	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total	69,688	69,499	69,365	69,251	68,622	68,859
Change from previous year	-994	-189	-134	-114	-629	237
% Change from previous year	-1.41%	-0.27%	-0.19%	-0.16%	-0.91%	0.35%

DRAFT PROJECTED STUDENT MEMBERSHIP

Elementary	Sept 30th Projections 2014/15	Sept 30th Projections 2015/16	Sept 30th Projections 2016/17	Sept 30th Projections 2017/18	Sept 30th Projections 2018/19	Sept 30th Projections 2019/20
K	4,860	4,695	4,782	4,782	4,805	4,805
1	5,505	5,447	5,270	5,367	5,367	5,393
2	5,345	5,435	5,377	5,205	5,299	5,299
3	5,489	5,318	5,432	5,365	5,193	5,287
4	5,410	5,496	5,313	5,439	5,373	5,200
5	5,316	5,387	5,479	5,295	5,424	5,358
Total	31,925	31,778	31,652	31,454	31,461	31,342
Change from previous year	171	-147	-127	-198	7	-119
% Change from previous year	0.54%	-0.46%	-0.40%	-0.63%	0.02%	-0.38%

Middle	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
6	5,242	5,370	5,424	5,539	5,341	5,424
7	5,273	5,263	5,392	5,450	5,561	5,363
8	5,334	5,246	5,234	5,363	5,423	5,531
Total	15,849	15,879	16,049	16,352	16,325	16,318
Change from previous year	-159	30	170	303	-27	-7
% Change from previous year	-0.99%	0.19%	1.07%	1.89%	-0.17%	-0.04%

High	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
9	5,963	5,880	5,789	5,767	5,910	5,965
10	5,319	5,460	5,424	5,271	5,246	5,374
11	5,097	5,077	5,243	5,133	5,054	5,031
12	4,812	4,765	4,756	4,870	4,798	4,728
Total	21,191	21,182	21,212	21,040	21,008	21,098
Change from previous year	94	-9	30	-172	-32	90
% Change from previous year	0.45%	-0.04%	0.14%	-0.81%	-0.15%	0.43%

Division	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total	68,965	68,840	68,913	68,846	68,794	68,759
Change from Previous Year	106	-125	73	-67	-52	-35
% Change from previous year	0.15%	-0.18%	0.11%	-0.10%	-0.08%	-0.05%

Student Characteristics

	Grades K-12						
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
September 30th Membership	71,752	70,708	69,735	69,469	69,433	69,282	68,408
African American	27.4%	27.5%	27.3%	27.1%	24.6%	24.1%	23.1%
Caucasian	57.2%	56.3%	55.8%	55.4%	53.1%	52.7%	52.1%
Hispanic/Latino	5.4%	5.7%	6.0%	6.1%	8.8%	9.3%	9.8%
American Indian/Alaska Native	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%
Asian	5.5%	5.7%	5.7%	5.8%	5.6%	5.6%	5.6%
Native Hawaiian/ Pacific Islander	0.8%	0.8%	0.8%	0.9%	0.5%	0.5%	0.5%
Multi-race	3.3%	3.6%	4.0%	4.2%	7.1%	7.5%	7.9%
Female	49.1%	49.1%	49.0%	48.9%	48.9%	48.9%	48.8%
Male	50.9%	50.9%	51.0%	51.1%	51.1%	51.1%	51.2%
Economically Disadvantaged	30.2%	26.5%	29.1%	30.6%	29.9%	34.6%	33.3%
Gifted	11.9%	12.1%	12.3%	12.2%	12.0%	11.8%	11.7%
Limited English Proficiency	1.7%	1.7%	1.9%	1.9%	1.6%	2.0%	1.8%
Migrant	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%
Students with Disabilities	11.9%	11.7%	11.5%	11.4%	10.9%	10.6%	10.2%

Source: Department of Educational Leadership and Assessment

Staffing Standards and Guidelines

FY 2014/15

The allocations of instructional personnel in Virginia Beach are based on guidelines that meet or exceed the SOQ, the accreditation requirements of Virginia, and core class size caps as adopted by the School Board.

NOTE: These standards represent current information and may be subject to change because of the Standards of Accreditation and Standards of Learning implementation requirements and local operating budget.

Elementary School

Grade Level [see Note (5)]	Virginia SOQ Accreditation Standard Division-wide Ratios [See Note (3)]	VBCPS Classroom Teacher Allocation	VBCPS Target Class Size Ratio [see Note (1)]	VBCPS Class Size Cap [see Note (1)]
K	24:1 without assistant; no class larger than 29; with a full-time assistant if ADM is greater than 24:1	24:1	24:1	26
1	24:1 no class larger than 30	24:1	24:1	26
2	24:1 no class larger than 30	24:1	24:1	26
3	24:1 no class larger than 30	24:1	24:1	26
4	25:1 no class larger than 35	25:1	25:1	26
5	25:1 no class larger than 35	25:1	25:1	26

These standards do not include teachers for resource programs, itinerant services, special education, Title I, guidance counselors, and library media specialists.

NOTES TO STAFFING STANDARDS:

(1) Schools are monitored throughout the year for compliance with pupil/teacher ratios. An additional teacher will be added at a grade level when the average class-size of all sections on the grade level reaches the class-size cap as shown above. In all cases, adequate funds must be available.

(2) Exceptions to student/teacher target ratios can be requested on the basis of existing staff. The written request for exception must include the program rationale for the exception, as it relates specifically to student achievement and/or an objective in the school's strategic plan. A cost analysis will be completed after the assistant superintendent/directors receive the request.

(3) Twenty-one elementary schools in Virginia Beach participate in the state K-3 Class-Size Initiative. The Virginia Department of Education (VDOE) determines the ratio for each school based on the percentage of students who receive free lunch. Allocations for 2013/14 reflect these ratios.

Schools that participate in the Virginia K-3 Class-Size Initiative must maintain a K-3 class-size average as listed below.

13 schools @ 19 to 1 with no class in K-3 larger than 24
5 schools @ 18 to 1 with no class in K-3 larger than 23
2 schools @ 17 to 1 with no class in K-3 larger than 22
1 school @ 16 to 1 with no class in K-3 larger than 21

(4) Principals are asked to schedule planning periods for elementary grade levels at the same time each day, whenever possible, to provide opportunities for collaborative planning and staff development.

(5) 0.5 EDK FTE assigned per school; additional FTE based on established eligibility criteria.

Resource Teachers, Library Media Specialists, and Guidance Counselor Allocations Full-time resource teachers should be scheduled for a daily, unencumbered planning time.	
Art/Grades 1-5	40-minute instructional period on a regular basis per class; plus 1 class period for display and dissemination of materials per week; initial staffing equal to music staffing; additional staffing based on number of classes taught*
Music/Kindergarten	30-minute instructional period on a regular basis per class*
Music/Grades 1-5	40-minute instructional period on a regular basis per class; plus 1 class period for chorus per week*
Physical Education/Grades 1-5	40-45 minute period recommended daily per class; a second P.E. teacher will be allocated after the 6th P.E. assistant, if teacher positions are available
Reading Specialist	1 per school [SOQ]; .20 additional RRS for each 100 students in membership after 500 (VBCPS)
Library Media Specialist	1 per school
Guidance	1 per school; .20 additional guidance per 100 students in membership after 500 [SOQ]
English as a Second Language	Itinerant based on number of students and level of proficiency [Federal]
Computer Resource	1 per school
Strings	Itinerant based on enrollment and levels
Gifted/Talented	Itinerant resource based on identified enrollment

*Principals are expected to adhere to recommended instructional times for Kindergarten and Grades 1-5 Music and for Grades 1-5 Art. Staffing standards are:

Art (1-5) and Music (K-5) Teachers	1-6 classes	0.2 FTE
	7-12 classes	0.4 FTE
	13-18 classes	0.6 FTE
	19-24 classes	0.8 FTE
	25-30 classes	1.0 FTE
	31-36 classes	1.2 FTE
	37-42 classes	1.4 FTE
	43-48 classes	1.6 FTE
	49-54 classes	1.8 FTE
	55-60 classes	2.0 FTE

School Health Allocations	
Nurse	1 per school; additional nurse assigned on a special needs basis
Clinic Assistant	Special needs basis

Teacher Assistant Allocations (VBCPS)	
Kindergarten	1 per kindergarten teacher

Physical Education	1 for each 6 classes exceeding the P.E. teacher's initial 6 classes; 1 assistant per 6 additional classes*
General Assistants	1 500 students 1.5 650 students 2 800 students 2.5 950 students Special needs basis (Additional FTE for Christopher Farms Spanish Immersion Program as needed)
Primary Assistants	Allocated as needed to primary grades

*Physical Education Teacher Assistants (Grades 1-5)

7-9 classes	0.5 FTE
10-12 classes	1.0 FTE
13-15 classes	1.5 FTE
16-18 classes	2.0 FTE
19-21 classes	2.5 FTE
22-24 classes	3.0 FTE
25-27 classes	3.5 FTE
28-30 classes	4.0 FTE
31-33 classes	4.5 FTE
34-36 classes	5.0 FTE
37-39 classes	5.5 FTE
40-42 classes	6.0 FTE

Security Assistant Allocations (VBCPS)	
Security Assistants	1 per school

Non-Instructional - Secretarial/Clerical Allocations	
School Administrative Associate I/12 mo.	1 per school
School Office Associate II/12 mo.	1 per school and special education centers
School Office Associate II/10 mo.	1 per school
Data Support Specialist/12 mo.	1 per school; plus 1 additional DSS in schools exceeding 900 students
Library Media Assistant/10 mo.	1 per school (.50 Creeds Elementary)
Extra Secretarial Days	7 per school 20 per new school

Administrative Allocations	
Principal	1 per school
Assistant Principal	1 300-899 students 2 900-1,499 students 3 1,500 students

Other School Administrator Allocations	
Coordinators	Assigned to special programs
Administrative Assistant	Special needs basis

Custodial Allocations	
Custodian	1 per 17,000 square feet

Staffing Standards and Guidelines

FY 2013/14

The allocations of instructional personnel in Virginia Beach are based on guidelines that meet or exceed the SOQ and the accreditation requirements of Virginia and core class caps as adopted by the School Board.

NOTE: These standards represent current information and may be subject to change because of the Standards of Accreditation and Standards of Learning implementation requirements and local operating budget.

Middle School

Grade Level	SOQ Accreditation Standard Division-wide Ratios	VBCPS Standard Classroom Teacher Allocation
Middle School (Grades 6-8)		20.25:1(a)
Grades 6	25:1[SOQ]	
English	24:1[SOQ]	

Courses	VBCPS Target Class Size Ratio [see Note (1)]	Allocation Adjustments will be Considered as Follows: (Additional Teachers Subject to Availability of Funds) (b)
Core Courses-Math, Science, and Social Studies	25:1	Class size minimum: 20:1 Class size maximum: 35:1
Core Course-English	24:1	Class size minimum: 20:1 Class size maximum: 35:1
Exploratory Courses and Electives	25:1	Class size minimum: 16:1 Band and chorus: 37:1 for all sections Other electives: 30:1 for all sections
Career and Technical Education Courses	20:1 or number of work stations (c)	Class size minimum: 16:1 Class size maximum: 20:1 or number of work stations (See VDOE listings)
Physical Education	35:1	Class size maximum: 37:1 average for all sections Class size minimum: 25:1
Distance Learning	25:1	Class size minimum: N/A Class size maximum: 30:1

(a) This standard includes all instructional personnel other than teachers for gifted education, in-school suspension, special education, guidance counselors, library media specialists, student activity coordinators, reading specialists, SOL improvement specialists, and computer resource specialists.

(b) Courses not meeting minimums may be dropped. Waivers may be granted, depending on the course and the extenuating circumstances.

(c) Career and Technical Education laboratory classes that use equipment that has been identified by the U.S. Department of Labor for hazardous occupations shall be limited to a maximum of 20 students per laboratory.

NOTES TO STAFFING STANDARDS:

(1) Instructional allocations may be decreased and a teacher reassigned when the school-wide student/teacher ratio is 20.25:1 or less with the elimination of the position.

(2) Exceptions to student/teacher target ratios can be requested on the basis of existing staff. The written request for exception must include the program rationale for the exception, as it relates specifically to student achievement and/or an objective in the school's strategic plan. A cost analysis will be completed by the Department of Human Resources after the appropriate assistant superintendent receives the request.

(3) The classroom teacher allocation of 20.25:1 is based on all core teachers being assigned to four (4) teaching periods. Elective teachers will be assigned to five (5) teaching periods a day with one period designated for individual planning.

(4) Each day, core teachers will have one individual planning period scheduled during the students' instructional day. Core teachers have one core team work/planning period during the contractual day. [Note: The team work/planning period may include such activities as remediation/academic support; professional learning; planning with team members; conferring with parents, resource staff, and educational professionals; providing special assistance to individual students or groups; completing other tasks necessary for efficient, effective team operation.]

(5) Principals are encouraged to schedule the core team-planning period for each team on a grade level at the same time each day.

(6) Full-time teachers of non-core classes will have one planning period per day.

Resource Teachers, Library Media Specialists, and Guidance Counselors Allocations (Kemps Landing Magnet School is staffed using appropriate modifications to all established standards.)	
Computer Resource	1 per school; plus 1 additional for each school with membership exceeding 1,100 students
Distance Learning	.20 per school (for schools that send transmissions)
Gifted Education	1 per school (excluding Kemps Landing Magnet School)
Student Activities	1 per school (.50 to Kemps Landing Magnet School)
Library Media Specialist	.50 for < 300 students; 1 for 300 students; 2 for 1,000 students [SOQ]
Guidance	Guidance Department Chair, 1 per school (300 students); Counselors, 1 per 350 students (after first 300)
Reading Specialist	1 per school (.50 to Kemps Landing Magnet School)
English as a Second Language	Itinerant based on number of students and level of proficiency [Federal Standard]
Paraprofessional Allocations	
In-School Suspension	1 per school (excluding Kemps Landing Magnet School)

VBCPS Non-Instructional - Secretarial/Clerical Allocations	
School Admin Associate I/Office Manager /12 mo.	1 per school
Bookkeeper/12 mo.	1 per school
School Office Assoc. II/Attendance Secretary 10 mo.	1 per school
School Office Assoc. II/Discipline Secretary/10 mo.	1 for 1,000 students
School Office Associate II/10 mo.	2 for 1,600 students
School Office Associate II/10 mo.	3 for 2,200 students
School Office Associate II/12 mo./Data Tech	1 per school
Library Media Assistant	1 per school (750 enrollment) [SOQ]
School Office Assoc. II/Guidance Secretary/12 mo.	1 per school
Additional Secretarial Days	21 per school (7 for Kemps Landing Magnet School)

Security Assistant Allocations	
Security	3 per school; additional staff is based on special needs

Distance Learning Teacher Assistant Allocations	
Teacher Assistant	1 per school (excluding Kemps Landing Magnet School)

General Assistant Allocations	
General Assistant	Kemps Landing Magnet School (1)

School Health Allocations	
Nurse	1 per school
Clinic Assistant	1 per school at 1,000 students (This standard will be adjusted and additional assistants assigned based on student needs, usage, and programs.)

Administrative Allocations	
Principal	1 per school [SOQ]
Assistant Principal	1 per school 2 for 900 students 3 for 1,200 students 4 for 1,800 students 5 for 2,400 students

Other School Administrator Allocations	
Coordinators	Assigned to special programs
Administrative Assistant	Special needs basis

Custodial Allocations	
Custodians	1 per 17,000 square feet

Staffing Standards and Guidelines

FY 2013/14

The allocations of instructional personnel in Virginia Beach are based on guidelines that meet or exceed the SOQ, the accreditation requirements of Virginia (State), and core class size caps as adopted by the School Board.

NOTE: These standards represent current information and may be subject to change because of the Standards of Accreditation and Standards of Learning implementation requirements and local operating budget.

High School

Grade Level	SOQ Accreditation Standard Division-wide Ratios	VBCPS Standard Classroom Teacher Allocation
High School (9-12)		20.25:1(a)
High School English	24:1 [SOQ]	

Courses	VBCPS Target Class Size Ratio [see Note (1)]	Allocation Adjustments will be Considered as Follows: (Additional Teachers Subject to Availability of Funds) (b)
Core Courses-Math, Science, and Social Studies	25:1	Class size minimum: N/A Class size average: 28 with no class higher than 30
Core Course-English	24:1	Class size minimum: N/A Class size average: 28 with no class higher than 30
Electives	25:1	Class size minimum: 17 Class size average: 28 with no class higher than 30 Band and chorus: 38:1 average for all sections Other electives: 28:1 for all sections
Advanced Placement/ Academy Courses	24:1	Class minimum: 15
Honors Academic Courses	25:1	Class size minimum: 17
High Level Academic Language Electives	25:1	Class size minimum: 17 Class size average: 28 with no class larger than 30
Career and Technical Education Courses	20:1 or number of Workstations (c)	Class size minimum: 17 Class size maximum: determined by number of workstations (see VDOE listing)
Physical Education	35:1	Class size minimum: 25:1 [Division] Class size maximum: 38:1 average for all sections with no class higher than 40

(a) This standard includes all instructional personnel other than teachers for gifted education, in-school suspension, Education for Employment, NJROTC, special education, guidance counselors, library media specialists, testing specialists, computer resource specialists, and student activity coordinators.

(b) Courses not meeting minimums may be dropped. Waivers may be granted by the assistant superintendent, depending on the course and the extenuating circumstances.

(c) Career and Technical Education laboratory classes that use equipment that has been identified by the U.S. Department of Labor for hazardous occupations shall be limited to a maximum of 20 students per laboratory.

NOTES TO STAFFING STANDARDS:

(1) International Baccalaureate Program, Mathematics and Science Academy, Health Sciences Academy, Technology Academy, Legal Studies Academy, Visual and Performing Arts Academy, Global and World Languages Academy, Technical and Career Education Center, Renaissance Academy, and Advanced Technology Center are staffed using appropriate modifications to all established standards.

(2) Staffing for Green Run Collegiate Charter School will be based on the Memorandum of Agreement (MOA) between the Governing Board of Green Run Collegiate Charter School and the School Board of Virginia Beach City Public Schools.

(3) Instructional allocations may be decreased and a teacher reassigned when the school-wide student/teacher ratio would be 20.25:1 or less with the elimination of the position.

(4) Exceptions to student/teacher target ratios can be requested on the basis of existing staff. The written request for exception must include the program rationale for the exception as it relates specifically to student achievement and/or an objective in the school's strategic plan. A cost analysis will be completed by the Department of Human Resources after the appropriate assistant superintendent receives the request.

(5) High school teachers will have a minimum of 250 minutes of planning time per week (SOQ).

(6) Throughout September, the principal will monitor the number of students in classes to ensure the most effective use of division resources in staffing.

Resource Teachers, Library Media Specialists, Special Education, and Guidance Counselors Allocations	
Distance Learning	.20 per school (for schools that send transmissions)
Gifted Education	1 per school excluding Renaissance Academy
Student Activities	1 per school (with interscholastic program)
Library Media Specialist and Computer Resource	3:1 and 2:2 beginning FY 2001/02 when the Board approved staffing modifications, which allocated 2 Computer Resource Specialists and 2 Library Media Specialists to each school, and one (1) Computer Resource Specialist for Technical and Career Education Center. (Schools were required to eliminate 1 Library Media Specialist upon a vacancy of a Library Media position by a FY 2000/01 agreement.)
Guidance	1 Guidance Department Chair per school (300 students) 1 Counselor per 350 students (after first 300)
English as a Second Language	Itinerant based on number of students and level of proficiency [Federal]
Reading Specialist	1 per school; exceptions include Renaissance Academy (2) and Technical and Career Education Center (0)

Paraprofessional Allocations	
In-School Suspension	1 per school

Non-Instructional - Secretarial/Clerical Allocations (Appropriate modifications to established standards are made for the Advanced Technology Center, Princess Anne High School (Special Education Wing), Renaissance Academy, and Technical and Career Education Center.)	
School Admin Office Assoc II/12 mo. (Office Manager)	1 per school
Bookkeeper/12 mo.	1 per school
School Office Assoc II/10 mo. (Attendance Secretary)	1 per school
School Office Assoc II/10 mo. (Discipline Secretary)	1 1,000 students
School Office Assoc II/12 mo.	2 1,600 students [State]
School Office Assoc II/10 mo.	3 2,200 students [State]
School Office Assoc II/12 mo. (Data Tech)	1 per school
Library Media Assistant	1 per school (750 students) [SOQ]
School Office Assoc II/12 mo. (Guidance)	1 per school
Extra Secretarial Days	21 per comprehensive high school 20 for Renaissance Academy 7 for Adult Learning Center 7 for Advanced Technology Center 7 for Technical and Career Education Center

Security Assistant Allocations	
Security Assistants - Day	5 per school; additional staff is based on special needs
Security Assistants - Night	1 per school; additional staff is based on special needs

Distance Learning Assistant Allocations	
Distance Learning	1 per school

School Health Allocations	
Nurse	1 per school
Clinic Assistant	1 per school at 1,000 students This standard will be adjusted and additional assistants assigned based on student needs, usage and programs.

Administrative Allocations	
Principal	1 per school [State]
Assistant Principal	2 below 1,200 students 3 1,200 students 4 1,800 students

Other School Administrator Allocations	
Coordinators	Assigned to special programs
Administrative Assistant	Special needs basis

Custodial Allocations	
Custodian	1 per 17,000 square feet

Awards, Recognitions, and Achievements

Association of School Business Officials International (ASBO) Meritorious Budget Award

Association of School Business Officials International

This Meritorious Budget Award is presented to

VIRGINIA BEACH CITY PUBLIC SCHOOLS

For excellence in the preparation and issuance of its school entity's budget for the Fiscal Year 2012-2013.

The budget adheres to the principles and standards of ASBO International's Meritorious Budget Award criteria.

Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

Awards, Recognitions, and Achievements

Government Finance Officers Association of the United States and Canada (GFOA)

Distinguished Budget Presentation Award

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Virginia Beach City Public Schools

Virginia

For the Fiscal Year Beginning

July 1, 2012

President

Executive Director

AWARDS, RECOGNITIONS and ACHIEVEMENTS

Virginia Beach City Public Schools

Compass 2015: A Strategic Plan for Student Success

Recognizing that the long range goal of VBCPS is the successful preparation and graduation of every student, the near term goal is that by 2015, 95 percent or more of VBCPS students will graduate having mastered the skills that they need to succeed as 21st century learners, workers and citizens.

VISION

Every student is achieving at his or her maximum potential in an engaging, inspiring and challenging learning environment.

MISSION

The Virginia Beach City Public Schools, in partnership with the entire community, will empower every student to become a life-long learner who is a responsible, productive, and engaged citizen within the global community.

- VBCPS has been named an Arts Partner in the 2013 ALLI Awards by the Cultural Alliance of Greater Hampton Roads, which recognizes leaders in the region for their contribution to arts and cultural industry through professional, educational or volunteer efforts.
- VBCPS is one of seven Virginia school divisions recognized by the College Board with placement on the Fourth Annual AP District Honor Roll. The division earned the honor for increasing the availability of Advanced Placement (AP) courses while increasing the percentage of students scoring 3 or higher on AP exams.
- VBCPS was among 307 school divisions nationally to earn the distinction as one of the *2013 "Best Communities for Music Education in America"* by the National Association of Music Merchants Foundation.
- VBCPS, along with Joint Expeditionary Base Little Creek-Fort Story (JEB Little Creek-Fort Story) and Naval Air Station Oceana (NAS-Oceana), was presented the *2013 Pete Taylor Partnership of Excellence Award* at the Military Child Education Coalition's (MCEC) 15th Annual National Training Seminar.
- VBCPS has outperformed the state on an important key academic measure — the cohort-based Dropout Rate. The dropout rate for the Class of 2013 was 4.9 percent, the state average was 5.9 percent.
- The VBCPS website, *vbschools.com*, is among 214 of more than 6,000 government websites which received a *Sunny Award* for transparent government websites. The award is presented annually by the editors of *Sunshine Review*.
- Kemps Landing Magnet School was one of only two schools in the state awarded the *2013 Governor's Award of Educational Excellence*.
- John B. Dey, Kingston and Red Mill elementary schools earned *2013 Board of Education Distinguished Achievement Awards*.
- Old Donation Center (ODC) earned the *2013 Board of Education Excellence Award*. ODC is the only school in South Hampton Roads and one of just 51 schools state wide to earn this award.
- All 11 VBCPS high schools were ranked in the top 9 percent nationwide by *The Washington Post* newspaper.
- The VBCPS Department of Budget and Finance received the following prestigious awards: the *Distinguished Budget Presentation Award* for fiscal year beginning July 1, 2012; the *Meritorious Budget Award* for excellence in preparation of the annual budget for 2012-2013; and the *Achievement of Excellence in Procurement Award,* which is awarded for four years, 2010-2014.
- The Initiative for Military Families (IMF) has included five VBCPS high schools in its expansion. As a result of their inclusion in the IMF, Bayside, Green Run, Kellam, Salem and Tallwood are able to increase the number of students enrolled in AP courses in math, science and English by providing intensive training for AP teachers, student tutorials and underwriting a portion of the cost of AP tests for students.
- Bayside Middle School was awarded a $184,870 21st Century Community Learning Centers Grant to fund programming in the STEM, media arts, culinary arts/nutrition, military and public service areas.

AWARDS, RECOGNITIONS & ACHIEVEMENTS, cont'd.

For more "About Us," *visit vbschools.com*

Carrie E. Gantt
2014 Teacher of the Year
Princess Anne High School

Blue Angels
First Colonial High School

STEM
Robotic Challenge
Training

Administrators Conference
2013-2014

- Princess Anne High School's Carrie E. Gantt was named the 2014 VBCPS Citywide Teacher of the Year. She was then named the 2014 Region II Teacher of the Year by the Virginia Department of Education.
- Paula Johnson, assistant principal of Landstown High School, was named the 2013 Outstanding Secondary School Assistant Principal of the Year by the Virginia Association of Secondary School Principals (VASSP).
- The Ocean Lakes High School boys soccer team has received the *National Academic Award* from the National Soccer Coaches Association of America. To earn this award, the team grade point average (GPA) must be at least 3.25 (on a 4.0 scale) for all team members who appear on the official eligibility roster for the season. This is the 10th consecutive year the Ocean Lakes boys team has earned this distinction, and 12th overall, making them in the top five schools nationwide for earning the most academic awards.
- The governing board of the Educational Theatre Association, a national nonprofit organization, has selected VBCPS' Fine Arts Coordinator John Brewington as a recipient of the Educational Theatre Association's National Administrator's Award.
- *Newsweek* and *The Daily Beast* ranked the top 2,000 high schools in the country that best prepare students for college and 10 Virginia Beach City Public Schools high schools made the list.
- The Chesapeake Bay Foundation, NOAA and CSX Transportation are providing a $120,000 grant to initiate a model Environmental Literacy Program in VBCPS secondary schools.
- VBCPS has the most extensive inventory of online courses in Hampton Roads.
- VBCPS' Department of Media and Communications earned 10 awards for a variety of print, mixed media and electronic media projects from the National School Public Relations Association (NSPRA); Award of Excellence: *Compass to 2015 - Course to Success; How in the World, vol. 12 & 13; Future Focus: Spotlight on Laura Beth Lawver; Future Focus: Spotlight on Brandon Simmons* and Golden Achievement Award: *VBEF Marketing Campaign - "Triple Play."*
- The Class of 2013 accepted $32,660,985 in scholarships.
- 5,802 TCE credentials were earned by VBCPS students out of a total of 108 different assessment administered, making the division a leader in the state.
- The Renaissance Academy is unique in the nation – housing six alternative education programs and a museum commemorating the former African American school that once stood on the site.
- Bayside, First Colonial, Frank W. Cox, Green Run, Landstown, Ocean Lakes, Princess Anne and Salem high schools were among 34 high schools from across the state awarded the *2012 Claudia Dodson VHSL Sportsmanship, Ethics and Integrity Award*.

VIRGINIA BEACH CITY PUBLIC SCHOOLS
AHEAD OF THE CURVE

11/25/13

AWARDS, RECOGNITIONS, and ACHIEVEMENTS, continued

Office of Community Engagement

For Information Call 757.263.1936

Parent Connection Sponsored Events:
Parent Workshops — *Financial Literacy, Preparing for College, Parenting on the Same Page*; Technology Academy; and works closely with Children of the King's Daughters (CHKD) programs

- Currently there are 2,014 Community Partners with VBCPS.
- VBCPS has 24,755 volunteers.
- Partners and volunteers donated 660,495 hours of service.
- The estimated worth of donated hours for partners and volunteers is $14,623,350 which is the Independent Sector Organization's value of volunteer time figure of $22.14 per hour.
- VBCPS boasts a total PTA membership of 33,838 which is 49.4% of student enrollment.
- Number of Beach Bags donated since inception in 2009 - 21,063. Total for the 2012-13 school year 5,840 with an additional 770 distributed during summer school.
- In partnership with the VA Star program, VBCPS has given 251 refurbished computers to students at no cost to families.
- Parent Connection was launched in 2008 as a one-stop resource for families. A comprehensive list of resources and events include parenting workshops, seminars, guest speakers, open school computer labs, etc. are available on *vbschools.com*.
- Since the Military Child Initiative was launched in 2007, more than 624 Military Welcome Packets have been sent upon request to service members throughout the world.
- VBEF has constructed eight houses and raised more than $500,000.
- VBEF awarded 59 teacher and school-wide grants for SY 2012-13 totaling $75,000.
- VBEF opened a trust account to be treated as an endowment in 2000 with $50,000. The amount has grown to $1,350,000 (June 2013).
- *The Power of Belief* - A unique collection of essays written by students, teachers, parents, alumni, and friends of VBCPS about values, beliefs, and experiences that have helped shape their lives. All proceeds from this book benefit the VBEF.

VBEF Sponsored Events:
TGIF, Pearls of Wisdom, Golf Tournament, Building Future Grants and Schoolwide Grants

VA STAR

Military Child Initiative

AWARDS, RECOGNITIONS, and ACHIEVEMENTS, continued

Facilities Planning and Construction; Sustainability and Recycling Initiatives

For Information Call 757.263.1090

Performance Contracting

Sustainable Cafeterias

Green Cleaning

Bike Share Program

On-line Film Festival

Recycling

- VBCPS was recognized by the *U.S. Green Building Council* (USGBC) as the recipient of the best Green School District nationwide for 2012.
- For the second year in a row, VBCPS earned a Platinum Certification from the *Virginia School Board Association (VSBA) Green Public Schools Challenge*, a friendly competition to encourage school systems to implement policies and practices that will reduce carbon emissions generated by both the division and the community.
- VBCPS earned the *Crystal Award in Sustainability* at the Virginia Commonwealth University (VCU) Energy and Sustainability Conference held in January 2013 in Richmond, VA. The award recognizes outstanding leadership in sustainability best practices in a variety of industries, including local government, commercial real estate and manufacturing. VBCPS earned the award in the K-12 category.
- Virginia Beach City Public Schools was honored for being the *Best Green Organization and Best Green Institutional Project* by the Virginia Sustainable Building Network.
- VBCPS received the *2011 Doing Big Things Award* from the Hampton Roads Alliance for Environmental Education.
- The 289,000 square foot Renaissance Academy became the first LEED Gold Alternative Education Facility in the country.
- Since 2006 division-wide square footage has increased by 5.6% to more than ten million square feet, VBCPS utility costs have decreased by 20%.
- Since September 2008, the school division has diverted more than 6,000 tons from the waste stream which is equivalent to saving :

  109,404 trees
  2.5 million gallons of oil
  19,307 cubic yards of landfill space
  25.7 million kilowatts of energy (enough to power 3,218 homes for one year)
  45 million gallons of water

- VBCPS is one of 11 recipients in the U.S. Environmental Protection Agency's mid-Atlantic Region – and the only school division in Virginia – to be awarded for exemplary achievements in environmental excellence and pollution prevention.
- The *Virginia School Boards Association* recognized the Office of Facilities Planning and Construction for being a Platinum Level Certified Green School Division.
- The Office of School Plant Services received the Platinum Level Award from the *Virginia School Plant Managers Association* for implementing best practices and processes for excellence in school facility maintenance.
- VBCPS received the Maintenance Solutions Achievement Award from the national magazine, *Maintenance Solutions*.

VIRGINIA BEACH CITY PUBLIC SCHOOLS
AHEAD OF THE CURVE

07/30/13

Mobility Indices – All Schools

The mobility indicator reflects the number of entries and withdraws that occur within a given school during the school year. The mobility index expresses this value as a function of the September 30th membership count. First time entries within the school are not included in the calculations. For example, a school with a September 30th membership count of 100 and a total number of entries (excluding first time entries) and withdraws of 10 during the course of the school year would have a mobility index of 0.10. For calculation purposes, the school year begins with the first official day for students and ends with their last official day.

School Name	Number of Entries and Withdraws	Mobility Index 2011-2012	Rank Among All Schools
Alanton Elementary	149	0.2517	64
Arrowhead Elementary	94	0.2017	49
Bayside Elementary	170	0.3484	77
Bayside High	613	0.3292	75
Bayside Middle	303	0.3003	72
Bettie F. Williams Elementary	108	0.2477	61
Birdneck Elementary	260	0.4127	81
Brandon Middle	190	0.1515	25
Brookwood Elementary	196	0.2500	62
Centerville Elementary	107	0.1644	33
Christopher Farms Elementary	90	0.1275	16
College Park Elementary	95	0.2442	58
Corporate Landing Elementary	101	0.1772	38
Corporate Landing Middle	229	0.1700	35
Creeds Elementary	36	0.1125	11
Diamond Springs Elementary	187	0.3351	76
Fairfield Elementary	59	0.1202	14
First Colonial High	480	0.2465	59
Frank W. Cox High	302	0.1560	29
Glenwood Elementary	201	0.2318	55
Great Neck Middle	217	0.1960	46
Green Run Elementary	128	0.2540	65
Green Run High	432	0.2644	68
Hermitage Elementary	222	0.3581	78
Holland Elementary	133	0.2477	60
Independence Middle	275	0.2150	53
Indian Lakes Elementary	115	0.2028	51
John B. Dey Elementary	123	0.1449	23
Kellam High	201	0.1117	10
Kemps Landing Magnet	13	0.0225	2
Kempsville Elementary	72	0.1516	26
Kempsville High	246	0.1434	21
Kempsville Meadows Elementary	84	0.1631	32

School Name	Number of Entries and Withdraws	Mobility Index 2011-2012	Rank Among All Schools
Kempsville Middle	143	0.1671	34
King's Grant Elementary	103	0.1612	31
Kingston Elementary	62	0.1117	9
Landstown Elementary	90	0.1231	15
Landstown High	312	0.1347	19
Landstown Middle	189	0.1280	17
Larkspur Middle	307	0.2010	47
Linkhorn Park Elementary	160	0.2023	50
Luxford Elementary	129	0.2710	70
Lynnhaven Elementary	113	0.2586	67
Lynnhaven Middle	227	0.2011	48
Malibu Elementary	49	0.1565	30
New Castle Elementary	80	0.1022	7
Newtown Elementary	169	0.3603	80
North Landing Elementary	36	0.0699	3
Ocean Lakes Elementary	107	0.1877	44
Ocean Lakes High	273	0.1190	12
Old Donation Center	10	0.0198	1
Parkway Elementary	70	0.1362	20
Pembroke Elementary	126	0.2368	57
Pembroke Meadows Elementary	135	0.3027	73
Plaza Middle	188	0.1764	37
Point O'View Elementary	120	0.2299	54
Princess Anne Elementary	45	0.0881	5
Princess Anne High	220	0.1194	13
Princess Anne Middle	106	0.0767	4
Providence Elementary	89	0.1725	36
Red Mill Elementary	97	0.1474	24
Renaissance Academy (6-8)	313	2.3015	83
Renaissance Academy (9-12)	1,117	2.2385	82
Rosemont Elementary	94	0.2500	62
Rosemont Forest Elementary	78	0.1520	28
Salem Elementary	76	0.1788	41
Salem High	273	0.1519	27
Salem Middle	137	0.1297	18
Seatack Elementary	137	0.3270	74

School Name	Number of Entries and Withdraws	Mobility Index 2011-2012	Rank Among All Schools
Shelton Park Elementary	117	0.2962	71
Strawbridge Elementary	74	0.0993	6
Tallwood Elementary	107	0.1780	40
Tallwood High	356	0.1799	42
Thalia Elementary	169	0.2666	69
Thoroughgood Elementary	95	0.1435	22
Three Oaks Elementary	87	0.1110	8
Trantwood Elementary	89	0.1773	39
Virginia Beach Middle	178	0.2321	56
W. T. Cooke Elementary	246	0.3581	79
White Oaks Elementary	187	0.2562	66
Windsor Oaks Elementary	116	0.1810	43
Windsor Woods Elementary	74	0.1888	45
Woodstock Elementary	144	0.2096	52

Budget Manager and Signature Authority

for budget and business transactions

Each Superintendent's Executive Leadership Team (ELT) is responsible for designated budget categories, including departmental spending and line item compliance. The ELT has signature authority for his/her budget categories, including all expenditures, but may share such authority, if so designated. Delegating signature authority *does not nullify* the ELT Member's accountability for fiscal responsibility.

Unit Code	Budget Name	ELT Member(s)	Budget Manager(s)	Signature Authority
		INSTRUCTION		
50100 60100	Elementary Classroom	Shirann Lewis Sheila Magula	Shirann Lewis Krista Barton-Arnold Kathleen Starr	Shirann Lewis Sheila Magula
	School Draw Account			Principal (Draw only)
50200 60200	Senior High Classroom	George Parker Sheila Magula	George Parker	George Parker Sheila Magula
	School Draw Account			Principal (Draw only)
50300 60300	Technical and Career Education	Amy Cashwell Sheila Magula	Patrick Konopnicki	Amy Cashwell Sheila Magula
	School Draw Account			Principal (Draw only)
50400 60400	Gifted Education and Academy Programs	Amy Cashwell Sheila Magula	Veleka Gatling James Pohl	Amy Cashwell Sheila Magula
	School Draw Account			Principal (Draw only)
50500 60500	Special Education	Sheila Magula	Daisy Wood Allison Jordan (in Dr. Wood's absence)	Sheila Magula
	School Draw Account			Principal (Draw only)
50600 60600	Summer School	Amy Cashwell Sheila Magula	Veleka Gatling	Amy Cashwell Sheila Magula
50700 60700	General Adult Education	George Parker Sheila Magula	Paul Palombo	George Parker Sheila Magula
50800 60800	Alternative Education – Renaissance	George Parker Sheila Magula	Kay Thomas	George Parker Sheila Magula
	School Draw Account			Principal (Draw only)
50900 60900	Student Activities	George Parker Sheila Magula	Michael McGee Maynard Massey	George Parker Maynard Massey Sheila Magula
51000 61000	Office of the Principal – Elementary	Shirann Lewis Sheila Magula	Shirann Lewis Krista Barton-Arnold Kathleen Starr	Shirann Lewis Sheila Magula
	School Draw Account			Principal (Draw only)
51100 61100	Office of the Principal – Senior High	George Parker Sheila Magula	George Parker	George Parker Sheila Magula
	School Draw Account			Principal (Draw only)
51200 61200	Office of the Principal – Technical and Career Education	Amy Cashwell Sheila Magula	Patrick Konopnicki James Pohl	Amy Cashwell Sheila Magula
	School Draw Account			Principal (Draw only)
51300 61300	Guidance Services	Amy Cashwell Sheila Magula	Alveta Mitchell James Pohl	Amy Cashwell Sheila Magula
51400 61400	Social Work Services	Sheila Magula	Daisy Wood Allison Jordan (in Dr. Wood's absence)	Sheila Magula
51500 61500	Media and Communications	Kathleen O'Hara Sheila Magula	Kathleen O'Hara	Kathleen O'Hara Eileen Cox Sheila Magula
51600 61600	Instructional Technology	Ramesh Kapoor Sheila Magula	William Johnsen	William Johnsen Ramesh Kapoor Sheila Magula
51600 61600	School Draw Account			Principal (Draw only)

Unit Code	Budget Name	ELT Member(s)	Budget Manager(s)	Signature Authority
51700 61700	Teaching and Learning Support	Amy Cashwell Sheila Magula	Amy Cashwell Gloria Harris James Pohl TBA	Amy Cashwell Sheila Magula
51710 61710	Instructional Center for Teacher Leadership	Amy Cashwell Sheila Magula	Amy Cashwell TBA	Amy Cashwell Sheila Magula
51720 61720	Diversity	Sheila Magula Jobynia Caldwell	Sheila Magula	Sheila Magula Sheila Magula
51800 61800	Special Education Support	Sheila Magula	Daisy Wood Allison Jordan (in Dr. Wood's absence)	Sheila Magula
51900 61900	Gifted Education and Academy Programs Support	Amy Cashwell Sheila Magula	Amy Cashwell Veleka Gatling	Amy Cashwell Sheila Magula
52000 62000	Media Services Support	Ramesh Kapoor Sheila Magula	William Johnsen	Ramesh Kapoor William Johnsen Joseph Damus Sheila Magula
	School Draw Account			Principal (Draw only)
52100 62100	Planning, Innovation, and Accountability	Donald Robertson Sheila Magula	Donald Robertson	Donald Robertson Sheila Magula
52200 62200	Middle School Classroom	George Parker Sheila Magula	James Smith	George Parker Sheila Magula
	School Draw Account			Principal (Draw only)
52300 62300	Remedial Education	Amy Cashwell Sheila Magula	Amy Cashwell Veleka Gatling	Amy Cashwell Sheila Magula
52400 62400	Office of the Principal – Middle School	George Parker Sheila Magula	James Smith	George Parker Sheila Magula
	School Draw Account			Principal (Draw only)
52500 62500	Homebound Services	George Parker Sheila Magula	Michael McGee Maynard Massey	George Parker Sheila Magula Maynard Massey
52600 62600	Technical and Career Education Support	Amy Cashwell Sheila Magula	Patrick Konopnicki James Pohl	Amy Cashwell Sheila Magula
52700 62700	Student Leadership	George Parker Sheila Magula	Michael McGee Maynard Massey	George Parker Maynard Massey Sheila Magula
52800 62800	Psychological Services	Sheila Magula	Daisy Wood Allison Jordan (in Dr. Wood's absence)	Sheila Magula
52900 62900	Audiological Services	Sheila Magula	Daisy Wood	Sheila Magula
53100 63100	School Leadership	Sheila Magula	Maynard Massey George Parker Shirann Lewis	Maynard Massey Sheila Magula
53200 63200	Alternative Education	George Parker Sheila Magula	Kay Thomas George Parker James Smith	George Parker Sheila Magula
ADMINISTRATION, ATTENDANCE, AND HEALTH				
54100 64100	Board, Legal, and Governmental Services	Sheila Magula	Sheila Magula	Sheila Magula
54200 64200	Office of the Superintendent	Sheila Magula	Sheila Magula	Sheila Magula
54300 64300	Budget and Finance	Farrell Hanzaker Sheila Magula	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate Sheila Magula
54400 64400	Human Resources	John Mirra Sheila Magula	John Mirra	John Mirra Sheila Magula
54500 64500	Internal Audit	Sheila Magula	Terrie Pyeatt	Terrie Pyeatt Farrell Hanzaker Sheila Magula
54600 64600	Purchasing Services	Farrell Hanzaker	Kevin Beardsley	Kevin Beardsley Farrell Hanzaker John Manzella Sheila Magula
54700 64700	Center for Teacher Leadership	Amy Cashwell Sheila Magula	Amy Cashwell TBA	Amy Cashwell Sheila Magula

Unit Code	Budget Name	ELT Member(s)	Budget Manager(s)	Signature Authority
54900 64900	Office of Technology	Ramesh Kapoor Sheila Magula	Joseph Damus	Joseph Damus Ramesh Kapoor Sheila Magula
55000 65000	Benefits	Farrell Hanzaker Sheila Magula	Linda Matkins	Linda Matkins Farrell Hanzaker Sammy Cohen Susan Scofield Sheila Magula
55200 65200	Health Services	Maynard Massey Sheila Magula	Maynard Massey Michael McGee	Maynard Massey Sheila Magula
PUPIL TRANSPORTATION				
56100 66100	Management	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56200 66200	Vehicle Operations	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56250 66250	Vehicle Operations – Special Education	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56300 66300	Vehicle Maintenance	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56400 66400	Monitoring Services	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
OPERATIONS AND MAINTENANCE				
57100 67100	Facilities Planning and Construction	Dale Holt Sheila Magula	Anthony Arnold	Dale Holt Sheila Magula
57200 67200	School Plant	Dale Holt Sheila Magula	Brian Baxter	Brian Baxter Dale Holt Sheila Magula
57300 67300	Supply Services	Dale Holt Sheila Magula	Eric Woodhouse	Eric Woodhouse Dale Holt Sheila Magula
57400 67400	Grounds Services	Dale Holt Sheila Magula	Steven Proffitt	Dale Holt Sheila Magula
57500 67500	Custodial Services	Dale Holt Sheila Magula	Larry Ames	Larry Ames Dale Holt Sheila Magula
58100 68100	Safety and Loss Control	Dale Holt Sheila Magula	Richard Ponti	Dale Holt Sheila Magula
58200 68200	Vehicle Services	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
58300 68300	Telecommunications	Ramesh Kapoor Sheila Magula	Michael Combs	Michael Combs Ramesh Kapoor Sheila Magula
58400 68400	Technology Maintenance	Ramesh Kapoor Sheila Magula		Ramesh Kapoor William Johnsen Sheila Magula
Fund	OTHER FUNDS			
104	Green Run Collegiate Charter School	Barbara Winn	Barbara Winn	Barbara Winn Maynard Massey
107	Equipment Replacement Fund	Farrell Hanzaker Sheila Magula	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate Sheila Magula
108	Instructional Technology Fund	Ramesh Kapoor Sheila Magula	Ramesh Kapoor	Ramesh Kapoor William Johnsen Sheila Magula

Unit Code	Budget Name	ELT Member(s)	Budget Manager(s)	Signature Authority
109	Vending Operations Fund	Farrell Hanzaker Sheila Magula	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate Sheila Magula
112	Communication Towers Technology Fund	Ramesh Kapoor Sheila Magula	Joseph Damus William Johnsen	Joseph Damus William Johnsen Ramesh Kapoor Sheila Magula
114	Food Services Fund	Dale Holt Sheila Magula	John Smith	John Smith Dale Holt Sheila Magula
116	Categorical Grants (Determined by the applicable ELT)			
	Teaching and Learning	Amy Cashwell Sheila Magula		Amy Cashwell Sheila Magula
	School Leadership	Shirann Lewis George Parker Sheila Magula	Maynard Massey	Maynard Massey George Parker Shirann Lewis Sheila Magula
	Technology	Ramesh Kapoor Sheila Magula		William Johnsen Ramesh Kapoor Sheila Magula
	Adult Learning Center (ALC)	George Parker Sheila Magula		George Parker Sheila Magula
	Renaissance	George Parker Sheila Magula		George Parker Sheila Magula
	Juvenile Detention Center (JDC)	George Parker Sheila Magula	Maynard Massey James Smith	George Parker Maynard Massey Sheila Magula
117	Textbook Fund	Amy Cashwell Sheila Magula	Amy Cashwell	Amy Cashwell Sheila Magula
119	Athletic Fund	George Parker Sheila Magula	Michael McGee Maynard Massey	George Parker Maynard Massey Sheila Magula
614	Risk Management Fund	Farrell Hanzaker Sheila Magula	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate Sheila Magula
615/ 617	Health Insurance Fund	Farrell Hanzaker Sheila Magula	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate Sheila Magula
Project	CIP PROJECTS			
1195	Student Data Management System	Ramesh Kapoor Sheila Magula		Ramesh Kapoor Sheila Magula
1196	Instructional Technology	Ramesh Kapoor Sheila Magula	William Johnsen	William Johnsen Ramesh Kapoor Sheila Magula
1211	School Operating Budget Support (assigned by unit code)	As Assigned		
1237	Schools Human Resources Payroll System	Farrell Hanzaker Sheila Magula	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate Sheila Magula
	All Other CIP Projects except those listed above	Dale Holt Sheila Magula	Anthony Arnold	Dale Holt Sheila Magula

To update this document, complete the Signature Authority Authorization form located on the Intranet under Forms > Budget and Finance.

NOTE: In emergency situations, where none of the signature authority individuals are available, a Signature Authority Authorization must be submitted by an authorized individual in that department or school.

City Council and School Board Policy

Title: City/School Revenue Sharing Policy		Index Number:
Date of Adoption: October 23, 2012	Date of Revision: 12/10/2013	Page: 1 of 6

1. **Purpose:**

   1.1. This policy ("Policy") is to establish a procedure for allocating to the City and to the Public School System revenues estimated to be available in any given fiscal year. It is the intent of this Policy to provide sufficient funding to maintain Virginia Beach City Public Schools' academic success as well as the City's strategic goals.

   1.2. This Policy is designed to accomplish these goals by providing better planning for school funding by clearly and predictably sharing local revenues. It provides a balance between the funding requirements for School and City programming. This Policy seeks to provide a diverse stream of revenues that mitigates dramatic changes in the economy by relying upon all local tax revenues that are under the City Council's control rather than a subset of those revenues. It also recognizes decisions by the City Council to dedicate some of these same revenues to City and School priorities outside of the formula discussed herein. This Policy seeks to rectify some of the concerns with the past formula by linking City funding to the School directly to the State Standards of Quality ("SOQ") which periodically takes into account changes in student enrollment, true property value, adjusted gross income, taxable retail sales, and population.

2. **Definitions:**

   2.1. "City" refers to the City of Virginia Beach exclusive of the Virginia Beach City Public Schools.

   2.2. "Schools" refer to the Virginia Beach City Public Schools.

   2.3. "Local Tax Revenues" refers to all General Fund revenues generated by non-dedicated local taxes: real estate (less dedications such as the FY 2013 dedication for Schools and road construction, the Outdoor Initiative, the Agricultural Reserve Program, and the Recreation Centers); Personal Property; General Sales; Utility; Utility-Consumption; Virginia Telecommunications; Business License (BPOL); Cable

Franchise; Cigarette (less dedication for Economic Development Incentive Program (EDIP); Hotel Room; Restaurant Meals; Automobile License; Bank Net Capital; City Tax on Deeds; and City Tax on Wills.

2.4. "Dedicated Local Tax" refers to taxes that have been previously obligated by the City Council or State law to support specific projects or programs. Examples of dedicated local taxes that are excluded from this Policy include, but are not limited to: Tax Increment Financing District Revenues; Special Services Districts Revenues; the FY 2013 dedications to Schools (4 cents of the real estate tax) and Transportation (2 cents of the real estate tax); taxes that represent "net-new revenues" and are required to be redirected or are the basis for the calculation of an incentive payment as part of a public-private partnership approved by City Council; taxes established to support Open Space; Agricultural Reserve Program; Recreation Centers; Outdoor Initiative; Economic Development Incentive Program; Tourism Advertising Program; Tourism Investment Program; referendum related taxes; and taxes used to support the BRAC project. A more complete discussion of such dedications is found at page 60 of the Executive Summary in the FY 2013 Budget and pages 1-39 and 1-40 of the FY 2013 Operating Budget.

2.5. "Net-new Revenues" as used in Section 2.4 means public-private partnership revenues generated by a project (or property) that exceed the Local Tax Revenues prior to the public-private partnership.

2.6. "Revenue Sharing Formula" refers to the method of sharing Local Tax Revenues between the City and the Schools.

2.7. "Budgeted Local Tax Revenues" refers to the appropriation of revenues by City Council in May each year for the upcoming fiscal year beginning July 1.

2.8. "Actual Local Tax Revenues" refers to the actual collected revenues reflected in the Comprehensive Annual Financial Report (CAFR).

2.9. "School Reversion Funds" refers to unused expenditure appropriations and end of the year adjustments to the Revenue Sharing Formula revenues based on actual collections.

2.10. "Discretionary Local Match" refers to the funding level set by the Revenue Sharing Formula and the FY 2013 real estate tax dedication.

2.11. "Required Local Match" refers to the City funding required by the SOQ.

3. **Procedure to Calculate the Revenue Sharing Formula:**

3.1. Initial Estimate

3.1.1. In October, Management Services will provide an estimate of local tax revenue for the upcoming fiscal year.

3.1.2. The Required Local Match calculation - Using the SOQ for each of the State Biennial years, Management Services will deduct this amount from the projection of Local Tax Revenues and set it aside as the first step.

3.1.3. Discretionary Local Match calculation – The Discretionary Local Match has two components: the formula component and the FY 2013 four cent real estate dedication.

3.1.3.1. The formula component: Management Services will then allocate to Schools 32.37% of the remaining Local Tax Revenues.

3.1.3.2. The FY 2013 dedication component: In FY 2013 Operating Budget the City Council increased the real estate tax rate by four cents and dedicated it to the Schools' Operating Budget. This dedication amount will be added back to the Discretionary Local Match. This dedication shall exist until such time as the State restores funding for education to the average level provided from FY 2006 to FY 2012 of $350 million (net of School facility funds) The City Council has directed the City Manager to recommend, as a part of the City's Proposed Operating Budget, reductions in whole or in part to the four cents real estate dedication in an amount roughly equal to the increased State funding above $350 million (per annum) as reflected by a decrease in the local composite index below the current FY 2013 level of 0.4110.

3.1.4. The combination of the required local match and the discretionary local match shall comprise the funding for Schools pursuant to this Policy.

3.2. Final Estimate

3.2.1. In February, Management Services will provide a final estimate of the Local Tax Revenues. This will be the estimate included in the City's Proposed Operating Budget.

3.2.2. Required Local Match calculation - By February the final SOQ required local match should be known from the Virginia Department of Education and this figure will be used to set aside the first allocation of revenues.

3.2.3. Discretionary Local Match calculation - Management Services will then allocate to Schools the formula component (32.37% of the remaining estimated Local Tax Revenues) plus the FY 2013 dedication component (four cents of the real estate tax provided no adjustments are required).

3.2.4. The combination of the Required Local Match and the Discretionary Local Match shall comprise the total local funding of the Schools under the Revenue Sharing Formula.

3.2.5. Estimates of the revenues contained in the Revenue Sharing Formula shall be clearly presented in the City's Operating Budget.

4. **Procedure to Request an Increase in the Discretionary Local Funding Match:**

4.1. After receiving the Superintendent's Estimate of Needs, the School Board will notify the City Council by resolution that it has determined additional local funding is required to maintain the current level of operations or to provide for additional initiatives. The School Board's resolution will provide the following: 1) that additional funding is required; 2) the amount of additional funding requested; 3) the purpose for the additional funding; and 4) that the School Board supports an increase in the real estate tax (or other local tax) should the City Council determine that such a tax increase is necessary.

4.2. If the City Council determines that additional funding is warranted to maintain the current level of City and Schools operations or to provide for additional initiatives, the City Council shall determine appropriate action. This action may include consideration of existing dedications or alternate sources of revenue or tax increases. If, after deliberation and appropriate public involvement, the City Council determines that additional tax revenues are required, City Council may adopt a tax rate increase to any revenue stream within this formula to generate additional local tax revenue.

4.3. Should the City Council dedicate such increase in local taxes, that dedication will be treated in the same manner as other Dedicated Local Tax. If the City Council does not dedicate the increased taxes, this revenue will be part of the Local Tax Revenues for purposes of this Policy.

5. **Actual Revenue Collections deviate from Budget Local Tax Revenues:**

5.1. If, at the end of the fiscal year, the actual Local Tax Revenues exceed the budgeted amount, the amount of excess revenue will be allocated in the same manner as similar revenues were apportioned in the recently ended fiscal year. However, such excess revenues are subject to the City Council's General Fund Balance Reserve Policy. If such funds are not required for the General Fund Balance Reserve Policy, the School Board may request that such funds be appropriated at the same time as the appropriation of reversion funds, discussed in Section 6.3, below.

5.2. If, the City, through the Manager or his designee, anticipates at any time during the fiscal year that actual revenues will fall below budgeted revenues, the School Board, upon notification by the City Manager or his designee of such an anticipated shortfall, will be expected to take necessary actions to reduce expenditures in an amount equal to the School's portion of the shortfall.

6. **Reversion of Formula Revenues:**

6.1. All other sources of funding shall be expended by the Schools prior to the use of Local Tax Revenues.

6.2. All balances of Local Tax Revenues held by the Schools at the close of business for each fiscal year ending on June 30th (to include the accrual period) lapse into the fund balance of the City's General

Fund. The reversion described in the preceding sentence is specific to Local Tax Revenues, and while the appropriation to spend funds may lapse, the reversion process is not applicable to moneys in a fund, such as the Athletic Fund, that are attributable to user fees or gate admissions.

6.3. Reversion Appropriation Process: The School Board may request, by resolution, the reappropriation and appropriation of funds resulting from the end of the fiscal year. This request should consider the following:

6.3.1. The use of funds whose appropriation has lapsed because of the end of the fiscal year and reverted to the fund balance of the City's General Fund. See Section 6.2.

6.3.2. The use of excess funds discussed in Section 5.1.

6.3.3. The calculation of actual debt payments for the fiscal year recently closed as compared to the estimated debt payments upon which the fiscal year's budget was appropriated. If the actual debt payment exceeds estimated debt payments, the amount of Schools reversion funds will be reduced by this difference. If actual debt is less than estimated debt payments, the amount of Schools reversion funds will be increased by this difference.

6.3.4. The Schools' Budget Office will confer with Management Services to verify that there is sufficient fund balance in the General Fund to meet the City Council Fund Balance Policy. If there is insufficient fund balance according to the Fund Balance Policy, the City Manager shall notify the Superintendent of this condition.

6.3.5. The School Board resolution may request the use of excess or reversion funds for one-time purchases or to be retained according to applicable policy on the Schools Reserve Fund (Fund 098), including School Board Policy #3-28, and City Council Ordinance # 2789F, adopted November 4, 2003.

6.3.5.1. Upon receipt of the resolution, Management Services shall prepare an ordinance for City Council's consideration of the School Board's request at the earliest available City Council meeting.

6.3.5.2. Following City Council's action Management Services shall notify the Schools of the City Council's decision and shall adjust the accounting records accordingly.

7. **Revision to the City/School Revenue Sharing Policy:**

7.1. The Superintendent, City Manager, School Chief Financial Officer, and the City's Director of Management Services shall meet annually to discuss changes in State and Federal revenues that support Schools operations, any use of "one-time" revenues, and any adjustments made to existing

revenues affecting this formula. If they determine that an adjustment is needed, the City Manager and Superintendent will brief the City Council and School Board respectively.

7.2. City Council may revise this Policy in its discretion after consultation with the School Board.

7.3. If no other action is taken by the City Council and School Board, this Policy shall remain effective until June 30th 2015 at which time it will be reviewed and considered for reauthorization.

Approved:

As to Content: Sheila S. Magula 12/17/13
Dr. Sheila Magula — Date
Interim School Superintendent

James K. Spore 2/24/14
James K. Spore — Date
City Manager

As to Legal Sufficiency: 2/22/14
Mark D. Stiles — Date
City Attorney

Approved by School Board: 12/17/2013
Daniel D. Edwards — Date
School Board Chairman

Approved by City Council: 2-25-2014
William D. Sessoms, Jr. — Date
Mayor

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Section Seven

Family and Youth Opportunities

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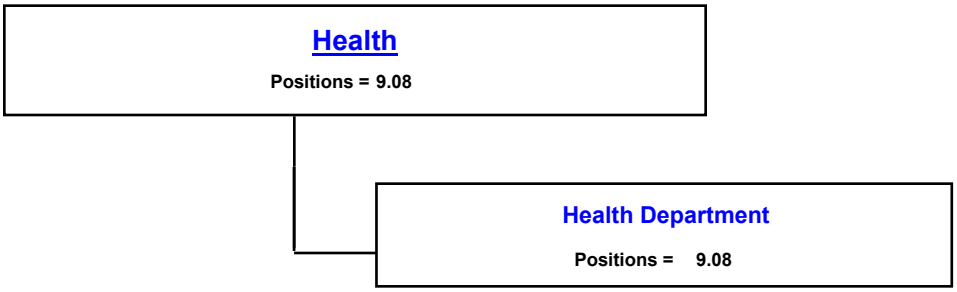

Health
Positions = 9.08
Health Department
Positions = 9.08

Health

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

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Provide Community Education, Home Visits, and Health Screenings to Elderly Citizens						
Citizen satisfaction w/services (2=satisfied; 3=very satisfied)	#	2.0	3.0	3.0	3.0	3.0
Provide services to at least 800 elderly citizens each quarter	#	3,200.0	4,404.0	2,209.0	3,200.0	3,200.0
Provide Maternity Services to Expectant Women						
Expectant women served	#	100.0	108.0	90.0	100.0	100.0
Customer						
Immunize Virginia Beach Residents Against Disease-Preventable Illnesses						
Immunization Patient Satisfaction Ranking (5 = "Very Satisfied")	#	5.0	5.0	5.0	5.0	5.0
Total Immunization Visits	#	4,000.0	4,123.0	4,319.0	4,032.0	4,000.0
Total Unduplicated Immunization Patients	#	3,500.0	3,188.0	3,287.0	3,738.0	3,500.0
Inspect Every Restaurant in Virginia Beach at Least Once Annually						
Business Days to Issue a Restaurant Inspection	#	1.0	1.0	1.0	1.0	1.0
Restaurants Inspected Annually	#	4,500.0	4,826.0	5,606.0	4,500.0	4,500.0
Provide Dental Care to Children						
Children Provided Dental Services	#	1,400.0	1,221.0	1,203.0	1,400.0	1,400.0
Dental Patient Satisfaction Ranking (3 = "Very Satisfied")	#	3.0	3.0	3.0	3.0	3.0

Health

Major Changes

The Public Health Department's budget of $3,202,360 for FY 2014-15 is an increase of $70,425, or 2.2%, over the FY 2013-14 adjusted operating budget. This increase is driven primarily by the higher local match required by the State in support of services provided to the citizens of Virginia Beach by the Virginia Department of Health. The FY 2014-15 operating budget includes $2,353,894 for the city's local match and $848,466 for discretionary local programs.

Departmental Overview

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

These mandated services protect the health of Virginia Beach residents through programs such as childhood immunizations, communicable disease treatment and prevention, family planning services, pregnancy testing, food service inspections, regulation of tattoo/piercing, hair and tanning establishments, hotels, public swimming pools, and well/septic system plan review and permitting.

The Virginia Beach Health Department also provides services that are not mandated and are partially supported with city funds. These programs are briefly described below:

- **Laboratory Program -** Provides needed laboratory tests required to support the various health department clinics (the city funds the staffing of this program and the state funds the materials and supplies necessary to run the laboratory).

- **Dental Program -** Provides preventative dental care services for low-income children. City funding supports one full-time dentist and two dental assistants. State funding supports one full-time administrative position, a part-time dentist and the materials and supplies needed for the program.

- **Healthy Start Program -** Signature program for Healthy Families Virginia that provides a continuum of services from prenatal to five (5) years of age. The program offers outreach, screening, assessment and home visitation, education, support, and referrals to other providers for new parents that have multiple challenges and few coping mechanisms. This program operates in conjunction with Healthy Families Virginia and Virginia Beach GrowSmart, which is part of the Economic Development Department.

- **First Steps Program -** Provides parenting support and education services for parents who need short-term ongoing telephone support.

- **Senior Services Program -** Provides community clinics and education for senior citizens, concentrating on the most vulnerable seniors and also those in rural areas of the city. These clinics offer services ranging from blood pressure screenings to preventative health education classes.

- **Maternity Program -** Provides funding for delivery services for uninsured residents who are unable to qualify for Medicaid. If the patient qualifies for Emergency Medicaid then that funding source is used to pay for the delivery services. The Health Department and the Department of Human Services work closely together to ensure that as many patients as possible receive Emergency Medicaid. Prenatal care is provided by Health Department staff who are funded with state general fund dollars. The Health Department also receives a federal grant to support Maternity Care in the district.

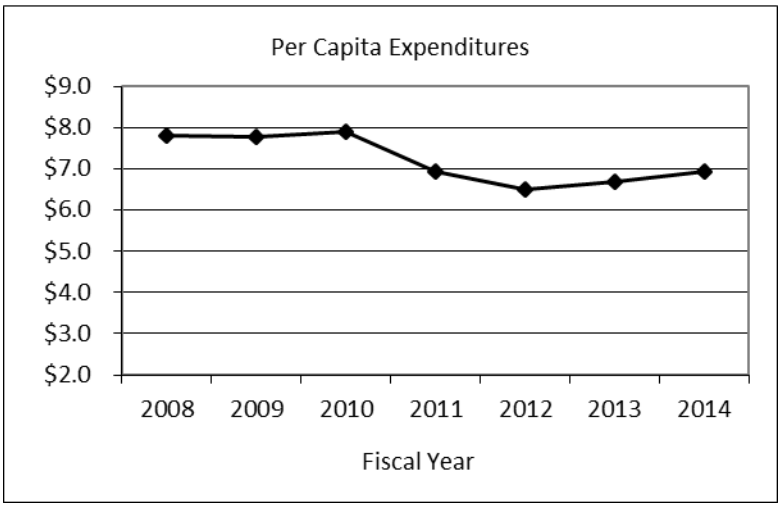
All of the Health Department's programs – mandated and non-mandated – provide support for the city's Envision Virginia Beach 2040 Plan and Sustainability Plan by providing supportive health services and encouraging a healthy lifestyle.

Trends and Issues

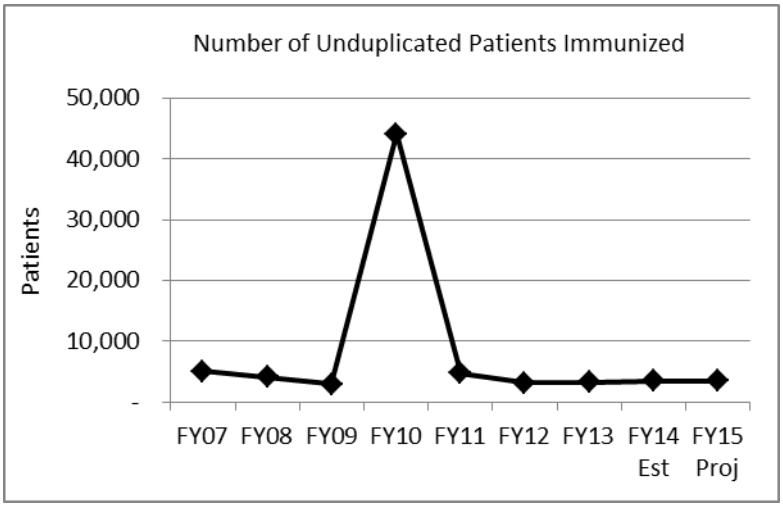
- The largest percentage of the Health Department's city budget is the required local match of the state general fund allocation. Of the total funding provided in support of Health Department programs for FY 2014-15, the state will provide 55%, or an estimated $2,876,982, and the city will provide 45%, or an estimated $2,353,894. State agencies are not notified regarding their general fund allocations for at least seven (7) months after the city budget is prepared, making it difficult for the city's Health Department to accurately budget the amount that will be required for the local match. An error in projecting the city's match can result in over-budgeting or under-budgeting this amount. The amount budgeted for FY 2014-15 is based on the actual match for FY 2012-13, but the actual match required for FY 2014-15 will not be known until well after the city's budget is adopted. An adjustment to the department's FY 2014-15 operating budget may be needed at that time.

- The effect of the Patient Protection and Affordable Care Act on Health Department clients and services is unknown at this time. The impact is dependent upon many factors. Official guidance from the State as to how to apply provisions of the Act has not yet been provided; however, senior management within the Virginia Department of Health have formed a work group called Health Care Reform, The Future of Public Health, that will work in collaboration with district and Central Office Staff to develop recommendations for transforming public health services as needed. This process will involve identifying core agency goals as well as strategies to meet those goals.

- The per capita expenditure graph to the right (city expenditures only) shows that budgeted expenditures for the Virginia Beach Health Department are expected to continue to rise slightly in FY 2014-15. The notable reduction from FY 2009-10 to FY 2011-12 is the result of a decrease in the local match required by the state. Because the local match represents a sizeable portion of the department's budget, changes in the required match can have a significant impact on per capita expenditures.



- As the graph illustrates, the number of immunizations administered by the Health Department has remained fairly consistent, with the exception of FY 2009-10. In that year, the concerns with the H1N1 virus caused the number of immunizations to increase significantly. During the H1N1 outbreak, the Health Department held additional immunization clinics and also received grant funding to perform these immunizations.



Health - Departmental Resource Summary

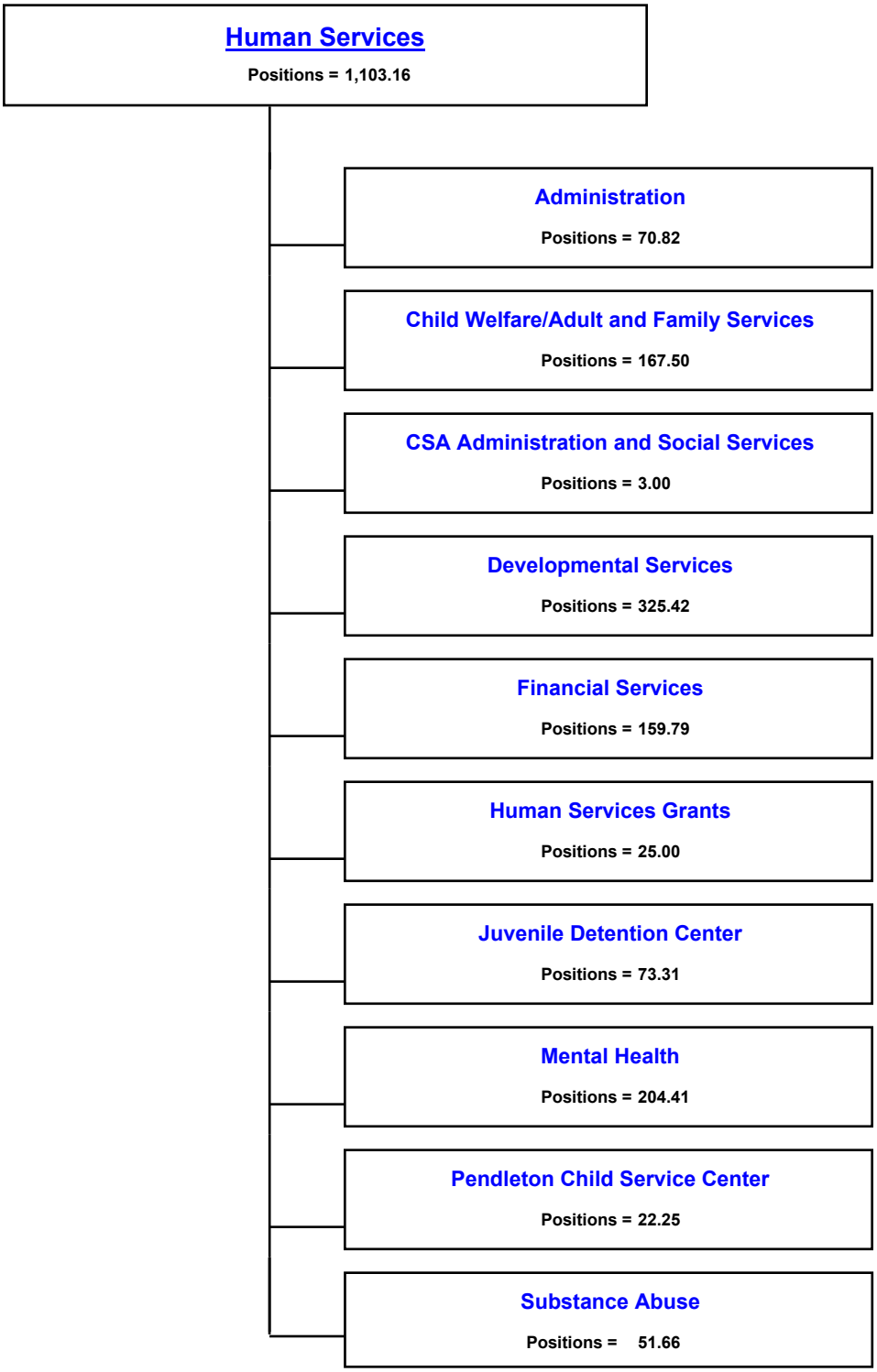
	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Public Health	2,866,303	3,131,935	3,202,360	70,425
Total Expenditures	2,866,303	3,131,935	3,202,360	70,425
Revenues				
State	43,740	189,630	221,058	31,428
Federal	0	35,000	35,000	0
Total Revenues	43,740	224,630	256,058	31,428
General City Support	2,822,563	2,907,305	2,946,302	38,997
Total Department Expenditure	2,866,303	3,131,935	3,202,360	70,425
Total Department Revenue	43,740	224,630	256,058	31,428
Total General City Support	2,822,563	2,907,305	2,946,302	38,997

Position Summary by Program				
002 General Fund				
Public Health	9.13	9.13	9.08	-0.05
Total	9.13	9.13	9.08	-0.05
Total Position Summary	9.13	9.13	9.08	-0.05

Resource Summary Notes

The increase in expenditures reflects a higher local match required by the State in support of services provided to Virginia Beach citizens by the Virginia Department of Health.

The increase in State revenue is due to a higher anticipated return of city funding from the State. Since the city provides financial support for services provided by the Virginia Department of Health to Virginia Beach citizens, as portion of unused funds remaining at the end of the fiscal year is returned to the city.


Human Services
Positions = 1,103.16
Administration
Positions = 70.82
Child Welfare/Adult and Family Services
Positions = 167.50
CSA Administration and Social Services
Positions = 3.00
Developmental Services
Positions = 325.42
Financial Services
Positions = 159.79
Human Services Grants
Positions = 25.00
Juvenile Detention Center
Positions = 73.31
Mental Health
Positions = 204.41
Pendleton Child Service Center
Positions = 22.25
Substance Abuse
Positions = 51.66

Human Services

The mission of Human Services is to provide Virginia Beach citizens the opportunity to achieve the highest level of self-sufficiency, safety and quality of life possible through an array of coordinated services delivered in a climate of dignity, respect and accountability.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Help At Risk Children						
Cost per CSA child	$	22,500	24,728	20,893	20,950	21,683
Number of children receiving CSA services	#	505.0	517.0	504.0	491.0	488.0
Number of children receiving services - Pendleton Child Services	#	460.0	469.0	413.0	425.0	415.0
Parents report improvement - Pendleton Child Services	%	90.0	95.0	98.0	97.0	98.0
Increase DS intermediate care facility bed capacity by 10 beds						
Number of clients served - Biznet Village	#	24.0	24.0	26.0	24.0	24.0
Number of clients served - Colby Way	#	5.0	5.0	5.0	5.0	5.0
Number of clients served - Indian River	#	10.0	0.0	2.0	10.0	10.0
Number of clients served - Kentucky Avenue	#	8.0	9.0	8.0	8.0	8.0
Investigate Child Protective Service Complaints						
Child Protective Services Complaints Investigated	#	1,600.0	1,643.0	1,615.0	1,620.0	1,620.0
Provide a Foster Home for Abused/Neglected Children						
Average time in Foster Care (months)	#	35.0	38.8	42.2	39.0	40.5
Children Maintained in Foster Care Monthly	#	250.0	247.0	212.0	195.0	192.0
Provide an Economic Safety Net for Disadvantaged Citizens						
Number of Medicaid cases at year end	#	19,800.0	19,388.0	19,652.0	20,659.0	24,460.0
Number of SNAP cases at year end	#	16,000.0	16,838.0	17,361.0	17,750.0	17,750.0
Number of TANF cases at year end	#	1,200.0	1,034.0	958.0	975.0	975.0
Provide Community Correction Investigation and Supervision to Adult Pretrial Detainees						
Number of clients served - Pretrial Cases	#	1,550.0	1,428.0	1,426.0	1,550.0	1,570.0
Number of clients served - Pretrial Investigations	#	3,600.0	3,614.0	3,440.0	3,650.0	3,675.0
Number of clients served - Probation Cases	#	1,675.0	1,552.0	1,659.0	1,675.0	1,700.0
Provide DS Case Management						
Number of Clients Served - DS Case Management	#	845.0	815.0	794.0	794.0	817.0
Provide DS Day Support Services						
Number of clients served	#	173.0	173.0	169.0	169.0	169.0
Provide DS Family Support						
Number of clients served	#	322.0	332.0	330.0	330.0	330.0
Provide DS Respite						
Number of clients served	#	47.0	35.0	29.0	30.0	30.0
Provide DS Services to infants and toddlers						
Number of clients served	#	135.0	108.0	139.0	139.0	139.0
Provide DS Supportive Living Services to Clients Living Independently in the Community						

Human Services

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Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Provide DS Supportive Living Services to Clients Living Independently in the Community						
Number of clients served - Supportive Living Group Homes	#	25.0	25.0	24.0	25.0	25.0
Number of clients served - Supportive Living Residential	#	110.0	110.0	110.0	110.0	110.0
Provide Employment Opportunities to Development Services Clients						
Number of clients served in Community Employment settings	#	297.0	270.0	281.0	281.0	281.0
Provide Inmates and Offenders Mental Health and Substance Abuse Education						
Number of client hours	#	86,000.0	53,304.0	86,232.0	87,500.0	87,500.0
Provide MHSA Day Support Services						
Number of clients served - Beach House	#	250.0	240.0	251.0	250.0	250.0
Number of clients served - MHSA Day Treatment	#	285.0	248.0	285.0	275.0	275.0
Number of clients served - The Harbour	#	170.0	156.0	155.0	162.0	162.0
Provide MHSA Case Management						
Number of clients served - MHSA case management services	#	1,850.0	1,693.0	1,850.0	1,910.0	1,910.0
Number of clients served - PATH (Homeless Prevention)	#	257.0	277.0	257.0	260.0	260.0
Provide MHSA Crisis Stabilization and Detoxification Services						
Number of clients served - The Recovery Center	#	700.0	749.0	667.0	670.0	670.0
Provide MHSA Emergency Services						
Number of clients served	#	2,800.0	2,948.0	2,902.0	2,900.0	2,900.0
Provide MHSA Outpatient Psychiatric Treatment & Medication Services						
# of clients served-MHSA Outpatient Psychiatric/Medication Svs	#	685.0	682.0	655.0	678.0	650.0
Number of clients served - Adult Outpatient Services	#	3,550.0	3,471.0	3,573.0	3,600.0	3,600.0
Provide MHSA Supportive Residential Services						
Number of clients served	#	240.0	231.0	242.0	245.0	245.0
Provide Psychiatric Therapy Services to Children						
Number of children served	#	590.0	682.0	621.0	590.0	590.0
Provide SA Prevention Services						
Number of client hours	#	14,629.0	14,250.0	14,500.0	14,230.0	14,230.0
Provide Speech, Physical and Occupational Therapy to Infants and Toddlers						
Number of clients served in Early Intervention Program	#	1,320.0	1,186.0	1,173.0	1,173.0	1,173.0
Provide Temporary & Safe Custody of Juvenile Offenders						
Average Daily Population - Juvenile Detention Center	#	40.0	42.0	47.0	47.0	60.0
Provide Transportation Services to Human Services Consumers						

Human Services

The mission of Human Services is to provide Virginia Beach citizens the opportunity to achieve the highest level of self-sufficiency, safety and quality of life possible through an array of coordinated services delivered in a climate of dignity, respect and accountability.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Provide Transportation Services to Human Services Consumers						
Number of client trips	#	81,356.0	83,447.0	93,293.0	93,200.0	93,200.0

Human Services

Major Changes

In total, the Department of Human Services' operating budget is $111,330,511, which is an increase of $2,021,585, or 1.9%. The increase is mainly attributable to increased salary and fringes, risk management, health insurance and contracted manpower (to better align budgeted and actual costs) costs. There is an increase of 21.75 FTEs in FY 2014-15 as compared to the adjusted FY 2013-14 budget.

Change	Impact
Floating Child Welfare Team	• Staffing models in Child Welfare Services do not factor in the need for 24/7 coverage of the programs, thus stretching existing staffing levels. The high stress inherent in the work leads to higher than average turnover and use of FMLA. These factors compromise the Department's ability to meet federal and state safety and permanency outcomes and may negatively impact child and family well-being. • The FY 2014-15 budget includes 4.0 new FTEs with costs totaling $256,292. Increased state revenue totals $36,820. The remainder, $219,472, is funded by (City) general fund local dollars.
Financial Assistance	• Supplemental Nutrition Assistance Program (SNAP) caseloads have increased 38% over the past 4 years. • Medicaid recipients have increased 23% over the past 4 years. • The State Department of Social Service is transferring the FAMIS cases (Family Access to Medical Insurance Security) to localities along with funding effective April 1, 2014. Additional cases total 3,600. • Proposed budget contains 6.0 new FTEs with costs totaling $337,284. Due to the transfer of Family Access to Medical Insurance Security (FAMIS) caseload to the locality, additional state revenue will be provided. With state and federal revenue totaling $344,941, these additional 6.0 FTEs are fully revenue funded and require no additional (City) general fund local dollars.
Juvenile Correctional Center Alternative Placement Program	• Department of Juvenile Justice (DJJ) is seeking to enter into a memorandum of agreement with local detention centers to secure a highly structured, disciplined residential program for juvenile offenders committed to the DJJ. The program will focus on strengthening the offenders' competency levels through education, job readiness, life and social skills. • Offenders will be males between the ages of 16 to 20 years. In FY 2014-15, Virginia Beach Juvenile Detention Center will provide 10 beds for these juveniles. • The program will be a short term (3 months to one (1) year) residential program with re-integration planning back into their host community. • The FY 2014-15 budget includes 9.75 new FTEs and increased contracted manpower with costs totaling $557,593. Due to increased Juvenile Justice Block Grant revenue totaling $657,000, these additional 9.75 FTEs are fully revenue funded and require no additional (City) general fund local dollars.
Commonwealth Coordinated Care Case Manager	• The goal of the Commonwealth Coordinated Care, formally known as Dual Demonstration project, will be implemented to address the dual eligible (Medicare & Medicaid) individual's full range of health, behavioral health, and functional needs under one integrated service delivery system. • The project's goal is to reduce the number of crisis intervention services, hospitalizations, and emergency room visits. Medical care coordination and behavioral health management will emphasize greater case management coordination for this population. Implementation is scheduled to begin March 1, 2014.

Change	Impact
	• The FY 2014-15 budget includes 1.0 new FTE with ancillary costs totaling $78,049. There is no impact to revenue and this new FTE is fully funded by (City) general fund local dollars.
Developmental Services Case Manager	• This position will provide case management to those individuals currently waiting for services and to address ongoing admissions to the Developmental Services (DS) Case Management Program. Case management positions were not designated in the Governor's budget. This proposed position will be serving clients who have been on a waiting list for services. • The FY 2014-15 budget includes 1.0 new FTE with ancillary costs totaling $67,754. This new FTE is fully funded by Medicaid reimbursable revenue and requires no additional (City) general fund local dollars.

Departmental Overview

The Department of Human Services (DHS) provides a wide array of services to Virginia Beach residents which assist in helping them achieve self-sufficiency, safety and quality of life. The Department receives federal, state, local, fee, and grant funding. The city's appropriations are based on the required match rates between 0% and 63.5%. The city also provides support for employee compensation and additional programs, which are non-mandated or above the state's allocated level of funding. The Department also works in coordination with two advisory/oversight boards, the Community Services Board (CSB) and the Social Services Advisory Board (SSAB).

Human Services is divided into the following service areas:

- **Adult & Family Services Division -** Aids citizens in meeting their fundamental needs during times of temporary economic and social crisis, protects children and vulnerable adults from abuse and neglect, administers a range of services to help maintain families in the least restrictive and intrusive manner possible, and assists in preparing clients to find and retain employment.

- **Developmental Services Division -** Plans, develops, and implements services for Virginia Beach residents with intellectual and developmental disabilities and their families through the provision of consumer centered services designed to provide opportunities to disabled individuals become self-directing and contributing members of our community; supports families living with family member(s) with intellectual and developmental disabilities; provides early intervention when developmental delays are identified in young children; and promotes the value of persons with intellectual disabilities living and working in the community.

- **Financial Assistance Division -** Administers many different financial assistance programs, most of which are financed by the federal and state government. The programs are targeted for families and individuals with incomes at or below the poverty level. Programs include: temporary, emergency or general assistance to needy families or indigents; grants for the disabled; Supplemental Nutrition Assistance Program (SNAP), formerly food stamps; and Medicaid or refugee re-settlement.

- **Juvenile Detention Center -** Provides temporary and safe custody of juveniles that have criminal charges and require a restricted environment for their own protection or the protection of the public.

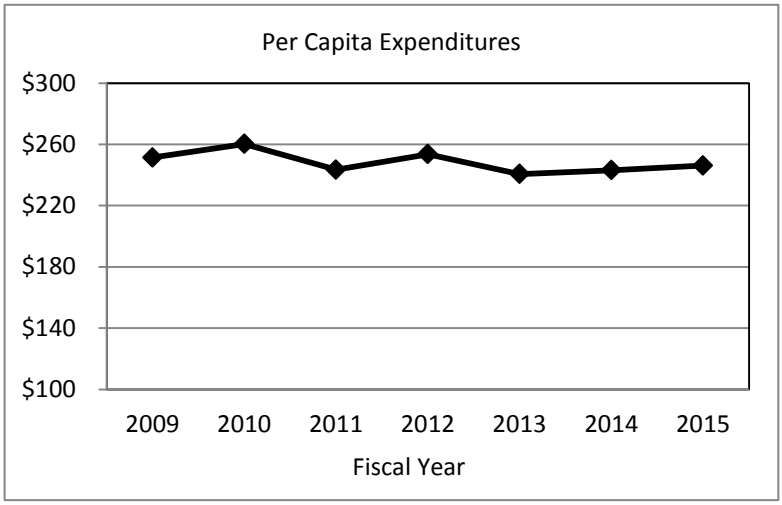
- **Mental Health Substance Abuse (MHSA) Services Division -** Promotes recovery for Virginia Beach citizens and their families with or at risk of mental health, substance use or co-occurring disorders, through an array of coordinated services offering prevention, treatment and community collaboration delivered in a climate of dignity and respect.

- **Pendleton Child Service Center -** Provides services to families whose children, ages 5 through 12, are experiencing behavior problems at home, school or within the community. Available services include family counseling, school consultation, day treatment programs, and a 24-hour, 5 day a week residential program. In addition, Pendleton offers a wide range of group services for parents and children including parenting skills training, social skills and anger management for children.

- **Quality Assurance Office -** Monitors and reports on all levels of quality throughout DHS to ensure the highest quality services are provided to internal and external customers. Leverages the use of technology to ensure data integrity, and enforce compliance and adherence to internal and external requirements for Medicaid, Licensure, CARF, HIPAA, Corporate Compliance and the Anasazi Electronic Health Record (EHR).

Trends and Issues

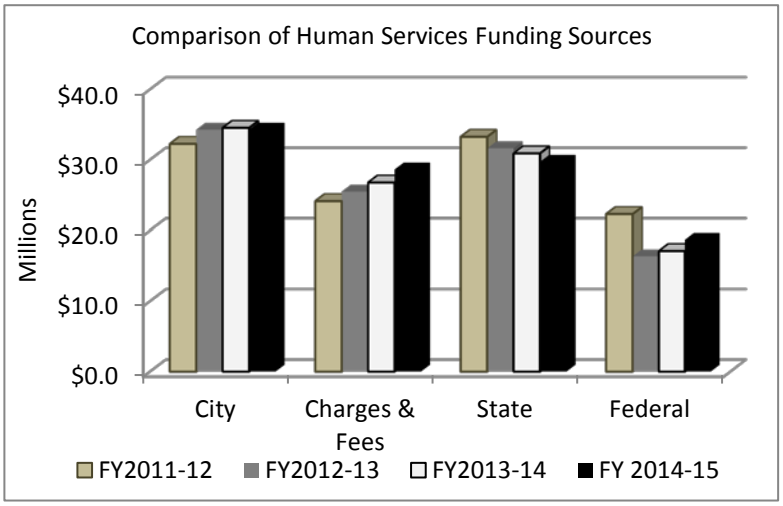
- The Department of Human Services (DHS) per capita expenditures are increasing slightly in FY 2014-15 compared to FY 2013-14. Contractual expenses and demand for services have continued to increase as in recent years. Human Services has had limited choices in making resource adjustments because many of the Department's services involve state or federal mandates, including match requirements; or they are affected by regulatory requirements such as licensure standards, Medicaid credentialing, and human rights regulations; or federal entitlement programs. Other factors such as consumer demand and waiting lists, service efficiencies, and Council priorities were factors in resource allocation.



- The Department of Human Services (DHS) continues to take full advantage of outside sources of funding and implements program and financial practices that maximize reimbursements to the city. In FY 2014-15, there is an increase in revenue from charges for services, primarily Medicaid ($1,861,771) and decreases in state support ($1,203,112).

- Local fee revenue increased by 7% ($1,861,771) due to increased Medicaid payments to Developmental Services' Intermediate Care Facilities (ICF). Due to changes in the annual cost settlement report, indirect costs such as administrative support provided by DHS staff not assigned to Intermediate Care Facilities (ICF) programs and other City staff who provide administrative support to ICF programs, are now Medicaid revenue reimbursable beginning in FY 2013-14.

- The graph to the right shows how the Department is funded. The city funding includes general government support to provide specific programs in FY 2013-14. General city support has decreased by $271,111 in FY 2014-15 when compared to the previous year. State revenue, as in previous years, will decrease by $1,203,112 in FY 2014-15. Both fee-based revenue (+$1,861,771) and federal revenue (+$1,609,884) are projected to increase in FY 2014-15 from the previous year.



SNAP Caseload and Administrative Funds by Fiscal Year							
	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Number of Active Cases	7,347	7,976	10,693	13,817	15,705	16,868	17,361
Administrative Funds	$3,741,020	$4,109,286	$4,264,821	$4,635,249	$4,468.572	$4,404,596	$4,520,344

- Supplemental Nutrition Assistance Program (SNAP) active caseload rose by 3.1% (523) while federal and state administrative funds increased by 2.6% ($115,748) in FY 2012-13.

Medicaid Recipients and Administrative Funds by Fiscal Year							
	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Recipients (unduplicated)	29,108	32,633	40,826	45,853	47,312	47,775	50,328
Administrative Funds	$3,160,785	$3,248,206	$3,037,992	$2,768,020	$2,732,969	$2,728,757	$2,814,313

- Medicaid recipient counts increased by 5.3% (2,553) while federal and state administrative funds increased by 3.1% ($85,556) in FY 2012-13. Federal enhanced Medicaid Eligibility funds and additional Family Access to Medical Insurance Security (FAMIS) funds will increase revenue by $656,430 in FY 2014-15.

- **Recruitment and Retention of Medical Personnel, especially Nurses -** In their role as the Public Mental Health System in local jurisdictions, Community Services Boards (CSB) essentially operate as health care systems. As such, CSBs require an array of medical professionals - including physicians, physician extenders, and nurses - to conduct their day to day work, which include services that range from sub-acute crisis stabilization and medical detoxification to the around the clock care provided in intermediate care facilities for those with ID and DD. Recruitment of these health care professionals has been difficult at best, especially nurses.

  Throughout the Department of Human Services, nurses are the foundation of the health, medical, and medication functions. Nurses regularly assess consumers for their current health status, medical needs, symptoms of physical and mental illness and substance use, and reactions to medications prescribed by the Department's and external prescribers. While the Department employs highly trained psychiatrists, addictionologists and nurse practitioners, their expensive services are less effective unless nursing support staff is available to spend time with consumers.

  DHS has faced difficulty in recruiting and retaining qualified nurses, especially at the Registered Nurse level. As various Divisions, particularly Mental Health Substance Abuse Services, evolve their models of medical care and service delivery that will maximize efficiency of operations and help meet the demands of the Affordable Care Act, it is anticipated that additional positions – both RNs and LPNs - will be needed. The Department is currently working with Human Resources on consolidation of titles in order to create Clinical Nurse Job Descriptions and career ladders, which will streamline business operations and help to address market and staffing issues.

- **Assignment of an existing staff member from the Human Services Department to serve as a Homeless Community Outreach Worker** - The Department of Human Services will assign an existing staff member to work with the Police Department's Second Precinct as a Homeless Community Outreach Worker to provide services citywide with a focus at the oceanfront. This existing position will still remain in the Department of Human Services, but will be given additional duties working with the Police Department. This position will assist and aid citizens suffering from mental health illnesses or experiencing mental health crises via the Police Department's Crisis Intervention Team (CIT). It will work closely with Housing and Neighborhood Preservation, Comprehensive Mental Health, Volunteers of America and other non-profit organizations in addressing both homelessness and mental health concerns. Examples of the duties and responsibilities may include: field intervention and interviews of homeless individuals; tracking homeless populations/case management; coordinating city services/referrals; advocating and promoting social and legal behaviors within the homeless population; coordinating police responses to troubled areas; assisting officers in CIT cases; and providing assistance in transportation of CIT clients; training staff on CIT/Crisis Intervention.

Human Services - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Central Administration	934,209	929,412	1,524,799	595,387
Information Technology Services	593,131	610,540	644,189	33,649
Reimbursement	864,440	887,897	906,370	18,473
Quality Assurance	516,968	544,299	788,103	243,804
Personnel	407,096	411,143	413,358	2,215
Accounts Payable	343,012	365,038	378,102	13,064
Transportation	1,528,248	1,408,035	1,426,693	18,658
MHSA Program Support	701,687	609,440	579,259	(30,181)
Senior Adult Services	278,331	305,069	262,027	(43,042)
Adult Outpatient Services	4,625,129	5,413,415	5,756,160	342,745
MH Community Rehabilitation	1,504,958	1,405,062	1,430,463	25,401
MH Emergency Services	1,243,351	1,396,310	1,435,145	38,835
Child and Youth Services	2,437,809	2,648,733	2,659,916	11,183
Residential Services	2,993,732	3,367,157	3,373,982	6,825
MH Case Management Unit	3,301,833	2,860,042	3,133,924	273,882
MH PATH	217,710	178,356	209,398	31,042
Harbour	513,523	826,408	848,489	22,081
DS Program Clinical Support	472,093	486,192	473,413	(12,779)
DS Case Management	2,332,824	2,460,139	2,582,893	122,754
DS Employment Services	1,496,801	1,594,437	1,553,982	(40,455)
DS Skillquest	3,141,006	3,149,482	3,150,978	1,496
DS Respite Care Program	435,712	489,375	486,435	(2,940)
DS Infant Program	510,971	590,533	613,912	23,379
DS Supportive Living	3,066,583	3,211,913	3,173,986	(37,927)
DS Family Support	115,431	133,381	129,370	(4,011)
DS Supportive Living - Homes	2,541,339	2,473,889	2,547,423	73,534
DS Kentucky Avenue Project	1,695,714	1,849,453	2,051,355	201,902
DS Early Intervention	1,328,365	1,511,229	1,516,856	5,627
DS Colby Way ICF/MR	897,818	983,368	918,955	(64,413)
DS BizNet Village	4,978,908	5,403,349	5,583,594	180,245
Indian River Road ICF/MR	1,184,627	1,929,377	2,001,975	72,598
Detoxification Services	2,811,181	2,985,027	2,907,453	(77,574)
MHSA Adult Day Treatment Services	352,569	268,250	274,817	6,567
SA Prevention	797,451	755,096	766,514	11,418
SA Adult Correctional Services	837,203	846,052	843,383	(2,669)
SA - HIV Prevention	105,889	112,388	113,397	1,009
SA - Project LINK	436,331	309,358	279,115	(30,243)
Child Services	15,865,365	15,879,528	16,022,209	142,681
Benefit Program	10,491,496	11,749,658	12,527,846	778,188
Employment Services	3,399,815	3,899,541	3,920,553	21,012
Adult Services	1,559,580	1,823,151	1,884,319	61,168
Virginia Beach Juvenile Detention Center	4,223,105	4,334,968	4,995,426	660,458
Pendleton Child Service Center	1,641,906	1,777,200	1,669,891	(107,309)
CSA Administration and Social Services	10,559,871	12,427,521	10,839,742	(1,587,779)
Total Expenditures	100,285,120	107,600,211	109,600,169	1,999,958
Revenues				
Fees	23,857,154	26,713,421	28,575,192	1,861,771
State	27,850,062	29,785,828	28,581,477	(1,204,351)
Federal	16,714,415	16,975,076	18,588,725	1,613,649
Transfers	274,551	274,551	274,551	0
Total Revenues	68,696,182	73,748,876	76,019,945	2,271,069

Human Services - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
General City Support	31,588,938	33,851,335	33,580,224	(271,111)
183 Grants Consolidated Fund				
Expenditures				
Hard to Serve Grant	61,334	136,784	133,019	(3,765)
Community Corrections and Pre-Trial	1,509,916	1,571,931	1,597,323	25,392
Total Expenditures	1,571,250	1,708,715	1,730,342	21,627
Revenues				
Fees	39,402	43,632	43,632	0
State	1,095,852	1,124,830	1,126,069	1,239
Federal	64,592	136,784	133,019	(3,765)
Transfers	418,120	403,469	427,622	24,153
Total Revenues	1,617,966	1,708,715	1,730,342	21,627
General City Support	(46,716)	0	0	0
Total Department Expenditure	101,856,370	109,308,926	111,330,511	2,021,585
Total Department Revenue	70,314,149	75,457,591	77,750,287	2,292,696
Total General City Support	31,542,221	33,851,335	33,580,224	(271,111)

Position Summary by Program

002 General Fund				
Central Administraton	7.00	6.00	6.00	0.00
Information Technology Services	2.00	1.00	1.00	0.00
Reimbursement	14.00	14.00	14.00	0.00
Quality Assurance	5.50	5.50	9.50	4.00
Personnel	7.00	7.00	7.00	0.00
Accounts Payable	6.50	6.50	6.50	0.00
Transportation	26.82	26.82	26.82	0.00
MHSA Program Support	9.38	6.75	6.75	0.00
Senior Adult Services	3.63	3.63	2.63	-1.00
Adult Outpatient Services	50.07	53.07	53.07	0.00
MH Community Rehabilitation	22.53	19.00	19.00	0.00
MH Emergency Services	16.75	16.75	16.75	0.00
Child and Youth Services	29.56	29.56	29.56	0.00
Residential Services	24.74	25.74	24.74	-1.00
MH Case Management Unit	35.75	34.75	38.25	3.50
MH PATH	2.50	2.50	2.50	0.00
Harbour	6.75	11.16	11.16	0.00
DS Program Clinical Support	5.00	5.00	5.00	0.00
DS Case Management	31.73	32.23	33.23	1.00
DS Employment Services	19.00	19.00	19.00	0.00
DS Skillquest	40.95	40.95	40.95	0.00
DS Respite Care Program	6.60	6.60	6.60	0.00
DS Infant Program	6.70	6.70	6.70	0.00
DS Supportive Living	49.00	48.50	47.50	-1.00
DS Supportive Living - Homes	38.79	38.79	38.79	0.00
DS Kentucky Avenue Project	23.00	21.50	23.00	1.50
DS Early Intervention	3.00	3.00	3.00	0.00
DS Colby Way ICF/MR	9.15	11.15	10.15	-1.00
DS BizNet Village	55.00	60.00	60.00	0.00
Indian River Road ICF/MR	31.50	32.00	31.50	-0.50

Human Services - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
002 General Fund				
Detoxification Services	29.27	30.28	30.28	0.00
MHSA Adult Day Treatment Services	3.00	2.00	2.00	0.00
SA Prevention	8.13	7.63	8.13	0.50
SA Adult Correctional Services	8.50	8.25	7.75	-0.50
SA - HIV Prevention	1.00	1.00	1.00	0.00
SA - Project LINK	3.50	3.00	2.50	-0.50
Child Services	102.00	105.00	106.50	1.50
Benefit Program	148.79	153.79	159.79	6.00
Employment Services	46.00	46.00	45.00	-1.00
Adult Services	14.50	15.50	16.00	0.50
Virginia Beach Juvenile Detention Center	64.56	63.56	73.31	9.75
Pendleton Child Service Center	23.25	23.25	22.25	-1.00
CSA Administration and Social Services	2.00	2.00	3.00	1.00
Total	1,044.40	1,056.41	1,078.16	21.75
183 Grants Consolidated Fund				
Hard to Serve Grant	1.00	1.00	1.00	0.00
Community Corrections and Pre-Trial	24.00	24.00	24.00	0.00
Total	25.00	25.00	25.00	0.00
Total Position Summary	1,069.40	1,081.41	1,103.16	21.75

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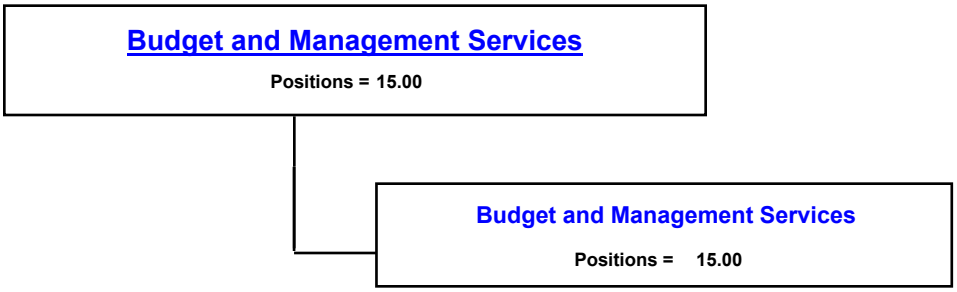
Budget and Management Services
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Budget and Management Services
Positions = 15.00

Budget and Management Services

The mission of Budget and Management Services is to provide program, fiscal and budgetary policy development and analysis support services to the City Manager, and through the City Manager to City Council for use in formulating City policy.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Communicate Resource Issues & Decisions						
Taxpayers Feel They Get Good Value	%	80.0	75.0	80.6	80.6	82.0
Complete Ordinances & Resource Issues for Review						
Adjustments Made to CIP and Budget	#	500.0	519.0	500.0	224.0	250.0
Ordinances & Agenda Requests Completed in Prescribed Time	%	100.0	98.0	99.0	99.0	99.0
Financial						
Resource Management Plan						
Average Value of Community Organization Grants	$	30,000	31,408	30,453	25,570	25,570
Community Organization Grants	#	20.0	14.0	14.0	16.0	16.0
Government Expenditures Allocated to Debt Service	%	9.0	8.5	8.9	8.6	8.6
Variation Between Estimated and Acutal Forecasted Revenues	%	2.0	1.0	0.2	1.0	2.0
Internal Process						
Management Support For City Manager & Council						
Program Evaluations Completed	#	2.0	4.0	4.0	5.0	4.0
Public/Private Partnerships Managed	#	3.0	3.0	4.0	2.0	2.0

Budget and Management Services

Major Changes

In total, Budget and Management Services budget for FY 2014-15 is $1,639,851, which is $101,083 (6.6%) more than the previous year. The increase is primarily the result of higher costs associated with personnel and printing and binding costs. This budget includes one additional Management and Budget Analyst I FTE, which increases the total number of departmental staff to 15.0 FTEs. This is well below the 22.0 FTEs the department had at the start of the recession.

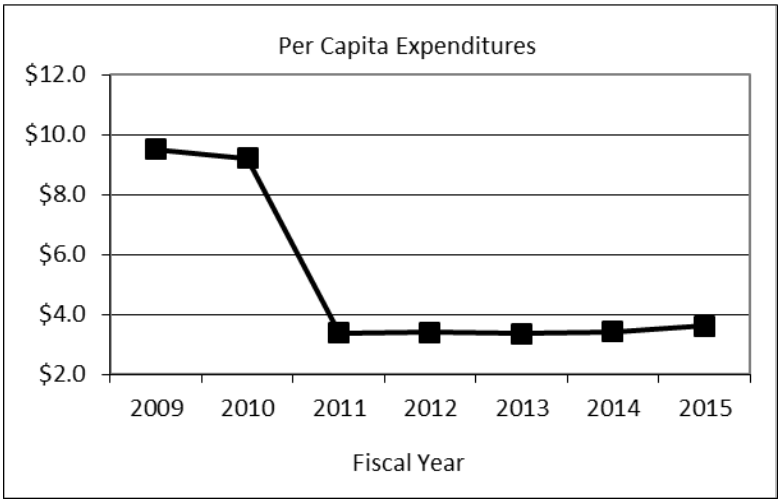
Change	Impact
Increase of one Management and Budget Analyst I FTE (1.0) – Neighborhood Dredging	• This position will work closely with Neighborhood Dredging projects as well as strengthen the City's efforts in performance measurement.

Departmental Overview

The Department of Budget and Management Services receives all of its funding from general city revenue. The department is responsible for the development and preparation of the Resource Management Plan which includes the Operating Budget and six-year Capital Improvement Program as well as the annual Five-Year Forecast. Staff also provides issue management and analytical support on large complex development/construction projects and conducts ongoing reviews of public/private partnerships to address the fiscal, budgetary, and economic impacts of proposals.

Trends and Issues

With the transition of staff to the SGA Office coupled with the transfer of the Facilities Management Office including lease payments to the Public Works department in FY 2010-11, per capita expenditures decreased significantly in FY 2010-11. Per capita expenditures have remained relatively similar following the sharp decline in FY 2010-11.



- Budget and Management Services received the Distinguished Budget Presentation Award presented by the Government Finance Officers Association for preparation of a budget document of the highest quality to meet the needs of decision makers and citizens.

- At the direction of city management, the Department of Budget and Management Services conducted five comprehensive program evaluations during FY 2013-14.

  - Staff analyzed usage patterns and cost for tennis courts in both Schools and Parks and Recreation departments.
  - Staff studied how other localities manage state reimbursement associated with personal property taxes.
  - Staff analyzed both Verizon and Cox Cable franchise agreements to better understand terms and review associated costs. Both agreements were summarized and major milestones and fiscal impacts were discussed.
  - Staff provided analytical support to the ComIT department to develop a business case to remove single use software on City computers.
  - Staff analyzed Parks and Recreations operating budget to address funding structure issues which impact the General Fund. Recommendations were provided regarding Williams Farm and Kempsville Recreation Centers debt service and Parks and Recreation Special Revenue Fund.

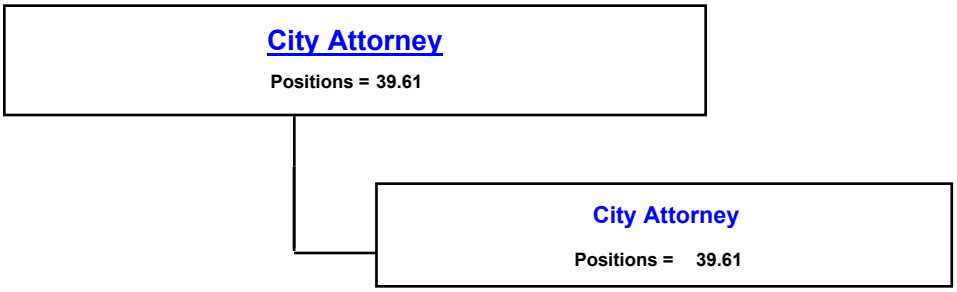
Budget and Management Services has provided staff support to the City Council appointed Process Improvement Steering Committee and to the Hampton Roads Service Sharing Project. The Process Improvement Steering Committee is examining three specific processes to improve efficiency and customer experiences: 1) helping businesses thrive and succeed; 2)

building permit and development review; and 3) payroll processes (i.e. payment in arrears). The Hampton Roads Service Sharing Project is being sponsored by the Hampton Roads Partnership to explore opportunities for Chesapeake, Norfolk, and Virginia Beach to reduce redundancy, improve efficiency, and maximize outcomes for service provision.

Budget and Management Services - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Budget and Management Services	1,595,912	1,538,768	1,639,851	101,083
Total Expenditures	1,595,912	1,538,768	1,639,851	101,083
General City Support	1,595,912	1,538,768	1,639,851	101,083
Total Department Expenditure	1,595,912	1,538,768	1,639,851	101,083
Total Department Revenue	0	0	0	0
Total General City Support	1,595,912	1,538,768	1,639,851	101,083

Position Summary by Program				
002 General Fund				
Budget and Management Services	15.00	14.00	15.00	1.00
Total	15.00	14.00	15.00	1.00
Total Position Summary	15.00	14.00	15.00	1.00


City Attorney
Positions = 39.61
City Attorney
Positions = 39.61

City Attorney

The Virginia Beach City Attorney's Office mission is dedicated to providing effective and efficient legal services, promoting accountability, trust and openness in government and focusing on outcomes that are fair, equitable and balanced while protecting the best interests of the client.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Financial						
Maximize Efficiency of City Legal Services						
Effective Rate of All City Legal Services per Hour	$	100	103	112	112	112
In-House City Counsel Costs as Percent of All Counsel Costs	%	95.0	94.0	95.0	95.0	95.0
Maximize Efficiency of School Legal Services						
Effective Rate of All School Legal Services per Hour	$	100	80	84	118	100
In-House School Counsel Costs as a Percent of All Counsel Costs	%	97.0	97.0	97.0	97.0	97.0

City Attorney

Major Changes

In total, the City Attorney's budget of $4,084,871 for FY 2014-15 is an increase of $40,077, or 1%, over the FY 2013-14 amended operating budget.

Departmental Overview

The City Attorney's Office is organized into five functional sections:

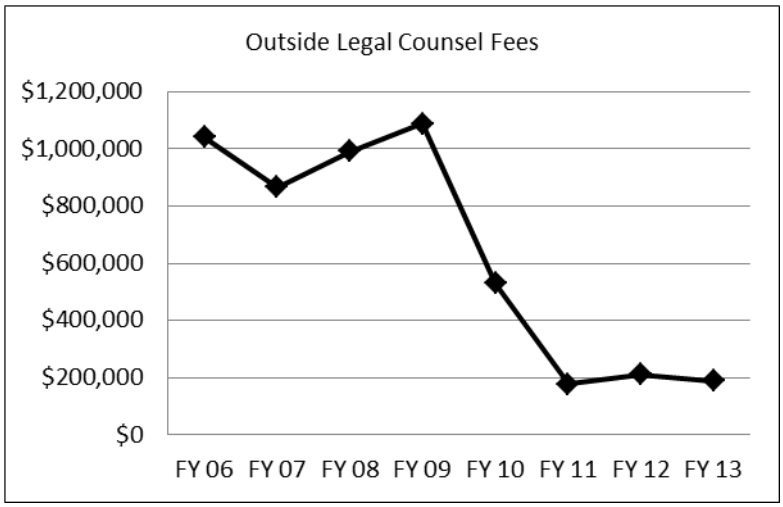
- **Public Policy and Administration -** Provides legal services in support of core governmental and administrative functions, including public policy, public facilities, human resources, public finance and public safety. This section has the primary responsibility for drafting policies, ordinances and resolutions, drafting opinions on legal issues posed by city departments and officials, and ensuring compliance with State and federal laws, including Conflict of Interest Act, Freedom of Information Act, and the Civil Rights Act.

- **Real Estate, Infrastructure and Development -** Provides legal services for the acquisition, maintenance, and operation of the city's infrastructure and supports development activities intended to enhance the city's tax base. These attorneys are engaged in all aspects of municipal real estate and development, including title searches, drafting deeds, complex transactional documents, litigation, and eminent domain cases. The attorneys in this section also have responsibility for legal services in support of the city's APZ-1 and ITA Acquisition Programs to reduce encroachment around Naval Air Station (NAS) Oceana.

- **Land Use -** Performs legal tasks involved in the development, implementation, administration, and enforcement of the city's zoning, land use (including AICUZ-related), environmental, agricultural, and neighborhood preservation programs. In addition, the land use attorneys serve as the primary legal counsel to the Planning Commission, Board of Zoning Appeals, Wetlands Board, Chesapeake Bay Preservation Area Board, Agricultural Advisory Commission, Bayfront Advisory Committee, Green Ribbon Committee, Workforce Housing Advisory Board and Military Economic Development Advisory Committee.

- **Litigation -** Provides representation in all civil litigation cases involving the city, its departments, boards, commissions, employees, and volunteers. Representation includes defending and prosecuting tort claims, civil rights claims, collection actions, contract disputes, and construction claims. In addition, the litigation section represents the Human Services Department in cases seeking to protect at-risk children and handicapped or elderly adults from abuse and neglect. Litigation attorneys are also actively involved with the Risk Management Division and other city departments in evaluating and minimizing potential exposure to tort and contract claims before they arise.

- **Public Education -** Provides legal services in support of core public education and administrative functions including student issues, human resources, School Board policies, administrative support and public policy issues, and school finance matters. Supplemental services in support of the School Board's initiatives include litigation and real estate services. All work is performed through a cooperative agreement with the School Board that mandates a minimum number of legal service hours per year. The School System provides funding for three positions in the City Attorney's Office.



Trends and Issues

- The number of direct in-house service hours in FY 2013-14 is expected to be approximately 42,000. Consistent with the Department's strategy to minimize the total cost for legal services, 99% of legal services

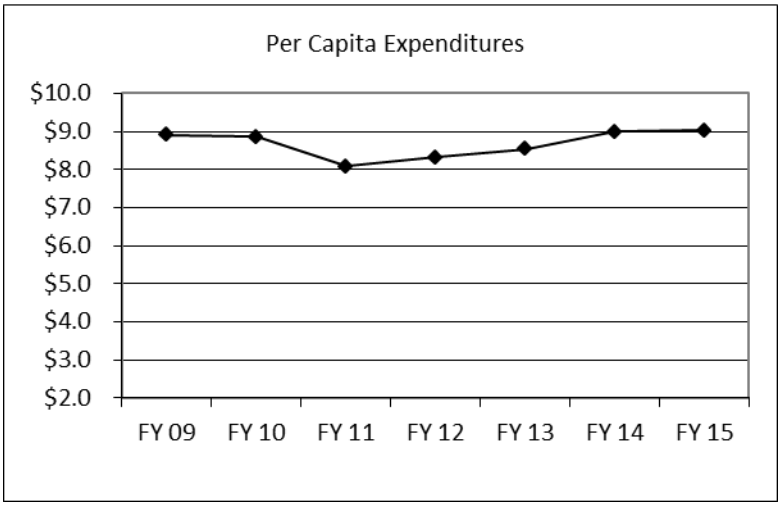
to the City and Schools were provided in-house in FY 2012-13. The average cost of in-house service to the city in FY 2013-14 is expected to be about $110 per service hour. When necessary, outside counsel is retained at a substantially higher rate (at an average of $350 per hour). While the need for outside counsel has declined significantly since FY 2008-09, work on the preservation of the historic Cavalier Hotel, the Dome Site project and other identified City Council priorities is expected to increase the use of those services in FY 2014-15.

In FY 2012-13, the department provided 38,140 hours of in-house legal services:

- Land Use, Zoning, and Code Enforcement: 3,367 hours.
- Public Policy, Public Facilities, Public Finance, Public Safety, and Human Resources: 19,929 hours.
- Real Estate and Infrastructure: 8,883 hours.
- Economic Development: 2,334 hours.
- Public Education: 3,627 hours (at an effective in-house rate of approximately $107 per hour). This cost is fully funded by the Virginia Beach Public School system.

The overall effective rate of all city legal services (in-house and outside) was $112 per hour in FY 2012-13, up from $103 per hour in FY 2011-12.

- As shown in the chart, per capita expenditure for the City Attorney's Office will increase only slightly in FY 2014-15. The reduced per capita expenditure from FY 2009-10 to FY 2010-11 is the result of the elimination of positions.



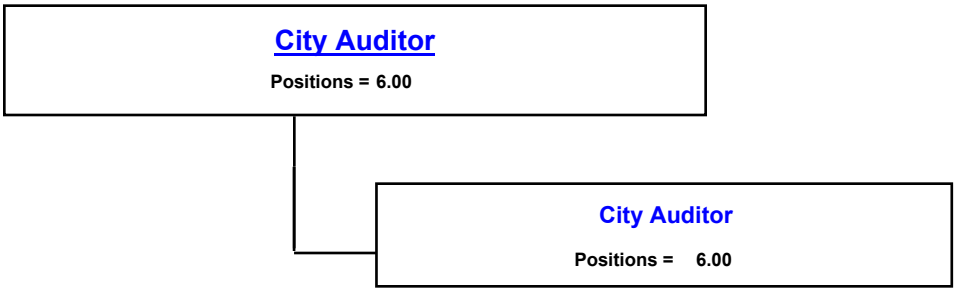
City Attorney - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
City Attorney	3,697,536	4,044,794	4,084,871	40,077
Total Expenditures	3,697,536	4,044,794	4,084,871	40,077
Revenues				
Fees	1,913	0	0	0
Total Revenues	1,913	0	0	0
General City Support	3,695,623	4,044,794	4,084,871	40,077
Total Department Expenditure	3,697,536	4,044,794	4,084,871	40,077
Total Department Revenue	1,913	0	0	0
Total General City Support	3,695,623	4,044,794	4,084,871	40,077

Position Summary by Program				
002 General Fund				
City Attorney	39.61	39.61	39.61	0.00
Total	39.61	39.61	39.61	0.00
Total Position Summary	39.61	39.61	39.61	0.00

Resource Summary Notes

Three positions are funded 100% by the School system through a cooperative agreement.


City Auditor
Positions = 6.00
City Auditor
Positions = 6.00

City Auditor

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

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Promote Governmental Accountability						
Audits Completed within Budgeted Hours	%	85.0	92.0	93.0	93.0	93.0
Recommendations Accepted	%	90.0	90.0	100.0	90.0	90.0
Provide Audit Services to City Departments, Agencies and Programs						
Hours of Direct Audit Services Provided	#	7,326.0	7,206.0	7,326.0	7,326.0	7,326.0

City Auditor

Major Changes

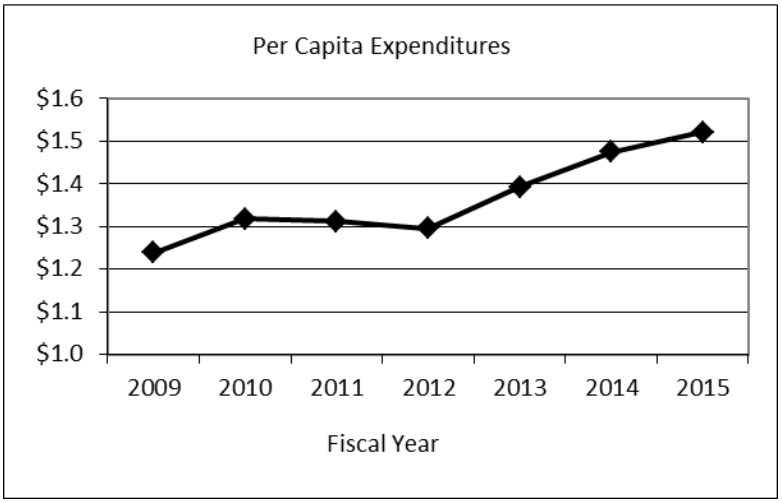
In total, the City Auditor's budget for FY 2014-15 is $688,272, which represents a 3.8% increase from last year's budget. There have been no major changes to the department. The Office of the City Auditor will continue to provide the same level of service.

Departmental Overview

The City Auditor is an independent appraisal function responsible for financial, attestation engagements and performance audits of city programs, functions, and activities; conducting investigations, providing technical and advisory services; special projects; and oversight and management of the city's external audit contract. The City of Virginia Beach is mandated by law to be audited yearly by an independent external auditor. The City Auditor is responsible for the task of finding an external auditor and negotiating a contract for this service. Additionally, the City Auditor plays a significant role in administering and monitoring the external audit.

Trends and Issues

- The rise in the per capita expenditures beginning in FY 2011-12 reflects increases to retirement, life insurance, and health care benefits, and departmental promotions.



- Audits completed and in progress for this past year include: Oceanfront Parking Operations, Citywide Travel Vouchers, Selected Revenue Cash Collection Points, Museum Stores, Single Audit and State Compliance Follow-Up, Animal Care and Adoption Center, Voter Registrar's Office, Sheriff's Office Canteen and Commissary, Capital Improvement Projects Closeout Process. Attestation Engagements include: Review of the following: Virginia Beach Farmers Market, Convention and Visitors Bureau 2013 ProCard Transactions, Police Property and Evidence Unit, Western Bayside Area Grant, City Manager's *Striving for Excellence* Report, GASB 45 Actuarial Review, Service Contracts and Healthcare Program.

- The table below provides comparisons of audit staffing and resource levels and indicates that based on simple staffing/budget ratios, the city staffs the audit function at leaner levels. These ratios do not address issues such as effectiveness of work or output and the City's strong financial controls/policies which may help limit the need for internal audits. It is important to note that the current staffing level has not inhibited the office's ability to immediately address high priority audits (via hotline or from departments); the City Auditor will re-assign staff to complete high priority audits when they become known.

Benchmarks for City Auditor FY 2013-14

	Audit Budget as a % of Total Budget*	Audit Budget Per Capita	Auditors Per Total FTEs	Auditors Per Capita**
Virginia Beach	0.07%	$1.46	0.41	111,872
Chesapeake	0.10%	$3.08	1.11	57,053
Norfolk	0.11%	$3.22	1.20	40,967
Chesterfield	0.14%	$2.54	1.97	42,985
Henrico	0.10%	$1.28	0.76	104,960
Prince William	0.11%	$1.96	1.06	100,501

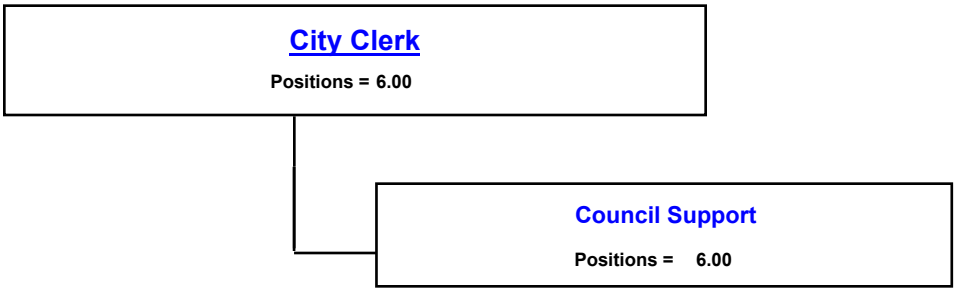
NOTE: *excluding schools **interpretation for Virginia Beach is one auditor position for 111,872 residents.
Sources: respective budgets and budget offices; Weldon Cooper Center for Public Service

- The Integrity Connection Program has provided an opportunity to promote awareness of the city's organizational values and code of ethics to 6,251 city employees. This program offers employees an opportunity to ask questions about ethical behavior and report possible fraudulent activities. In relation to this program, a state mandated fraud hotline has been established. This hotline provides citizens and employees an additional confidential means to report and ask questions about fraudulent activities. Prior to this program, the annual fraudulent reports to the office were between eight and ten per year. Since this program was implemented in FY 2006-07, the office has reviewed over 260 allegations. Approximately half of these allegations have been substantiated; however, many of these are minor in nature and do not involve impropriety of city funds.

City Auditor - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
City Auditor	628,605	663,127	688,272	25,145
Total Expenditures	628,605	663,127	688,272	25,145
General City Support	628,605	663,127	688,272	25,145
Total Department Expenditure	628,605	663,127	688,272	25,145
Total Department Revenue	0	0	0	0
Total General City Support	628,605	663,127	688,272	25,145

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


City Clerk
Positions = 6.00
Council Support
Positions = 6.00

City Clerk

The mission of the City Clerk is to provide a historical record of the governing body; prepare/deliver weekly Agenda; serve the City Council in the most efficient manner to meet the needs of citizens and attest to/records all official agreements, deeds, contracts, et cetera. The City Clerk also ensures that all public notices comply with applicable State Code regulations and City Council Policies. This office maintains the highest standards of customer service for the taxpayer needs and to ensure the City's policies are addressed.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Process and Mail United States Passports						
Passport Applications Processed and Mailed Same Day	#	940.0	940.0	739.0	2,122.0	2,500.0
Internal Process						
Attest to Legal Documents						
Legal Documents Notarized, Scanned and Returned to Departments	#	730.0	730.0	471.0	500.0	500.0
Provide Permanent Records for City Council						
City Council Agenda Prepared and Published	#	24.0	24.0	24.0	49.0	49.0
City Council Notification and Summary Action Documents Prepared	#	24.0	24.0	24.0	24.0	24.0
Meeting Minutes Prepared for City Council Approval	#	24.0	24.0	24.0	49.0	49.0
Notice of Public Hearings Prepared and Forwarded to Newspaper	#	158.0	158.0	158.0	158.0	158.0
Research Hours Provided (Laserfiche)	#	800.0	700.0	800.0	800.0	800.0

City Clerk

Major Changes

The City Clerk's proposed FY 2014-15 operating budget totals $582,372, which is an increase of 2% ($11,681) compared with FY 2013-14 adjusted operating budget mainly due to increased personnel costs ($9,592) from the annualized compensation increase and increased media advertising ($2,089).

Departmental Overview

The City Clerk's Office responsibilities include:

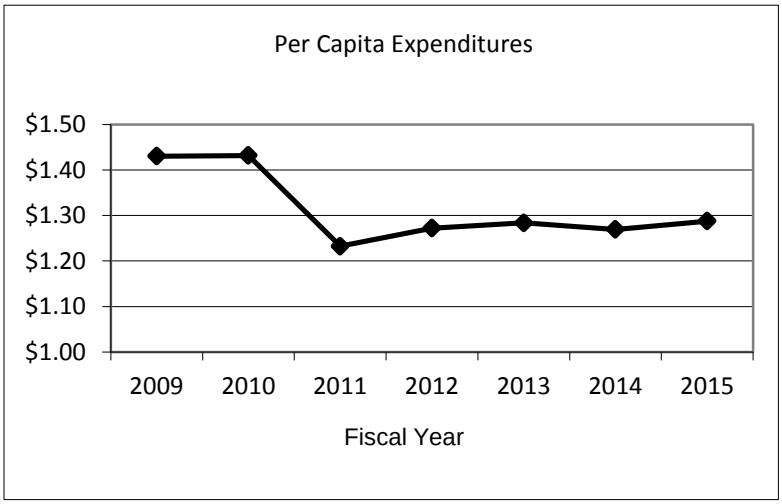
- The Office of the City Clerk preserves and provides accurate governing body legislative historical records. Responsibilities include preparing and delivering weekly agendas, preparing and recording minutes reflecting actions of the governing body, attesting to and recording all official agreements, deeds and contracts, and ensuring all public notices comply with the applicable State Code and City Council policies.

- The City Clerk serves as City Clerk, Clerk of Council, and custodian of the City Seal. The City Clerk possesses authority to sign all city borrowed bond issuances and monitors City Council appointed boards, commissions, authorities and committees.

The City Clerk's Office supports the Envision 2040 and Sustainability Plans' goals of achieving a diverse community and thriving economy through its coordination and involvement of the Sister Cities Program, which builds personal and potential business relationships between City officials and representatives from various cities around the world. For more information about this program, see the last bullet below.

Trends and Issues

- Per capita expenditures will increase to $1.29 in FY 2014-15 compared with $1.27 in FY 2013-14. Eighty-nine percent of the FY 2014-15 operating budget of the City Clerk's Office is comprised of personnel costs for 6.0 FTEs ($520,125), with the remaining 11% ($62,247) for operating costs.



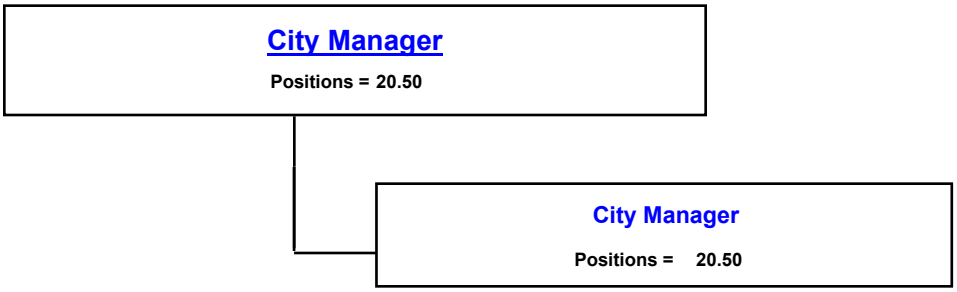
- Advertising required for public notices, hearings, and meetings, along with printing costs total about $33,886, and are roughly 54% of operating costs for the City Clerk's Office. These costs were budgeted at $24,027 less than what was spent in FY 2012-13. Media advertising costs are difficult to predict and will be monitored throughout the fiscal year.

- Historically, funding has been provided in the City Clerk's Office Operating Budget 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. The City Clerk's Office coordinates Sister Cities events held in the City and represents the City in the Sister Cities International Association. Sister Cities International is a non-profit citizen diplomacy network pursuing stronger economic and cultural ties at the municipal level between United States and international communities. The city has three established relationships: North Down, Co. Bangor, Northern Ireland; Moss, Norway; and Miyazaki, Japan with additional ones under development with San Juan del sur, Nicaragua and Olangapo, Philippines.

City Clerk - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
City Clerk	723,543	570,691	582,372	11,681
Total Expenditures	723,543	570,691	582,372	11,681
General City Support	723,543	570,691	582,372	11,681
Total Department Expenditure	723,543	570,691	582,372	11,681
Total Department Revenue	0	0	0	0
Total General City Support	723,543	570,691	582,372	11,681

Position Summary by Program				
002 General Fund				
City Clerk	6.00	6.00	6.00	0.00
Total	6.00	6.00	6.00	0.00
Total Position Summary	6.00	6.00	6.00	0.00


City Manager
Positions = 20.50
City Manager
Positions = 20.50

City Manager

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

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Achieve City Council's Goals and Long-Term Strategies						
Coordination of City's Legislative Interest	#	3,650.0	3,637.0	3,490.0	3,490.0	3,763.0
Respond to Citizen Concerns	#	2,400.0	2,400.0	2,430.0	2,450.0	2,450.0
Increase Effectiveness, Productivity & Quality						
Activities Focused on Organization Alignment	%	82.0	73.0	78.0	79.0	80.0
Client Events Held By the Organization Development Office	#	115.0	110.0	66.0	103.0	110.0
Clients Served by the Organization Development Office	#	1,720.0	1,706.0	1,357.0	1,506.0	1,688.0
Overall Satisfaction with City Services	%	94.0	94.0	93.8	94.0	94.0
Inform Citizens & Help Improve Community Relations						
Media Contacts Managed	#	400.0	300.0	400.0	450.0	450.0
Press Releases Written and/or Distributed	#	375.0	350.0	373.0	375.0	375.0
Financial						
To Coordinate and Promote Volunteerism						
Value of Volunteer Service	$	22,500,000	19,822,578	20,661,040	20,644,360	22,500,000
Volunteer Hours	#	1,417,000.0	1,373,892.0	1,418,316.0	1,416,976.0	1,417,000.0

City Manager

Major Changes

In total, the City Manager's Office budget for FY 2014-15 is $2,825,204, an increase of $30,469 from the amended FY 2013-14 operating budget. An additional full-time position was added to the Organization Development Office, converted from contracted manpower with a $13,208 savings. This position is needed to meet the increasing demands for ODO services, including organizational alignment with the Envision 2040 and Sustainability Plan.

Departmental Overview

The City Manager's Office is divided into four main areas that provide functions to ensure that the city organization functions as a quality organization to support the community and meet City Council's goals.

- **City Manager's Staff -** Ensures City Council's goals and targets are planned and effectively implemented.

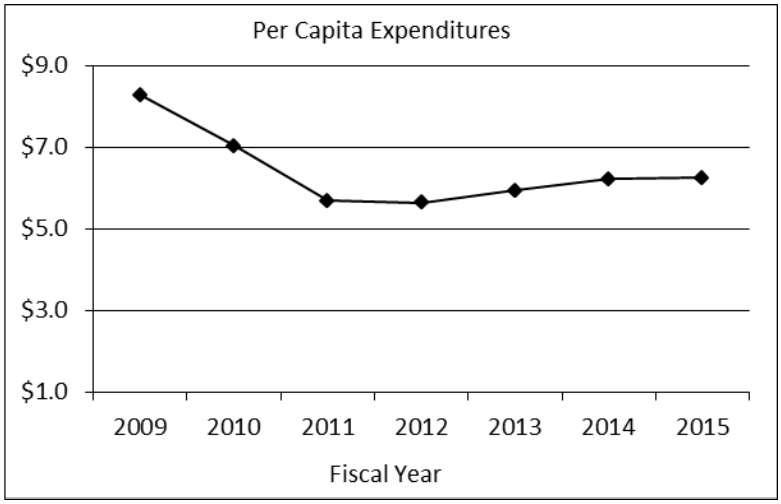
- **Organization Development Office -** Enhances and supports organizational performance and effectiveness through assessments, analysis, process improvement and successful implementation of strategies to achieve Council's vision.

- **Office of Volunteer Resources -** Responsible for encouraging the use of volunteers to support the diverse activities of the government and for the tracking and overall coordination of city volunteers once on staff.

- **Media and Communication Group -** Provides communication services to city officials, executive leadership and departments to inform and improve communications with citizens, promote civic engagement, manage issues and achieve strategic outcomes.

Trends and Issues

- The City Manager's Office has taken on recent economic challenges with a strategic forward thinking approach, ensuring an efficient organization and a focus on critical services to the community. There have been recent initiatives that have required significant involvement from the City Manager's Office. This includes three public-private initiatives that, if implemented, will have substantial economic impacts for the community. These include the extension of light rail into Virginia Beach, the proposed arena development, and the planned minor-league baseball complex. In addition, the staff has undertaken considerable efforts in developing health care alternatives that help mitigate the unsustainable increases in the annual rates.



- In 2012, two important documents were introduced to the organization that directly impact the City's long term and short term planning efforts: the Envision 2040 Report and the Sustainability Plan. These documents have become guiding principles within the organization. It is essential to ensure that the City's strategic planning system and processes for achieving the long term Vision and Council's direction are aligned and sustainable.

- The first phase of the OneVision software application to monitor progress on tracking the 3-Year Strategic Plan and reports to City Council has been implemented. The next phase focuses on managing and monitoring Departmental Plans and projects and will begin in July 2014. Once complete it will be another tool to ensure alignment of organizational goals and initiatives.

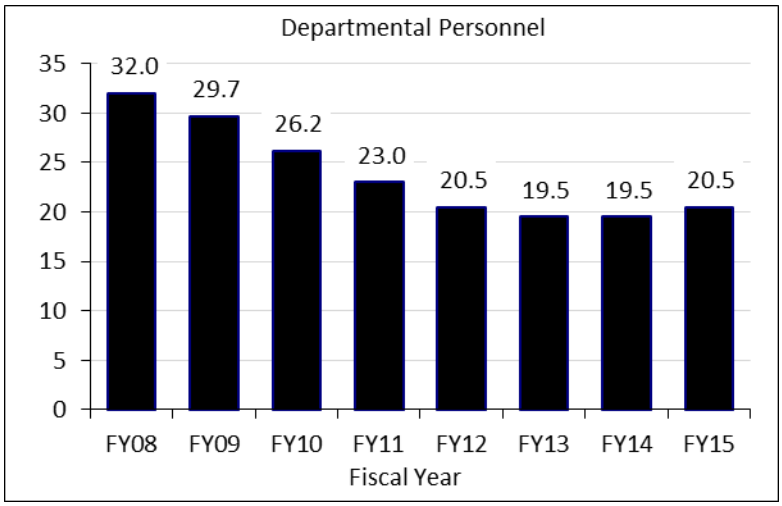
- A Community Engagement Team has been chartered to assess the organization's current approach to public engagement and make recommendations that enhance our ability to build community awareness, trust, participation, and partnerships. The Team will be making recommendations to leadership in 2015.

- The City Manager routinely examines the City of Virginia Beach's productivity and efficiency throughout the organization and reports his finding through the annual "Striving for Excellence Report". In 2013, the City of Virginia Beach reported $2,277,950 in direct cost savings and another $2,764,811 in cost avoidance. These figures demonstrate the city's focus on productivity and quality and continued commitment to making the City of Virginia Beach the most efficient organization possible.

- The City of Virginia Beach has long-standing programs that take full advantage of the dedicated spirit of volunteerism held by our citizens. In FY 2012-13, city programs reported 20,408 volunteers that contributed 1,418,316 hours of service valued at $20,661,040. That was equivalent to 682 full-time positions and almost 4.3 cents on the Real Estate tax rate.

- In 2013, the City Manager's Media and Communication staff set a new record for number of media contacts managed – 450 – compared to 400 in 2013 and 300 in 2012. This efficiency and responsiveness to print, online and broadcast media strengthens the City's reputation as a transparent, trustworthy organization.

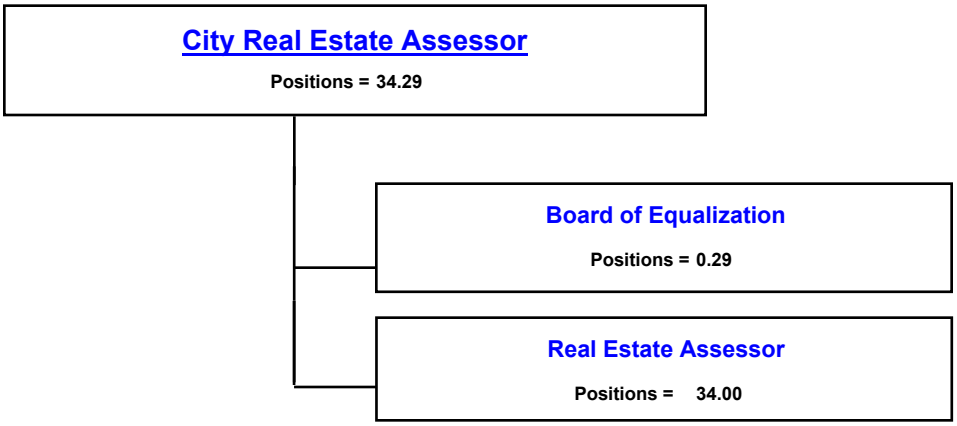
- The City Manager's Office has reduced staffing by thirty-six percent since FY 2007-08. This is a significant reduction for a department, regardless of size. Through innovative and cost efficient alternatives, the department has been able to minimize the negative impact on the level of services offered. This continuous review of workloads and duties indicated that eliminating the contracted manpower and restoring the position that was cut in the Organization Development Office in FY 2012-13 would enable greater continuity for succession planning and be more effective than continued temporary staffing.



City Manager - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
City Manager	1,745,357	1,928,364	1,961,297	32,933
Organization Development Office	272,797	298,448	290,149	(8,299)
Office of Volunteer Resources	185,574	208,131	207,173	(958)
Media and Communications Group	335,523	359,792	366,585	6,793
Total Expenditures	2,539,252	2,794,735	2,825,204	30,469
Revenues				
Fees	500	0	0	0
Total Revenues	500	0	0	0
General City Support	2,538,752	2,794,735	2,825,204	30,469
Total Department Expenditure	2,539,252	2,794,735	2,825,204	30,469
Total Department Revenue	500	0	0	0
Total General City Support	2,538,752	2,794,735	2,825,204	30,469

Position Summary by Program				
002 General Fund				
City Manager	12.00	12.00	12.00	0.00
Organization Development Office	2.00	2.00	3.00	1.00
Office of Volunteer Resources	2.50	2.50	2.50	0.00
Media and Communications Group	3.00	3.00	3.00	0.00
Total	19.50	19.50	20.50	1.00
Total Position Summary	19.50	19.50	20.50	1.00


City Real Estate Assessor
Positions = 34.29
Board of Equalization
Positions = 0.29
Real Estate Assessor
Positions = 34.00

City Real Estate Assessor

The mission of the City Real Estate Assessor is to annually appraise all taxable and tax exempt real estate fairly and equitably, and maintain and continually amend assessment records to reflect changes in the City's real property, in accordance with state law and city code. Provide information and assistance to the City Council, city staff, State Department of Taxation and the public, regarding the land book and individual assessments.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Maintenance of Property Ownership Records						
Plats Processed	#	325.0	250.0	294.0	325.0	325.0
Real Estate Transfers and Plats Processed	%	100.0	100.0	100.0	100.0	100.0
Transfers Processed	#	15,000.0	12,290.0	14,521.0	15,000.0	15,000.0
Process Applications for Land Use Program						
Land Use Applications Processed	%	100.0	100.0	100.0	100.0	100.0
Parcels Processed Under Land Use	#	950.0	988.0	981.0	967.0	950.0
Provide Accurate Assessments on an Annual Basis						
Appeals Processed	#	250.0	337.0	279.0	230.0	250.0
Assessment Corrections Processed	#	625.0	1,742.0	895.0	600.0	625.0
Average Parcels per Appraiser	#	7,114.0	7,067.0	7,076.0	7,090.0	7,114.0
Taxable Parcels	#	156,500.0	155,467.0	155,663.0	155,984.0	156,500.0
Total Taxable Parcels Assessed	%	100.0	100.0	100.0	100.0	100.0

City Real Estate Assessor

Major Changes

In total, the Office of the City Real Estate Assessor's budget of $3,232,118 for FY 2014-15 is a reduction of $3,625, or 0.1%, when compared to the FY 2013-14 amended operating budget. This reduction is attributed to changes in retirement and life insurance factors.

Departmental Overview

The services provided by the City Real Estate Assessor and Board of Equalization are:

- **City Real Estate Assessor -** To accurately calculate Virginia Beach's real estate property taxes, this office's responsibilities include an annual inventory and appraisal of approximately 156,000 parcels. A quarterly inspection of new construction is also conducted. This includes the measurement, classification, documentation, and appraisal of newly constructed buildings and additions to existing buildings. For existing buildings and properties, subdivision sales are recorded throughout the year, and the results are analyzed to determine assessment adjustments. Additional responsibilities include the real estate transfer function, which involves deed transfers from sale of properties, transfers of ownership resulting from other transactions (e.g., ownership transferred via a will), and recording taxable parcels (e.g., parcels created from development).

- **Board of Equalization -** The board has the power to revise, correct, and amend real estate assessments. Generally, after an initial assessment review by the Real Estate Assessor, a resident may appeal and the board reviews the request. Hearings are held annually between July and November. The board either affirms the initial assessment or determines whether it should be increased or decreased.

- Both the City Council-appointed Real Estate Assessor and the Circuit Court-appointed Board of Equalization are fully funded by general city revenue.

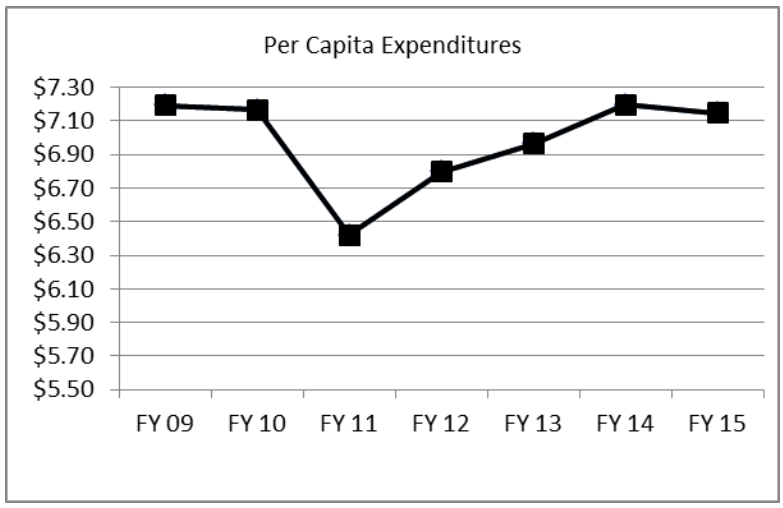
Trends and Issues

- Well over 900 land use program applications (parcels) have been processed annually for several years. This will likely continue because of the slow economic recovery and City Council development polices in the southern portion of the city, with 950 applications expected to be processed in FY 2014-15.

- The number of appeals processed for FY 2014-15 is estimated to be 250. Appeals spiked in FY 2009-10, which represented the first year of negative appreciation, and the spike in complaints was from property owners who believed the decline was greater than the assessment.

- The International Association of Assessing Officers' (IAAO) established standards for parcels assessed per all staff members, with the upper range of the number of parcels assessed per all staff members being 3,500. The city's figure of 4,603 for FY 2014-15 is well above that standard. Prior to the recession and the loss of staff in FY 2010-11, the average number of parcels assessed per staff member was 4,070.

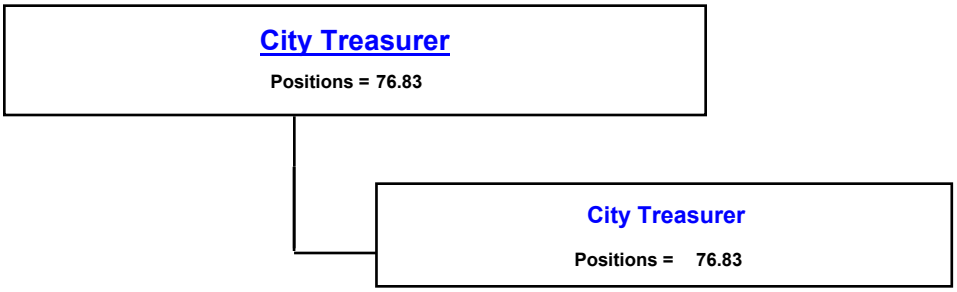
- The impact of the staff reduction in FY 2010-11 referred to previously is reflected in the Per Capita Expenditures graph. The subsequent increase from FY 2010-11 to FY 2011-12 is the result of salary and benefit cost increases.



City Real Estate Assessor - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Board of Equalization	8,534	9,666	9,141	(525)
City Real Estate Assessor	2,988,649	3,226,077	3,222,977	(3,100)
Total Expenditures	2,997,183	3,235,743	3,232,118	(3,625)
Revenues				
Fees	4,457	0	0	0
Total Revenues	4,457	0	0	0
General City Support	2,992,726	3,235,743	3,232,118	(3,625)
Total Department Expenditure	2,997,183	3,235,743	3,232,118	(3,625)
Total Department Revenue	4,457	0	0	0
Total General City Support	2,992,726	3,235,743	3,232,118	(3,625)

Position Summary by Program				
002 General Fund				
Board of Equalization	0.30	0.30	0.29	-0.01
City Real Estate Assessor	34.00	34.00	34.00	0.00
Total	34.30	34.30	34.29	-0.01
Total Position Summary	34.30	34.30	34.29	-0.01


City Treasurer
Positions = 76.83
City Treasurer
Positions = 76.83

City Treasurer

The mission of the City Treasurer's Office is to collect revenues and tax receipts due to the city in the most efficient and effective manner and to invest these funds in a manner which will provide the highest investment returns. This is done while meeting goals of: maximum security/safety, providing for daily cash flow demands, and conforming with all state and local statutes governing the investment of public funds.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Provide City and State Mandated Billing						
Personal Property Envelopes Mailed	#	459,000.0	424,581.0	442,227.0	450,000.0	450,000.0
Real Estate Envelopes Mailed	#	125,460.0	122,048.0	124,358.0	123,203.0	123,000.0
Trustee Tax Envelopes Mailed	#	25,500.0	24,836.0	25,216.0	25,026.0	25,000.0
Provide Restitution Collection and Monitoring						
Amount Collected and Reimbursed to Victims	$	520,000	519,860	494,793	507,327	500,000
Payments Sent to Victims	#	4,000.0	3,565.0	3,895.0	3,730.0	3,600.0
Timely/Accurate Billing and Collection of Revenue						
Revenue from On-Time Parking Tickets	$	580,000	406,660	574,504	490,582	500,000
Revenues from Delinquent Parking Tickets	$	390,000	369,006	383,655	373,331	380,000
Financial						
Prudent and Safe Investment of Funds						
Average Yield on Investments	%	0.3	0.3	0.2	0.3	0.3

Major Changes

The City Treasurer's FY 2014-15 operating budget totals $ 5,642,935, which is an increase of $174,679 or 3.2% over the FY 2013-14 operating budget. The increase in the Treasurer's budget is related to the addition of temporary part-time staffing, the Treasurer's new program to collect court fines and costs, and postage costs due to the increase in postage rates and additional mailings. The Office has 76.83 FTEs, which is an increase of 1.0 FTE over the amended FY 2013-14 operating budget.

Change	Impact
Collection of Court Costs and Fines	• In FY 2013-14, the City Treasurer's Office was awarded the contract to provide collection services for court costs and fines. While the FY 2013-14 budget was amended to add funding for this program, FY 2014-15 will be the first full year of the programs implementation. It is anticipated that the courts will refer up to 2,500 cost and fine accounts per month or up to 30,000 accounts annually. While the costs associated with this program including staffing, software, and equipment are approximately $300,000 annually, it is estimated that this program will generate $1.2 million in revenue to the City. The implementation of this program will reduce the general city support to the Treasurer's Office by over $450,000 in FY 2014-15.
Temporary Part-Time Position for Implementation of the Personal Property and Business Personal property portion of the Revenue Assessment and Collection System project	• An additional temporary position has been added to the Treasurer's Office due to the implementation of the Personal Property and Business Personal property portion of the Revenue Assessment and Collection System project. This system integrates the Treasurer's Office with the Commissioner of Revenue to improve the City's assessment and collection functions. In FY 2013-14, one additional temporary part-time position was added to the Treasurer's Office and a second temporary part-time position is being added in FY 2014-15. Both of these positions are paid for by project 3-200 "Revenue Assessment and Collection System" and will be maintained in the Office for two years. This will allow the Treasurer's staff to be trained on the new assessment and collection system without impacting customer service.

Departmental Overview

The City Treasurer is one of five elected Constitutional Officers in the city and as such is partially funded by the state Compensation Board. The Compensation Board reimburses about 90% of the Treasurer's salary, and 50% of all other state salaries. The State reimburses a portion of fringe benefits (i.e., VRS retirement, FICA, and VRS group life insurance) based on State approved salary amounts. In addition to the state funded positions, the FY 2014-15 City budget also fully funds 45.83 positions and supplemental contractual staffing in order to ensure the viability of the Treasurer's Office. As staffing and equipment and supply costs continue to grow, the amount of funding provided by the State has not kept up with the rate of growth of these expenditures, necessitating the Treasurer's efforts to bring in additional revenue streams or a larger commitment of City funding. The office performs two major functions:

- **Billing & Accounts Receivable -** This office mails out, receives, and processes payments for current and delinquent real estate taxes, personal property taxes, trustee taxes, parking tickets and various other bills due to the city. In addition, they receive and process payments for consolidated utility bills. This office also issues various licenses, including animal licenses and residential parking permits. All revenues of the city flow through this office for entry into the accounting records.

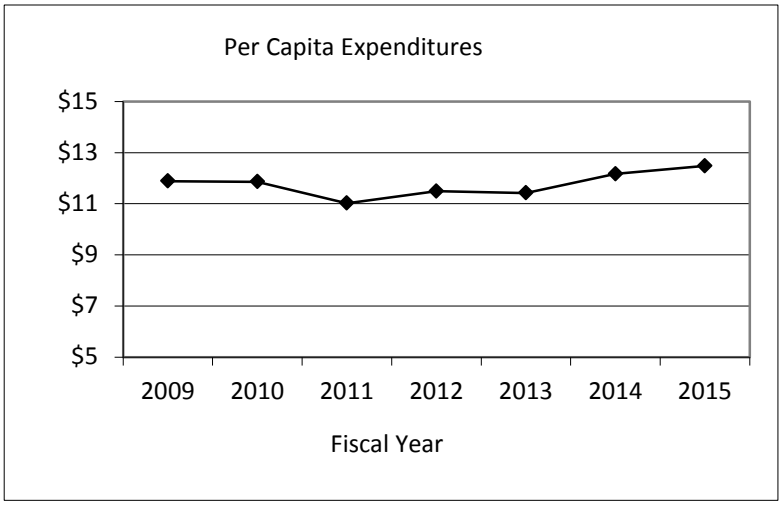
- **Investment Management -** The City Treasurer's Office is responsible for the investment of all cash financial assets of the city. It is done in a manner that will provide the highest return on investment only after the goals of maximum security and safety, meeting daily cash flow demands, and conformance with all state and local statutes governing the investment of public funds have been met. All city investments are guided by a basic principle of secure investments

where the investment of these public funds is not for speculative purposes, but for the safety of the capital and derivation of income. The Treasurer invests approximately $500 million on an annual basis.

Trends and Issues

- As the Treasurer's Office adds programs in an effort to generate additional revenue, the gap between staffing costs and the state reimbursement for these costs continues to widen. The state Compensation Board has approved 41.0 FTEs for the Treasurer's Office; however, since FY 2011-12, the state has only provided partial reimbursement to the City for only 31 of them. As previously stated, that leaves 45.83 FTEs that are fully City funded. In FY 2011-2012, the state stopped reimbursing the Treasurer's office for office expenses (i.e., office supplies, internet access costs, stationary, postage, printing data processing services, telephone service, and repairs). Prior to that, the state reimbursed approximately 50% of these costs.

- As the graph illustrates, the Treasurer's Office experienced its most substantial decline in expenditures per capita in FY 2010-11. This decline is similar to that experienced by many departments throughout the city. In FY 2014-15, expenditures per capita in the Treasurer's Office will grow for the second consecutive year. This growth is due largely to the new court costs collection program and is more than offset by new revenue.



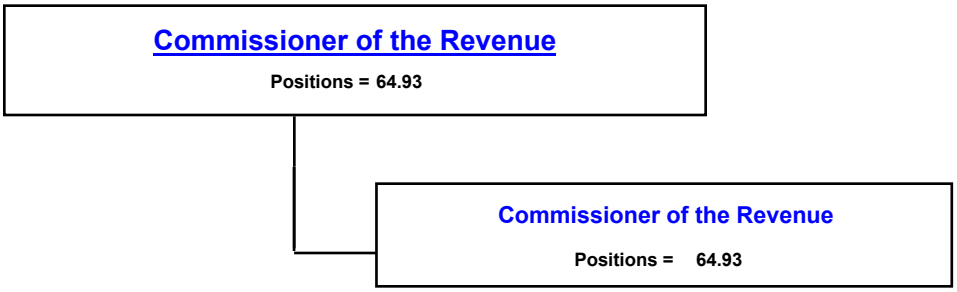
City Treasurer - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
City Treasurer	5,124,747	5,468,256	5,572,935	104,679
Total Expenditures	5,124,747	5,468,256	5,572,935	104,679
Revenues				
Fees	1,812,422	1,673,341	2,167,637	494,296
State	593,460	571,790	629,323	57,533
Transfers	200,815	204,494	207,445	2,951
Total Revenues	2,606,697	2,449,625	3,004,405	554,780
General City Support	2,518,050	3,018,631	2,568,530	(450,101)
610 Capital Projects Internal Service Fund				
Expenditures				
Capital Projects - City Treasurer	0	0	70,000	70,000
Total Expenditures	0	0	70,000	70,000
Revenues				
Fees	0	0	70,000	70,000
Total Revenues	0	0	70,000	70,000
General City Support	0	0	0	0
Total Department Expenditure	5,124,747	5,468,256	5,642,935	174,679
Total Department Revenue	2,606,697	2,449,625	3,074,405	624,780
Total General City Support	2,518,050	3,018,631	2,568,530	(450,101)

Position Summary by Program				
002 General Fund				
City Treasurer	71.83	74.83	74.83	0.00
Total	71.83	74.83	74.83	0.00
610 Capital Projects Internal Service Fund				
Capital Projects - City Treasurer	0.00	1.00	2.00	1.00
Total	0.00	1.00	2.00	1.00
Total Position Summary	71.83	75.83	76.83	1.00

Resource Summary Notes

This $70,000 is to fund temporary part-time staffing during the implementation of the Personal Property and Business Personal property portion of the Revenue Assessment and Collection System. These temporary positions are being funded by project 3-200 “Revenue Assessment and Collection System”.


Commissioner of the Revenue
Positions = 64.93
Commissioner of the Revenue
Positions = 64.93

Commissioner of the Revenue

The mission of the Commissioner of the Revenue is to ensure the uniform and consistent assessment of applicable state and local tax codes while providing customer assistance on all tax related issues.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Provide Taxpayer Assistance						
Audits and Investigations	#	7,000.0	5,620.0	5,227.0	5,200.0	5,300.0
Business Accounts Adjusted	#	8,000.0	9,894.0	5,253.0	7,500.0	7,600.0
Business Licenses Assessed	#	30,000.0	30,390.0	28,898.0	30,000.0	30,500.0
Business Property Accounts Assessed	#	28,000.0	28,280.0	27,185.0	27,500.0	27,800.0
Direct Customer Contact	#	390,000.0	355,990.0	358,761.0	360,000.0	365,000.0
DMV Contacts	#	50,000.0	51,617.0	56,757.0	55,000.0	54,000.0
Estimated State Income Returns processed	#	5,000.0	6,800.0	6,813.0	6,900.0	7,000.0
Military/Volunteer Exemptions Processed	#	40,000.0	41,101.0	37,188.0	38,000.0	37,500.0
Number of Trustee Tax Accounts Assessed	#	28,000.0	25,872.0	25,991.0	26,000.0	26,100.0
Personal Property Accounts Assessed Annually	#	475,000.0	471,053.0	470,146.0	470,000.0	472,000.0
Personal Property Assessments Adjusted	#	70,000.0	83,862.0	79,185.0	81,000.0	82,000.0
Real Estate Qualifications Processed	#	7,000.0	12,791.0	7,416.0	7,500.0	7,600.0
State Income Returns Assessed	#	25,000.0	47,584.0	37,149.0	33,000.0	25,000.0
Revenue Generated from All Assessments						
Bank Franchise Assessments (in millions)	$	3	3	2	2	2
Business License Assessments (in millions)	$	40	42	45	46	48
Personal Property Assessments (in millions)	$	130	138	141	149	156
Public Service Assessments (in millions)	$	8	8	9	9	9
Trustee Tax Assessment (in millions)	$	120	120	125	128	130

Commissioner of the Revenue

Major Changes

In total, the Commissioner of the Revenue's FY 2014-15 operating budget is $4,268,633 and funds 64.93 FTE's. Overall, this is an increase of $170,511 or 4% and an increase of 1.0 FTE's when compared to the FY 2013-14 budget. The additional part-time positions are funded through CIT project 3-200 Revenue Assessment and Collection System at a combined annual cost of $70,000. The purpose of these positions is to augment work voids generated as a result of existing staff training for the new system. Once the system is implemented, these positions will be eliminated.

Departmental Overview

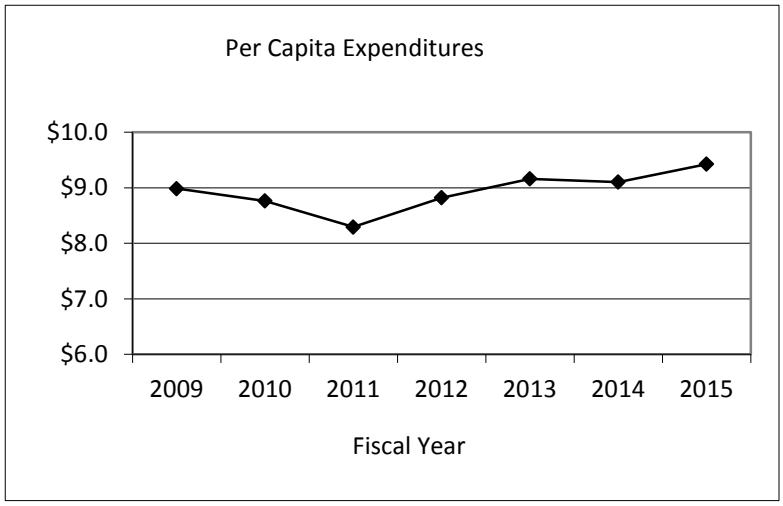
The Commissioner of the Revenue is one of five elected Constitutional Officers in the city and, as such, is partially funded by the State Compensation Board. The State Compensation Board reimburses the City for a percentage of the state approved salary and fringes. This State revenue reimbursement is estimated and used to support the Commissioner of the Revenue's operating budget.

- The Commissioner of the Revenue's Office is responsible for the discovery, investigation, licensing, assessment, audit, and prosecution and reporting of several tax levies – business license, tangible business property, machinery and tools, bank franchise, short term rental, meals, lodging, admissions, utility taxes, state cigarette stamps, and personal property. The Commissioner has assumed the duty of real estate qualification for: tax exemptions, deferral and freezes. This work was formerly done by the Real Estate Assessor. The Commissioner also has the state responsibility to provide processing and filing assistance for state income taxes.

- The Commissioner of the Revenue entered into a contractual partnership with the Virginia Department of Motor Vehicles (DMV) to provide select DMV services, including vehicle titling, vehicle registrations, special and personalized license plate orders, dealer title and registration transactions, voter registration applications, and handicapped parking placards. New this year is the additional responsibility of selling hunting and fishing licenses in partnership with The Department of Game and Inland Fisheries. The DMV provides the necessary equipment and forms to enable the Commissioner's Office to provide the contracted services and the Commissioner's Office is responsible for any necessary personnel and other expenses associated with the service. In its agreement with DMV Select sites, the DMV compensates each branch agency a percentage of gross collections made by the agency. Transactions handled by the Commissioner's Office generate excess revenue above the amount needed to cover any costs incurred by the city in providing these services and is used to offset funding shortfalls.

Trends and Issues

- From FY 2009-10 until FY 2010-11, the Commissioner of Revenue's Office expenditure per capita declined as a result of reductions in state and local funding. Over this time period, the office lost a net of 5.24 positions. In FY 2011-12, the Commissioner's Office received three additional staff members to aid in the assessment of local taxes. Prior to the addition of these positions, the Commissioner of Revenue's Office was unable to complete every personal property assessment within a given fiscal year. The increase between FY 2011-12 and FY 2012-13 is the result of the office taking over the Tax Relief for the Elderly and Disabled program as well as increased costs associated with Virginia Retirement System (VRS), life insurance and health insurance.



- As the community ages, the number of applications for the Tax Relief for the Elderly and Disabled Program is forecasted to continue increasing. In FY 2011-12, State code changed requiring localities to establish a Tax Relief program for 100% Disabled Veterans. The creation of this new program shifted the cost of once eligible disabled veterans from the Tax Relief for the Elderly and Disabled program to the Tax Relief for 100% Disabled Veterans program. This resulted in a cost reduction in the Tax Relief for the Elderly program between FY 2010-11 and FY 2011-12. Despite the growth of more than 200 participants, the amount of Elderly and Disabled Tax Relief provided declined between FY 2011-12 and FY 2012-13 as a result of declining real estate values. Over the last 11 fiscal years, the Tax Relief Program participation has grown 239% from 3,396 to 8,116 while total cost has grown 424%, as shown in the accompanying table.

FY Year	Number of Recipients	Tax Deferred	Tax Reduction
2014	8,116	$31,476	$14,693,555
2013	7,603	$66,393	$ 13,966,323
2012	7,398	$53,339	$ 14,209,588
2011	7,798	$35,755	$ 15,456,561
2010	7,666	$35,717	$ 16,292,651
2009	7,143	$30,596	$ 15,993,977
2008	6,408	$35,304	$ 14,011,232
2007	5,420	$79,342	$ 9,651,395
2006	4,539	$72,806	$ 6,147,803
2005	3,803	$36,849	$ 4,660,146
2004	3,396	$21,710	$ 3,462,498

- City Council can revise the percentage parameters associated with the Tax Relief for the Elderly and Disabled Program; however, the parameters of the state-mandated program for disabled veterans cannot be modified by the localities. Historically, City Council modified the income thresholds of the program by the average increase in residential appreciation. Because the city has experienced negative appreciation over the past several years, the thresholds have not been adjusted since FY 2008-09. In FY 2014-15, the City is anticipating a 1.93% average residential appreciation. The tables below reflect the existing program thresholds and the proposed thresholds based on real estate appreciation.

Previous Real Estate Tax Relief Thresholds

Total Income	Tax Exemption
$0.00 - $47,100	100%
$47,100.01 - $51,200	80%
$51,200.01 - $55,300	60%
$55,300.01 - $59,400	40%
$59,400.01 - $63,450	20%

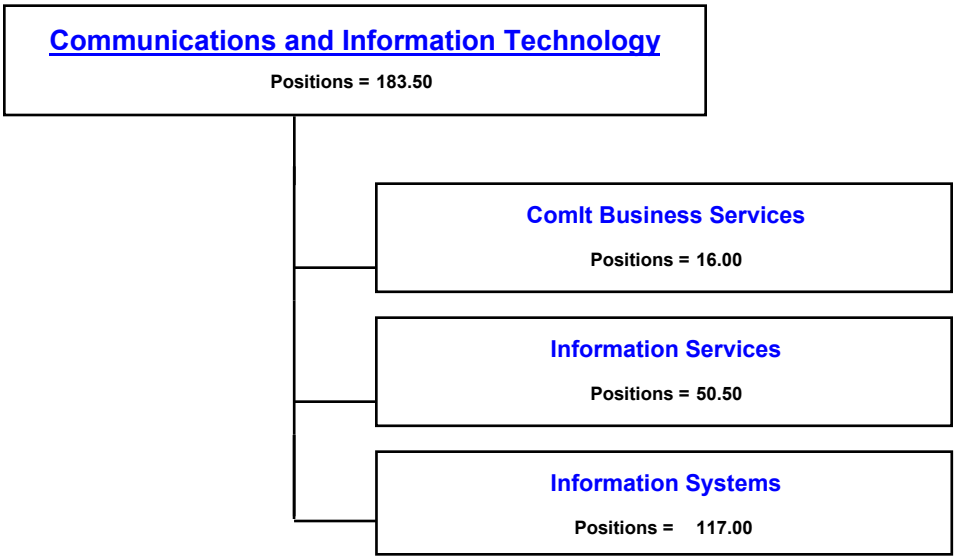
Proposed Real Estate Tax Relief Thresholds

Total Income	Tax Exemption
$0.00 - $48,009	100%
$48,009.01 - $52,188	80%
$52,188.01 - $56,367	60%
$56,367.01 - $60,546	40%
$60,546.01 - $64,674	20%

Commissioner of the Revenue - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Commissioner of the Revenue	4,030,142	4,025,380	4,120,734	95,354
DMV Select	81,252	72,742	77,899	5,157
Total Expenditures	4,111,394	4,098,122	4,198,633	100,511
Revenues				
State	768,935	825,562	829,783	4,221
Total Revenues	768,935	825,562	829,783	4,221
General City Support	3,342,459	3,272,560	3,368,850	96,290
610 Capital Projects Internal Service Fund				
Expenditures				
Capital Projects - COR	0	0	70,000	70,000
Total Expenditures	0	0	70,000	70,000
Revenues				
Fees	0	0	70,000	70,000
Total Revenues	0	0	70,000	70,000
General City Support	0	0	0	0
Total Department Expenditure	4,111,394	4,098,122	4,268,633	170,511
Total Department Revenue	768,935	825,562	899,783	74,221
Total General City Support	3,342,459	3,272,560	3,368,850	96,290

Position Summary by Program				
002 General Fund				
Commissioner of the Revenue	60.00	60.00	60.00	0.00
DMV Select	2.93	2.93	2.93	0.00
Total	62.93	62.93	62.93	0.00
610 Capital Projects Internal Service Fund				
Capital Projects - COR	0.00	1.00	2.00	1.00
Total	0.00	1.00	2.00	1.00
Total Position Summary	62.93	63.93	64.93	1.00


Communications and Information Technology
Positions = 183.50
Comlt Business Services
Positions = 16.00
Information Services
Positions = 50.50
Information Systems
Positions = 117.00

Communications and Information Technology

In the next five years, ComIT will evolve to become a model of excellence in providing information technology services to customers and constituents in government organizations. We will achieve this vision by setting new high standards in the following areas: Business and IT Alignment; Information Accessibility; Openness and Transparency; Civic Participation; and Operational Efficiency.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Applications Operation and Repair						
Trouble calls resolved as Very Satisfied	%	98.0	95.0	95.0	90.0	90.0
Enterprise GIS Output						
GIS Created database, elements, maps, other products	#	40,000.0	20,086.0	42,418.0	40,000.0	40,000.0
Mail Service Processing						
Outgoing USPS Mail Processed	#	600,000.0	663,017.0	632,950.0	640,000.0	638,000.0
Multimedia Services Production						
Multimedia Projects Produced	#	250.0	171.0	205.0	185.0	185.0
Online Media File Plays via Official City Websites	#	420,000.0	271,856.0	353,245.0	420,000.0	420,000.0
Provide Telecom Uninterrupted Voice Service						
Availability of Municipal Center Telephone System	%	99.9	99.9	99.1	99.5	99.9
Provide Uninterrupted Telecom WAN Connections						
Availability of Municipal Center-based WAN	%	99.8	99.4	99.6	99.8	99.8
Telecom Radio Services from the Voice Radio System						
Availability of Voice Radio System	%	99.9	99.9	99.9	99.9	99.9
Time Required to Solve Priority 1, 2, & 3 Service Calls						
Resolution time (days) for priority 1, 2 & 3 service calls	#	3.0	3.3	4.7	5.0	5.0
Web Services - VBgov.com						
Unique Visitors to VBgov.com (in thousands)	#	7,000.0	3,682.2	6,874.7	7,000.0	7,000.0
Internal Process						
Information Security and Privacy Secure Systems						
Scans of city computers for vulnerabilities	#	47,600.0	47,739.0	55,269.0	60,000.0	60,000.0
Technology Projects Meeting Objectives						
Tech Projects Meeting All Objectives	%	96.0	93.0	98.0	96.0	96.0

Communications and Information Technology

Major Changes

The FY 2014-15 operating budget of the Communications and Information Technology (ComIT) department is comprised of the General Fund and three Internal Service Funds (ISF), totaling $30,719,873. The General Fund portion increased $422,363, or 2.0%. This is mainly due to the addition of three new positions, one to continue the City's enterprise mobile application strategy (2.0 FTEs were approved previously in FY 2013-14), and two Business Relationship Management positions to work collaboratively with City departments' information technology service needs and requirements. The Capital Projects Internal Service Fund has increased $391,250, or 197.0% due to three additional positions; two current positions were transferred from the General Fund and one new position will be responsible for the Next Generation/Municipal Area Network (MAN). The Telecommunications Internal Service Fund decreased $308,284, or (8.4%) due to a decrease in the use of Fund Balance. The Subscriptions Internal Service Fund increased $427,356, or 13.0% due to increases in scheduled hardware and software replacement. Overall, the department increased $932,685, or 3.1% over the previous year. In terms of positions, ComIT had 180.50 FTEs in FY 2014. Due to limited resources, one position was eliminated, and four new positions were added to handle new initiatives, resulting in 183.50 FTEs for FY 2015. The changes are discussed in greater detail below.

Change	Impact
Transfer two positions from the General Fund to the Capital Projects Internal Service Fund.	• Due to budget constraints, two positions were transferred out of the General Fund. These two positions have the skillset to work on CIP 3-095, CIT-Police Integrated Public Safety Record Management System, and have been placed in the Capital Project Internal Service Fund. With the cost of two consultants estimated at $436,800 this action will result in net savings of $207,846 in the CIP project.
Implementation of Business Relationship Management Role	• The assessment by an information technology research and advisory company (Gartner) recommended 8.0 FTEs for creation of a Business Relationship Management (BRM) role; ComIT requested 4.0 FTEs in FY 2014-15 and were approved for 2.0 net new FTEs. The department will reclassify two existing positions to work on BRM, resulting in a total of 4.0 FTEs for BRM. These positions will proactively engage with City departments to learn their business issues and work collaboratively in planning designing, deploying and enhancing information. Total cost: $204,649.
Enterprise Mobile Application Initiative-Phase II	• One new FTE ($105,570), equipment and software ($185,182) to begin Phase II of the City's mobile application initiative to provide City agencies and residents more citizen-centric services as well as functions to support a mobile workforce. Phase I was approved in FY 2013-14. Phase II funding is required to complete the funding request for this City Council Priority. Total cost: $290,722.
Metropolitan Area Network/Next Generation Network	• One new FTE for implementation and maintenance of the Next Generation Network also called the Municipal Area Network, which is included in the Capital Improvement Program as project 3-664, CIT-Metropolitan Area Network. Total cost: $123,517.
Virtual Town Hall Software/Melt Water	• This item will provide funding for the City's Virtual Town Hall services and media monitoring software. Virtual Town Hall directly supports online civic engagement. Media monitoring software will provide performance metrics for City communication activities. Total cost: $19,000.

Departmental Overview

Communications and Information Technology (ComIT) provides a technology foundation supporting all city/school departments and agencies. Service delivery is based on three fundamental pillars: (1) Run, (2) Grow, and (3) Transform. The Run pillar is for maintaining applications and infrastructure components by performing repairs and day-to-day activities. The Grow pillar is for replacement of outdated hardware and the patching of software applications or operating systems. The Transform pillar is for new product or system acquisition and implementation. The department's services are built upon the following operational areas:

- **Applications Support -** Analyzes, develops, tests, integrates, manages, and supports organizational mission critical business systems and applications.

- **Business Center and Mail Services -** Responsible for departmental purchasing, human resources, payroll, accounts payable, reception, central support, print shop billing, telecommunication billing, and organization-wide mail delivery.

- **Center for Geospatial Information Services -** Provides GIS base mapping and GIS web services for public safety and other city and school agencies; Maintains maps and databases, support functions, and components including GIS data elements.

- **Multimedia Services -** Programs and operates the city and public schools' cable television channels (VBTV 46, 47, & 48); develops and executes communications plans for the organization, creates and maintains the enterprise information/content for VBgov.com, and manages and monitors the city social media tools of Facebook, Twitter, Flickr, and You Tube.

- **Systems Support -** Provides organizational computer, server, and network design, engineering, maintenance, repair, and support services.

- **Telecommunications -** Provides telephone, network and radio maintenance, support, contract administration, cable management, billing, dial tone provision, service coordination, and configuration changes.

- **Technology Services -** Provides technology project portfolio management, customer support, information security and privacy, and account management services.

The Envision Virginia Beach 2040 Committee Report provides that citizens, businesses and visitors have access to advanced broadband technologies that efficiently and effectively supports regional interconnectivity as well as global commerce. ComIT has been instrumental in progressing toward that goal and will continue to expand those capabilities as needed.

ComIT's initiatives align and support the city's A Community for Sustainable Future report including the following objectives:

- Objective 10.1 – Maintain high performance infrastructure systems city-wide by retrofitting, designing for adaptability, and investing in new technologies.

- Objective 12.1 – Maximize Wi-Fi availability throughout the city

- Objective 12.2 – Partner with communications providers to ensure all citizens have optimum communication access as technology changes.

- The City of Virginia Beach Communications and Information Technology Department (ComIT) is "An organization committed to proactively delivering a dynamic and evolving set of core services and innovative technologies that the City and its constituents demand." ComIT achieves and maintains high standards in the following areas:
  - *Business and IT Alignment* **-** Working with public and private partners to make investments in information technology that provide long-term benefits and add value to our community.
  - *Information Accessibility* **-** Using technology to make City data readily available to enhance government decision making and simplify delivery of services to our citizens.
  - *Openness and Transparency* **-** Providing our constituents with simple and open access to City services and information.
  - *Civic Participation* **-** Leveraging technology to meet the growing demand among our citizens for participatory and collaborative government.
  - *Operational Efficiency* **–** Enabling mobile workforce accessibility to high-quality digital government information in order to provide services anywhere, anytime, on any device.
  - *Quality Workforce* **–**Developing highly skilled, innovative, motivated, responsive, and collaborative implementers and maintainers of quality technology solutions.

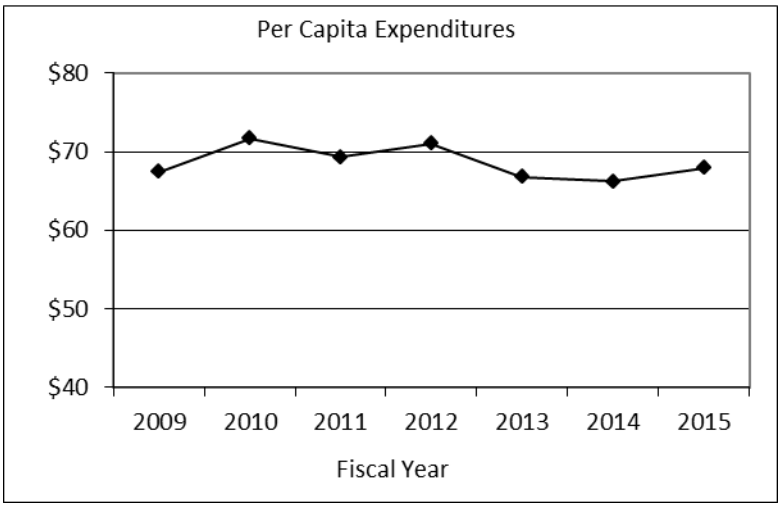
Trends and Issues

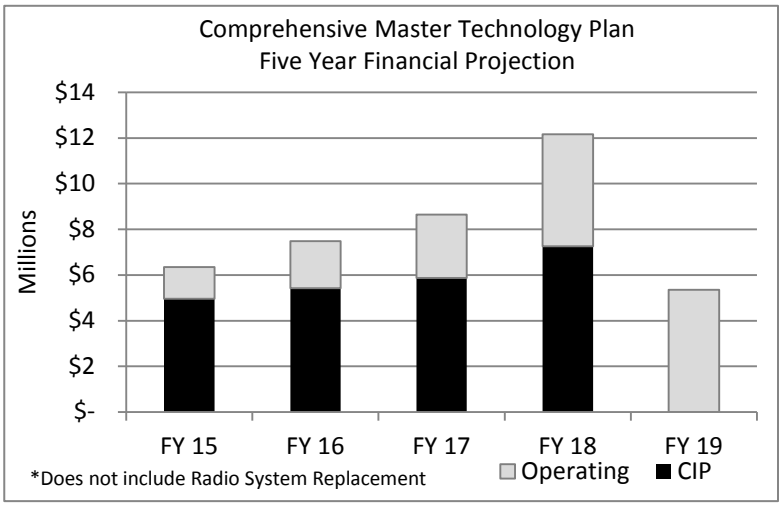
- The graph reflects a slight increase in the per capita expenditures for ComIT in FY 2014-15. This is attributable to City-wide increases in salaries and fringe benefits, new positions to enhance initiatives such as mobile application capability, municipal area network/Next Generation Network, and business relationship management.

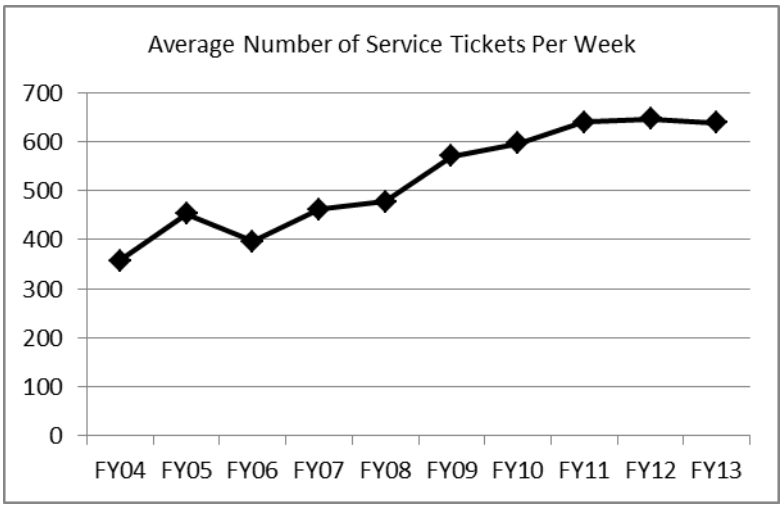
- One of ComIT's top priorities remains the filling of vacancies. This department has had difficulty finding qualified candidates for some positions because budgeted compensation often is not competitive. In calendar year 2012, the department averaged 16.6 vacant positions. In 2013, vacancies averaged 15.0 in their General Fund units. Recent efforts to fill vacancies have reduced the number to 13 with four positions close to hiring.

- ComIT has been working collaboratively with Gartner, a well-known technology consulting firm, to develop a Master Technology Plan with City leadership and communities of interest. As the graph to the right shows, a substantial financial commitment will be needed in the future years to transform into a true service-optimized organization. The total estimated additional cost to accomplish becoming an organization committed to proactively delivering a dynamic and evolving set of core services and innovative technologies that the City and its constituents demand is $39.9 million.

- The number of service calls over a 10-year period has increased 79.0% as shown on the chart. The combined impact of the rising numbers of service calls, along with constant staffing levels are making it increasingly difficult for ComIT to service systems and resolve customer issues within the desired timeframe.







Communications and Information Technology - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Multimedia Services	1,343,914	1,486,614	1,527,897	41,283
Mail Service	232,902	252,943	226,670	(26,273)
ComIT Business Center	853,715	851,282	911,732	60,450
Applications Support	7,389,571	8,303,805	8,405,992	102,187
Systems Support	7,815,146	6,601,514	6,487,661	(113,853)
Center for Geospatial Information Services	1,925,971	2,094,335	2,168,674	74,339
GF Telecommunications	1,125,881	1,157,397	1,624,047	466,650
Technology Services	1,723,714	1,902,673	1,720,253	(182,420)
Total Expenditures	22,410,814	22,650,563	23,072,926	422,363
Revenues				
Fees	12,199	12,000	12,000	0
Transfers	1,999,395	1,965,966	1,965,966	0
Total Revenues	2,011,594	1,977,966	1,977,966	0
General City Support	20,399,220	20,672,597	21,094,960	422,363
604 Print Shop Internal Service Fund				
Expenditures				
City/Schools Printing Services	25,534	0	0	0
Total Expenditures	25,534	0	0	0
Revenues				
Fees	4,442	0	0	0
Total Revenues	4,442	0	0	0
General City Support	21,092	0	0	0
610 Capital Projects Internal Service Fund				
Expenditures				
Capital Projects - ComIT	12,139	198,625	589,875	391,250
Total Expenditures	12,139	198,625	589,875	391,250
Revenues				
Fees	12,139	198,625	589,875	391,250
Total Revenues	12,139	198,625	589,875	391,250
General City Support	0	0	0	0
620 Telecommunications Internal Service Fund				
Expenditures				
Telecommunications	1,960,892	3,458,330	3,037,849	(420,481)
Reserve for Contingencies	0	196,389	308,586	112,197
Total Expenditures	1,960,892	3,654,719	3,346,435	(308,284)
Revenues				
Fees	3,058,682	3,317,173	3,346,435	29,262
Fund Balance	0	337,546	0	(337,546)
Total Revenues	3,058,682	3,654,719	3,346,435	(308,284)
General City Support	(1,097,791)	0	0	0

Communications and Information Technology - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
621 Subscriptions Internal Service Fund				
Expenditures				
Subscriptions	2,255,426	3,027,774	3,277,650	249,876
Mobile Device Management	0	0	144,000	144,000
Reserve for Contingencies	0	255,507	288,987	33,480
Total Expenditures	2,255,426	3,283,281	3,710,637	427,356
Revenues				
Fees	2,535,639	2,351,644	2,602,458	250,814
Fund Balance	0	931,637	1,108,179	176,542
Total Revenues	2,535,639	3,283,281	3,710,637	427,356
General City Support	(280,213)	0	0	0
Total Department Expenditure	26,664,804	29,787,188	30,719,873	932,685
Total Department Revenue	7,622,496	9,114,591	9,624,913	510,322
Total General City Support	19,042,308	20,672,597	21,094,960	422,363

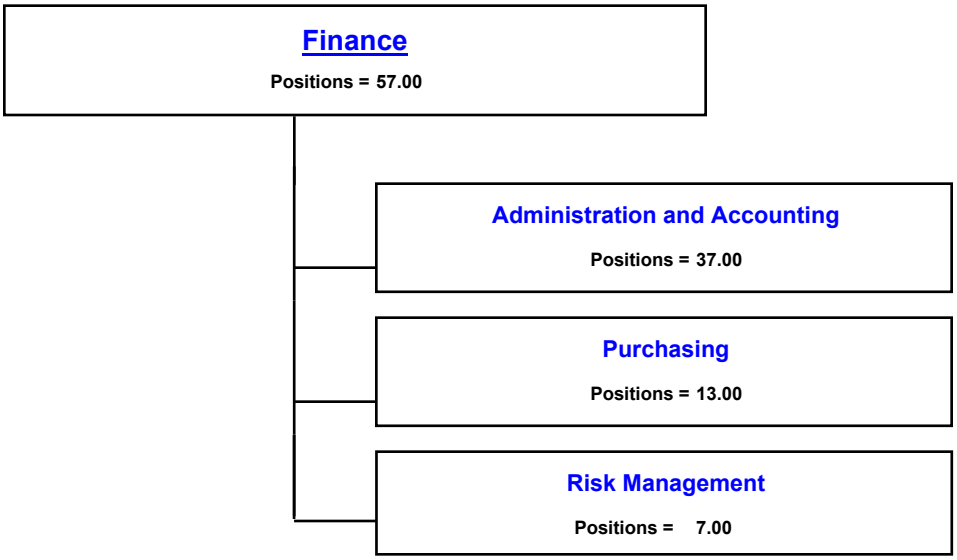
Position Summary by Program

002 General Fund				
Multimedia Services	16.50	17.50	17.50	0.00
Mail Service	4.00	4.00	4.00	0.00
ComIT Business Center	13.00	12.00	12.00	0.00
Applications Support	50.00	54.00	53.00	-1.00
Systems Support	41.00	39.00	37.00	-2.00
Center for Geospatial Information Services	19.00	19.00	19.00	0.00
GF Telecommunications	8.00	8.00	12.00	4.00
Technology Services	15.00	15.00	14.00	-1.00
Total	166.50	168.50	168.50	0.00
610 Capital Projects Internal Service Fund				
Capital Projects - ComIT	2.00	2.00	5.00	3.00
Total	2.00	2.00	5.00	3.00
620 Telecommunications Internal Service Fund				
Telecommunications	10.00	10.00	10.00	0.00
Total	10.00	10.00	10.00	0.00
Total Position Summary	178.50	180.50	183.50	3.00

Resource Summary Notes

The increase in the Capital Project Internal Service Fund is a result of three new positions—two existing positions transferred from the General Fund and one new position.

City of Virginia Beach
Fiscal Year 2015 Department Organizational Chart



Finance

The mission of the Finance Department is through strong leadership, deliver comprehensive financial and business services, and protect the City's resources in a high quality, cost effective, and innovative environment that inspires trust and supports our community for a lifetime.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Local Vehicle Registration - City State Cooperative Tax Collection						
LVR - Number of Vehicles Registered and Paid	#	358,000.0	366,827.0	362,561.0	375,968.0	380,000.0
Management of Civil Claims Against the City						
Civil Claims Against the City - Millions	$	4	4	4	4	4
Civil Insurance Claims Against the City	#	420.0	243.0	205.0	250.0	250.0
Financial						
Financial Accountability for Funds, Expenditures and Revenues						
1099s Issued for Prior Calculation Year	#	1,800.0	1,326.0	1,417.0	1,500.0	1,588.0
CAFR Preparation Time - Weeks	#	14.0	16.0	16.0	16.0	16.0
Capital Project Revenue Review - Millions	$	200	186	155	200	200
Capital Projects Oversight - # of CIPs	#	350.0	378.0	344.0	350.0	350.0
Compliance for State & Federal Reports - Millions	$	242	224	218	220	220
Days to Prepare Monthly Interim Financial Statement	#	10.0	12.0	12.0	10.0	10.0
Dredging SSD Projects - #	#	6.0	1.0	4.0	6.0	6.0
Ensuring Revenue Receipts - Millions	$	35	36	32	36	36
Grant Oversight - # of Grants	#	100.0	134.0	142.0	100.0	100.0
Invoices Processed per FY	#	136,900.0	136,213.0	143,016.0	156,339.0	170,000.0
P-Card Transactions Reviewed	#	19,000.0	18,589.0	19,221.0	19,814.0	20,428.0
Working Days to Process Invoices	#	7.0	7.0	7.0	7.0	8.0
Financial Vision and Strategy for the Future						
Debt Service Payments	#	571.0	533.0	582.0	557.0	550.0
Payroll, Employment Tax and Labor Pay Compliance						
Garnishments, Liens and Court Orders	#	9,000.0	6,355.0	6,552.0	7,203.0	7,300.0
Payroll Payments Issued Annually	#	240,000.0	231,254.0	229,810.0	251,082.0	255,000.0
Retirement Counseling Sessions	#	400.0	463.0	694.0	791.0	750.0
Purchasing Competitive Maximization and Opportunity						
Dollar Volume in Purchase Orders - Millions	$	225	320	335	275	285
Minority Business - Minority Expenditures - Millions	$	10	13	14	13	15
Purchasing Formal Solicitations	#	165.0	235.0	247.0	275.0	285.0
Workers' Compensation Claim Management						
Workers' Compensation Claim Dollars (Millions)	$	7	7	7	10	10
Workers' Compensation Claims Filed	#	1,200.0	1,328.0	1,356.0	1,300.0	1,300.0

Finance

Major Changes

In total, the Finance Department's budget of $19,708,256 for FY 2014-15 is an increase of $2,398,741, or 13.9%, from the FY 2013-14 amended operating budget. The increase is primarily attributed to rising risk management costs.

Change	Impact
Increased funding for Risk Management Internal Service Fund	• The risk management estimated funding for liabilities is currently 41% with the goal being 70%. A new funding formula designed to better allocate costs to departments is in its second year of implementation. Fees were increased in departments by $2,332,150 to help meet this objective, and an additional $1 million is proposed to be added for planned expenditures through a June transfer to the Risk Management Internal Service Fund.
Increase contracted manpower for neighborhood dredging and FEMA programs	• The neighborhood dredging partnership efforts have allowed the city to work with neighborhood waterfront property owners to recapture access to navigable channels and address the degradation of water quality caused by the siltation of the waterway's bottom. Neighborhood projects require billing, receivables, cost accounting, financing, and functional reporting. In addition, Severe Repetitive Loss programs will require accounting management. Contracted manpower costs have been increased by $40,000 to support this effort.

Departmental Overview

The Finance department is funded through general city taxes and fees. The Risk Management Fund, the city's self-insurance fund, charges all costs back to the various services and programs throughout the city. The department ensures direction, planning, and coordination of financial services through:

- **Debt Management -** Supports the approved Capital Improvement Program (CIP) debt requirements, provides debt planning, bond issuance, administration, and analysis of taxable debt, IRS and SEC reporting, and monitoring of interest rate environment for potential refunding of debt issues.

- **Payroll -** Prepares city employee payroll, manages federal and state tax reporting and compliance, manages VRS programs, manages garnishments, liens, and pay deductions.

- **Comptroller -** Publishes Comprehensive Annual Financial Report. Responsible for maintaining the integrity of the financial management system for operating funds as well as capital projects funds, the preparation of mandated financial reports in compliance with federal and state laws, the processing of all invoices and city payments, oversight of IRS vendor tax reporting, the city's unclaimed property reporting, the indirect cost allocation process, providing oversight of accounting policies and internal controls, validating grant financial data, oversight of CIP revenue reporting, and the reporting of city owned capital assets.

- **Purchasing -** In accordance with state law and City Code, responsible for the procurement of all goods, services, and construction, is responsible for surplus property, and manages the bidding and competitive negotiation processes for all formal procurement solicitations, including special processes such as the PPEA process. Responsible for providing staff and management for minority business programs.

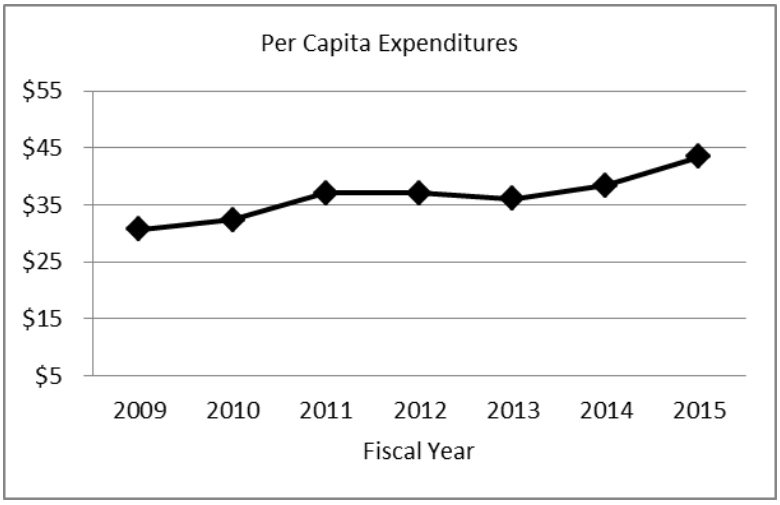
- **Risk Management -** Manages the city's self-insurance program including: identifying and evaluating city risk, managing the loss control programs, purchase insurances, and processing Workers' Compensation adjustments and civil liability claims. Manages public assistance recovery and reimbursement efforts.

Trends and Issues

- City payroll for approximately 7,200 employees will continue including verifications and policy setting for internal controls. W-2 forms processed will remain at 8,500. The Payroll division issued 239,433 disbursements (direct deposits and checks). The existing payroll is paid on a current (non-arrears) semi-monthly basis which creates a risk of

overpayments and requires on-going corrections. Finance implemented arrears payroll and the new Virginia Retirement System (VRS) Hybrid Plan in FY 2013-14.

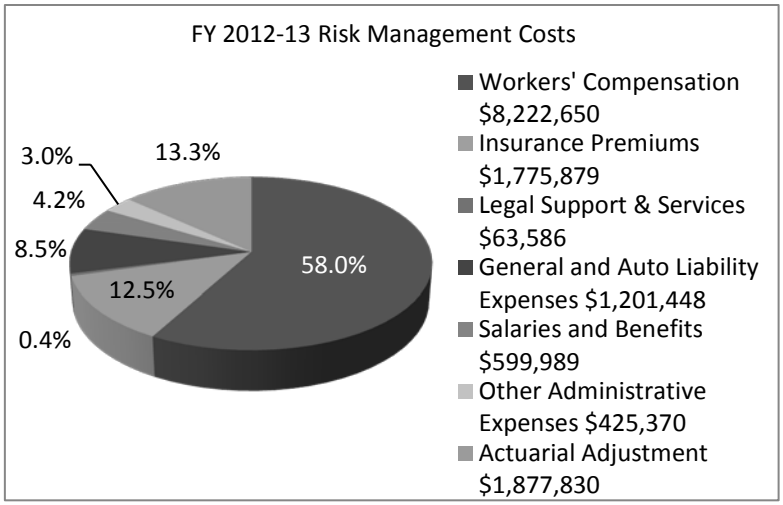
- As the graph to the right indicates, the Finance department's per capita expenditures have generally increased since FY 2009-10 primarily due to increasing Risk Management claims.



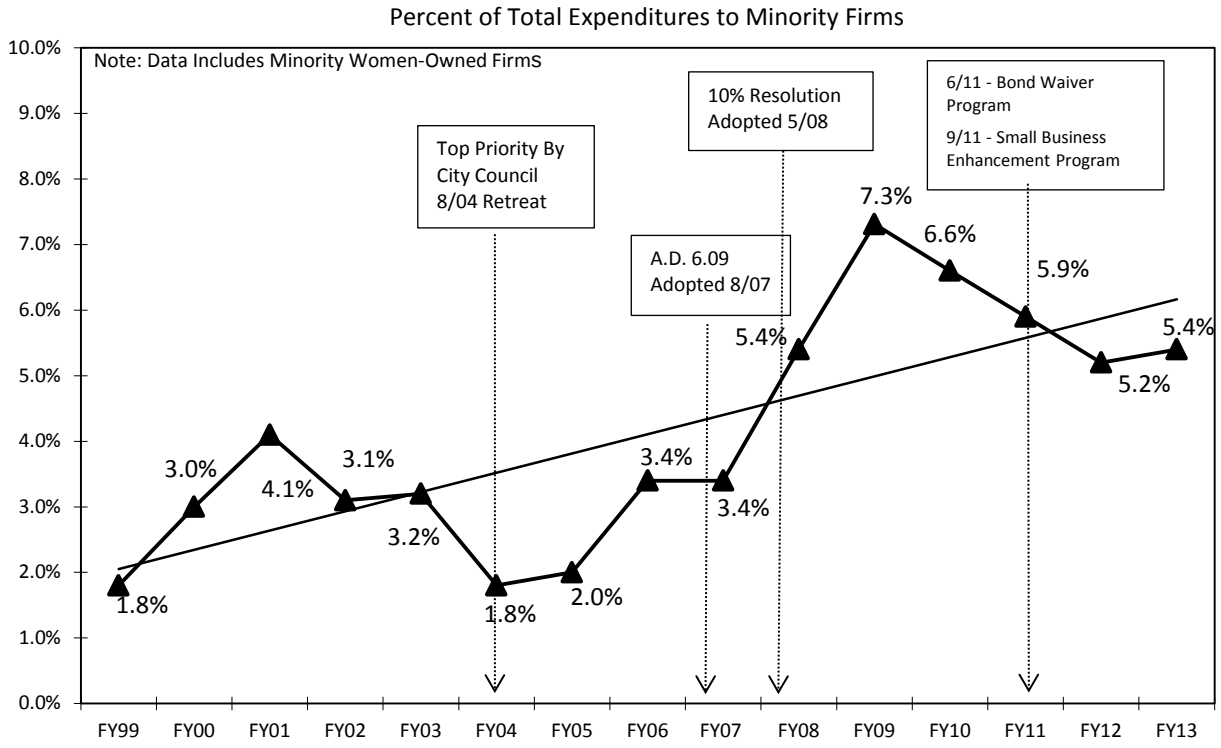
- Risk Management averaged 175 general liability, 84 auto liability and 1,213 Workers' Compensation claims against the city per year over five years. During this same period, the total cost of risk on average is $1,824 per FTE. The city's multi-year goal of funding 70% of the actuarial estimate is being achieved by aligning the chargeback formula for departments, increasing department costs by $2,332,150.

- The values of grants and capital improvement projects are now over four times larger than a decade ago. In FY 2012-13, there were approximately 129 City grants and CIP projects budgeted to receive approximately $411 million in federal and state funding. There has been an increase in the number of audits and reports for federal, state, and other grant entitlements and funding matches, including line item audits of major state programs.

- As the graph depicts, Risk Management costs are broken into several categories. In FY 2012-13, the highest costs were incurred in Workers' Compensation (58%, $8,222,650). Workers' Compensation, by far, costs almost 5 times greater than the next largest categories: Property Insurance Premiums (12.5%, $1,775,879) and Liability Expenses (8.5%, $1,201,448) respectively.



- Over the last 20 years, revenues, assets, invoices, grants and debt have grown at a triple digit rate. In the past 10 years, invoice volume has almost doubled to $650 million annually and the number of vendor records has significantly increased. Increased Securities and Exchange Commission (SEC) and Internal Revenue Service (IRS) scrutiny requires additional controls and documentation to avoid penalties.



Fiscal Year	Expenditures Minority (in millions)	Total (in millions)	# of Firms
1998-99	$2.3	$123.0	53
1999-00	3.0	95.5	44
2000-01	4.9	119.8	122
2001-02	4.5	142.9	144
2002-03	5.5	171.5	127
2003-04	4.3	239.2	138
2004-05	5.3	265.4	143
2005-06	8.1	238.7	160
2006-07	7.6	224.3	135
2007-08	12.2	224.7	141
2008-09	14.1	193.3	167
2009-10	14.8	225.0	140
2010-11	13.5	227.6	131
2011-12	12.5	242.3	135
2012-13	12.9	240.4	105

- As noted above, the city has increased its percentage of total expenditures paid to minority vendors from 1.8% in FY 1998-99 to 5.4% in FY 2012-13, a slight increase from FY 2011-12. Participation through the Minority Business Council and City's Minority Business Programs is growing but has yet to reach the goal of 10%. While the trend is moving in the right direction, much work remains, with more emphasis on construction contracting and subcontracting. The two business enhancement programs adopted by City Council in past years are helping to stimulate minority and small business participation in city contracting. These programs add additional procurement and reporting responsibilities for staff.

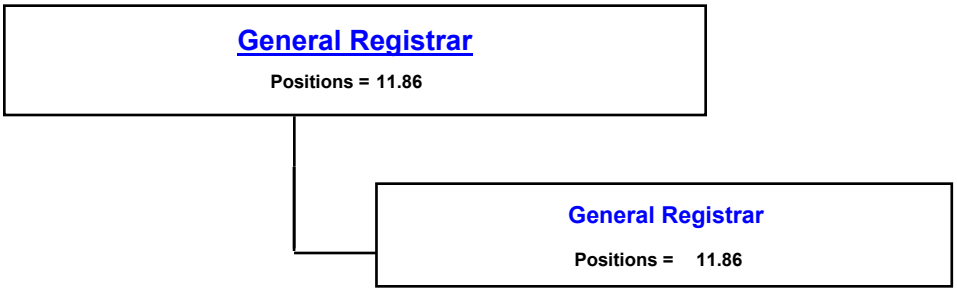
Finance - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	703,748	745,182	762,260	17,078
Local Vehicle Registration	730,538	845,272	731,000	(114,272)
Comptroller's Office	1,567,569	1,635,361	1,669,170	33,809
Payroll	702,587	732,551	817,006	84,455
Purchasing	1,055,480	1,147,369	1,169,128	21,759
Total Expenditures	4,759,922	5,105,735	5,148,564	42,829
Revenues				
Fees	58,424	660,860	690,365	29,505
Total Revenues	58,424	660,860	690,365	29,505
General City Support	4,701,497	4,444,875	4,458,199	13,324
607 Risk Management Internal Service Fund				
Expenditures				
Risk Management Insurance Payments	11,663,445	11,026,986	12,969,977	1,942,991
Risk Management	613,687	1,012,527	1,407,847	395,320
Reserve for Contingencies	0	975	5,114	4,139
Total Expenditures	12,277,132	12,040,488	14,382,938	2,342,450
Revenues				
Fees	11,061,751	12,040,488	14,382,938	2,342,450
Total Revenues	11,061,751	12,040,488	14,382,938	2,342,450
General City Support	1,215,381	0	0	0
610 Capital Projects Internal Service Fund				
Expenditures				
Capital Projects - Finance	100,449	163,292	176,754	13,462
Total Expenditures	100,449	163,292	176,754	13,462
Revenues				
Fees	101,945	163,292	176,754	13,462
Total Revenues	101,945	163,292	176,754	13,462
General City Support	(1,496)	0	0	0
Total Department Expenditure	17,137,502	17,309,515	19,708,256	2,398,741
Total Department Revenue	11,222,120	12,864,640	15,250,057	2,385,417
Total General City Support	5,915,382	4,444,875	4,458,199	13,324

Position Summary by Program				
002 General Fund				
Director's Office	6.00	6.00	6.00	0.00
Comptroller's Office	19.00	19.00	19.00	0.00
Payroll	9.00	10.00	10.00	0.00
Purchasing	13.00	13.00	13.00	0.00
Total	47.00	48.00	48.00	0.00

Finance - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
607 Risk Management Internal Service Fund				
Risk Management	7.00	7.00	7.00	0.00
Total	7.00	7.00	7.00	0.00
610 Capital Projects Internal Service Fund				
Capital Projects - Finance	2.00	2.00	2.00	0.00
Total	2.00	2.00	2.00	0.00
Total Position Summary	56.00	57.00	57.00	0.00


General Registrar
Positions = 11.86
General Registrar
Positions = 11.86

General Registrar

The mission of the General Registrar is to maintain the current registration and elections process for Virginia Beach voters at three locations, to meet mandatory State and Federal standards for access to voter registration and to handle the regulations of the National Voter Registration Act, Help America Vote Act and State Board of Elections policies. Also to provide convenient ways for citizens to change voter registration records, vote by absentee ballot and pursue their candidacies for office.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Provide Current Registration of All Voters						
Registered Voters	#	290,000.0	304,485.0	292,100.0	290,000.0	295,000.0
Registered Voters Served by Each Registrar	#	26,364.0	27,680.0	26,555.0	26,364.0	26,818.0
Provide Ways for Citizens to Change Registrations						
Registration Adds and Changes Made	#	21,000.0	51,766.0	27,450.0	27,500.0	27,500.0
Registration Adds and Changes Made Per Staff Member	#	1,910.0	4,706.0	2,495.0	2,500.0	2,500.0

General Registrar

Major Changes

In total, the General Registrar's Office operating budget total $1,378,780 in FY 2014-15. This is an increase of $26,369 or 2% in expenditures when compared to the FY 2013-14 budget. Included in the FY 2014-15 Operating Budget is $114,425 for the operating budget impact associated with the purchase of a new voting system. Included within these cost are supplies, equipment, training, and software and hardware support costs. The number of full-time equivalent (FTEs) staff reduced slightly due to a reduction in part-time staff hours. This reduction is predicated on the number of part-time hours utilized and will not negatively impact the delivery of services.

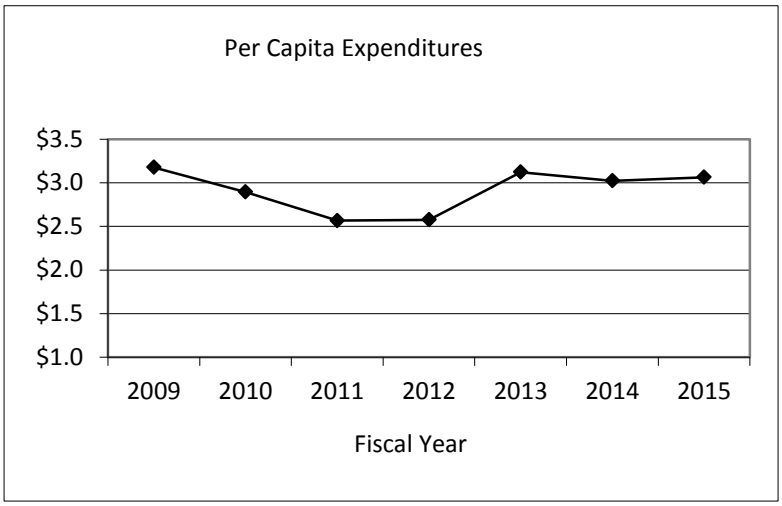
Departmental Overview

The state reimburses the city for the General Registrar's salary. Reimbursements are also received for the Electoral Board members' salary. The General Registrar's Office maintains the current registration and elections process for Virginia Beach voters and supports 95 precincts by:

- Complying with mandatory state and federal standards and guidelines of the Voting Right Act and Help America Vote Act of 2002.
- Offering two satellite offices in local Department of Motor Vehicles (DMV) facilities.
- Providing convenient ways for citizens to register to vote, change voter registration records, vote by absentee ballot, and pursue their candidacy for office.
- Handling mail registration sites at the U.S. Post Offices, city schools, and city recreation centers. In person registration at DMVs, public libraries, Department of Human Services and the Offices of the City Treasurer, Commissioner of the Revenue, Clerk of the Circuit Court, Sheriff's Office and two local companies.
- Maintaining and checking the campaign financial reports of all local candidates.

Trends and Issues

- The General Registrar's operating budget fluctuates based on the election needs within any given year. The reduction in per capita expenditures between FY 2008-09 and FY 2011-12 was a combination of operational reductions due to decreasing City revenues and the succession of smaller elections between those fiscal years. The 2008 Presidential election was followed by the 2009 Gubernatorial election, which was then followed by a series of elections that had a significantly lower voter turnout. The increase between FY 2011-12 and FY 2012-13 was the result of increased funding for the November 2012 Presidential election. Expenditures slightly decreased in FY 2013-14 as appropriations remained within the office's budget to support the Virginia Gubernatorial election, which is the second largest election the office oversees. Election support costs were reduced in FY 2014-15; however, these reductions were mitigated through the $114,425 increase to support the operating cost of a new voting system.

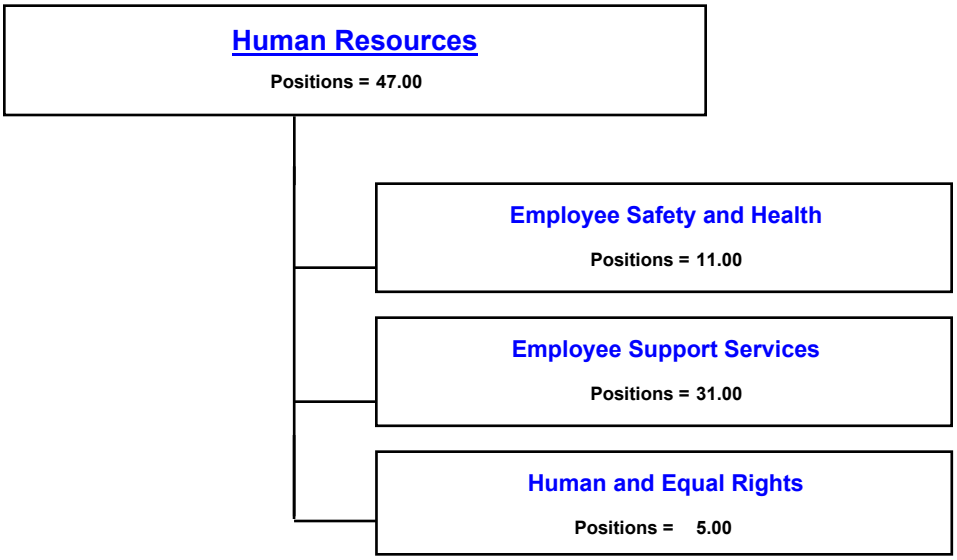


- During the 2012 Presidential election, the General Registrar's office experienced longer lines and delays in gathering voting results at some precincts. The delays were in part attributable to the lack of an adequate number of voting machines. A change in State code allows the use of existing electronic machines but no longer allows the purchase of electronic voting machines; therefore, the purchase of additional machines for the existing electronic system is prohibited. Included in the City's FY 2014-15 Capital Improvement Plan (CIP) is project 3-049 New Voting System. Programmed within this project is $1,370,900 to replace the General Registrar's voting equipment with equipment that is permitted by the State. Replacing this equipment will allow the General Registrar to meet the demands of the voting citizenry. As of the time of this document, no State funds are available for this purchase.

General Registrar - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
General Registrar	1,581,147	1,352,411	1,378,780	26,369
Total Expenditures	1,581,147	1,352,411	1,378,780	26,369
Revenues				
Fees	1,376	0	0	0
State	104,446	76,648	76,648	0
Total Revenues	105,821	76,648	76,648	0
General City Support	1,475,326	1,275,763	1,302,132	26,369
Total Department Expenditure	1,581,147	1,352,411	1,378,780	26,369
Total Department Revenue	105,821	76,648	76,648	0
Total General City Support	1,475,326	1,275,763	1,302,132	26,369

Position Summary by Program				
002 General Fund				
General Registrar	12.03	12.03	11.86	-0.17
Total	12.03	12.03	11.86	-0.17
Total Position Summary	12.03	12.03	11.86	-0.17


Human Resources
Positions = 47.00
Employee Safety and Health
Positions = 11.00
Employee Support Services
Positions = 31.00
Human and Equal Rights
Positions = 5.00

Human Resources

The mission of the Department of Human Resources is to facilitate the recruitment, retention and development of a sustainable quality workforce and its alignment with the City's strategy.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Customer						
Enhance Communication and Understanding						
Participants Satisfied with Member Communications	%	100.0	98.0	99.4	99.0	99.0
Manage the Sick Leave Bank/Donation Program						
Sick Leave Bank Applications Received	#	100.0	108.0	131.0	110.0	110.0
Perform Strategic Recruitment & Selection Process						
Qualified Employees Recruited and Hired Within 60 Days	%	75.0	64.0	76.0	80.0	80.0
Provide Mandated Safety Services						
Employee Injuries Reported Annually	#	1,000.0	1,292.0	1,070.0	1,000.0	1,000.0
Participants Attending Occupational Safety Courses	#	6,800.0	7,017.0	6,600.0	6,800.0	6,800.0
Provide Medical Services for Employees						
Medical Exams/Nursing Services	#	14,000.0	14,130.0	13,526.0	14,000.0	14,000.0
Learning & Growth						
Provide Employee Training						
Participants Attending Instructor-Led Training Courses	#	5,000.0	4,871.0	5,500.0	5,750.0	5,700.0
Participants Taking E-Learning Courses	#	2,200.0	2,013.0	2,250.0	2,500.0	2,500.0

Human Resources

Major Changes

The FY 2014-15 operating budget for Human Resources totals $4,318,769, an increase of 3.4% over the previous year. This budget includes $15,390 for an upgrade to the Occupation Health Management System to ensure compliance with federal requirements, and $22,980 for increased costs of vaccines and medical supplies to comply with Occupational Safety and Health Administration (OSHA) and Centers for Disease Control (CDC) standards and guidelines. This budget funds the department's current complement of 47.0 FTEs.

Departmental Overview

Funding for Human Resources comes primarily from general city revenues. The department collects a small amount of revenue that covers the costs of the employee newsletter, *Beam,* and also funding from the Water and Sewer Fund to offset the cost of required physicals for its employees. The services provided by the department of Human Resources are divided into the following areas:

- **Staffing and Compensation -** Coordinates and oversees the city's recruitment, test administration, selection processes, and administration of the city's compensation system. This division provides technical assistance to all departments, employees and applicants on matters which affect the selection, classification and pay of employees. They support the city's commitment to ensuring pay equity by conducting position evaluations and salary analyses.

- **Learning and Development -** Provides citywide learning opportunities to allow a comprehensive and integrated learning and development continuum for every city employee, thereby recognizing the city's underlying commitment to provide leadership and learning opportunities by enabling employees to realize their full potential and to continue learning throughout their career and for a lifetime.

- **Workforce Planning and Development -** Coordinates the development of departmental plans that will anticipate and design ways to meet the needs of the city's current and future workforce.

- **Human Rights Commission -** Conducts and engages in educational and informational programs to promote mutual understanding among citizens, serves as a forum for discussion of human rights issues, conducts studies and proposes solutions for the improvement of human relations, and provides referral assistance to persons who believe their rights have been violated.

- **Investigative Review Panel (IRP) –** Reviews complaints involving the Police Department, as requested by citizens, to ensure that reports and conclusions of the Police Department's Internal Affairs Office investigations involving abuse of authority or other serious misconduct are complete, accurate, and factually supported.

- **Equal Employment Opportunity (EEO)/ADA/Diversity Programs -** Provides consultative services to departments in managing their EEO/ADA/Diversity programs, advises and investigates EEO/ADA related complaints and issues, and provides training that will raise awareness for both employees and managers.

- **Member Communications -** Provides a multidirectional communication program that enhances information, knowledge, employee engagement, and builds strong relationships that encourage trust. Official connection for employees to know what is happening throughout the city. Program provides/coordinates/implements; *Member Update*, *Beam*, and *OnPoint with Jim* newsletters; *Member conversations with the City Manager*; *Ask Jim*, *Because You Asked*; *Quality of Work Life Member Survey & Action Plans* (other surveys as needed); member recognition programs, and the Member Advisory Committee.

- **HR/Police Services -** Administers the police performance feedback program, coordinates the police selection process, provides professional support for police command staff, provides consultation regarding employee disciplinary and performance issues, and conducts exit interviews and other research of employee retention issues for the Police department.

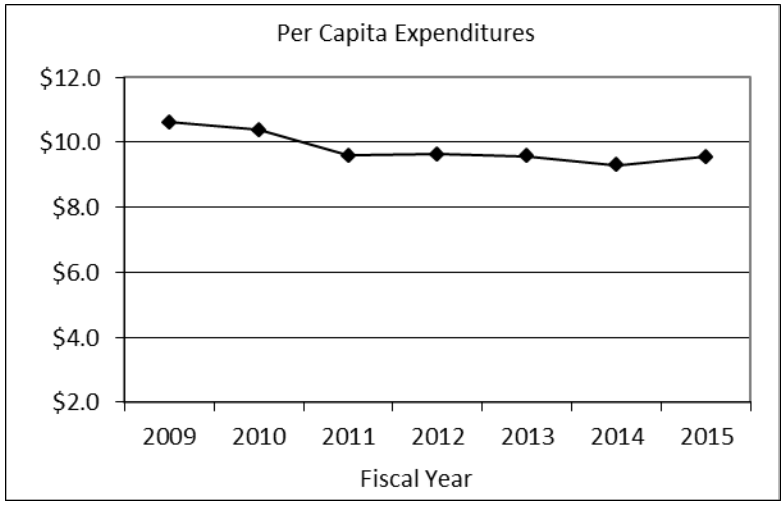
- **Employee Relations -** Focuses on maintaining effective management and employee relationships. The division provides technical advice and assistance to departments regarding human resource policies and procedures, performance management and counseling, performance and discipline based actions, an alternative dispute resolution process, leave management and administration, and work life issues.

- **Occupational Health and Occupational Safety -** Conducts pre-placement and annual medical examinations for public safety and safety sensitive positions that screen for correctable risk factors, provides fitness for duty testing, substance abuse testing and manages the Return to Work Program. Occupational Safety coordinates DMV checks and supports city operations conducting ergonomic evaluations of work stations, indoor air quality testing, job hazard studies and safety compliance training.

The City's report A Community Plan for a Sustainable Future includes as its number one goal, "We will have a strong sense of community spirit and involvement." Object 1.4 states "Promote cultural, educational, and recreational events that reflect our diversity and are accessible to all by removing economic, physical, and other barriers to participation." While that is a priority in the City government's outreach to the community, it is also an internal goal to have a diversified workforce. In this effort, Human Resources provides equal employment opportunity programs. The workforce for the City of Virginia Beach represents the community it serves recognizing that the diversity and inclusion enrich the workforce and enhance the City's ability to serve its citizens.

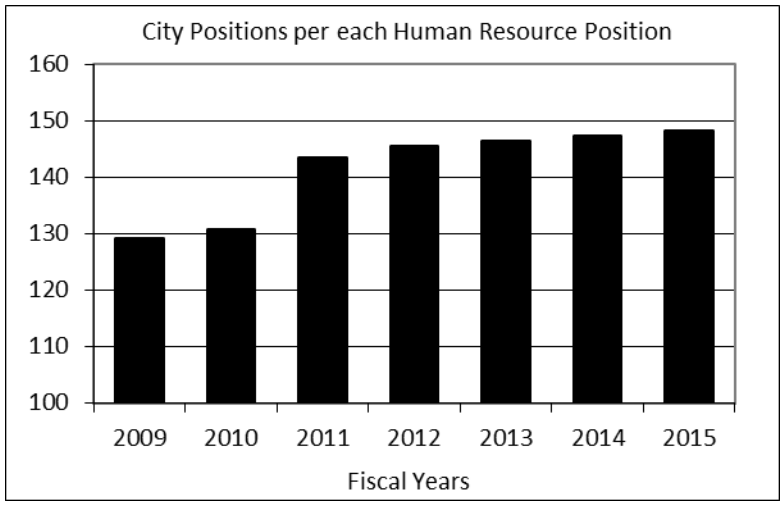
Trends and Issues

- As the graph illustrates, the per capita expenditure for Human Resources has steadily decreased from $10.61 in 2009 to $9.29 in 2014, mainly due to a decrease in positions. There were 54.13 FTEs in 2009. The current number of 47.00 FTEs has been maintained since 2011. The per capita expenditure is projected at $9.55 for 2015.



- To meet the increasing workloads demands placed on department staff, Human Resources has restructured in recent years to best meet customer needs and departmental effectiveness. The restructuring is intended to more closely group related functions to allow enhanced collaboration and facilitate the exchange of information to improve responsiveness, and allow dedicated resources to be assigned to areas of greatest legal risk.

- The graph shows the ratio of city employees to Human Resources employees. Between FY 2009 to FY 2015, the ratio of city positions per Human Resource employee increased from 129.1 to 148.3, a 15.9% increase. As a result, the increased workload on Human Resource employees continues.



- Human Resources recently audited and developed policies regarding the City's Standby Policy and Overtime Policy. The revised Standby Policy redirects incurred expenses based on actual work performed, while reducing expenses for standby not

worked. As a result of this revised Standby Policy, cost savings for FY 2014 is projected at $774,020. Human Resources also surveyed comparative municipalities to gauge the practice of including paid leave in overtime calculations. The revised policy eliminates all non-Holiday paid leave and Standby Not Worked from regular work hours for determining overtime pay. As a result of the revised Overtime Policy savings are projected to exceed $350,000 annually. These two revisions will result in projected annual savings of approximately $1.1 million.

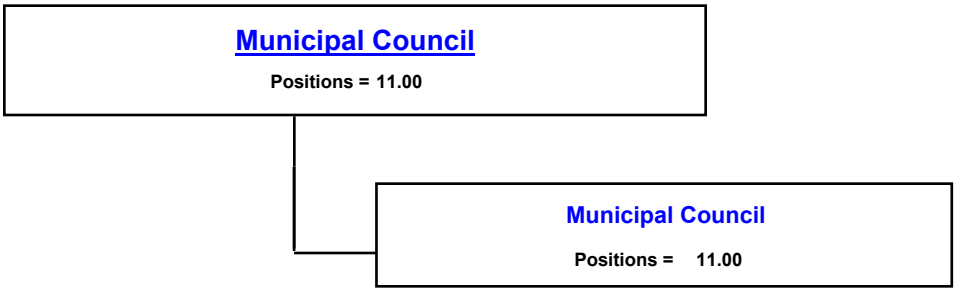
Human Resources - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Director's Office	321,828	358,775	371,030	12,255
Employee Relations	427,461	544,694	571,470	26,776
Staffing and Compensation Services	1,026,804	1,139,118	1,170,114	30,996
Learning and Development	723,721	718,257	731,531	13,274
HR Police Services	96,566	102,603	104,938	2,335
Member Communications	108,673	123,548	125,594	2,046
Human Rights Commission	59,621	70,396	71,705	1,309
Occupational Safety	205,212	246,506	246,582	76
Occupational Health	805,055	873,565	925,805	52,240
Total Expenditures	3,774,942	4,177,462	4,318,769	141,307
Revenues				
Fees	21,161	21,617	21,617	0
Transfers	0	0	32,500	32,500
Total Revenues	21,161	21,617	54,117	32,500
General City Support	3,753,781	4,155,845	4,264,652	108,807
Total Department Expenditure	3,774,942	4,177,462	4,318,769	141,307
Total Department Revenue	21,161	21,617	54,117	32,500
Total General City Support	3,753,781	4,155,845	4,264,652	108,807

Position Summary by Program				
002 General Fund				
Director's Office	3.00	3.00	3.00	0.00
Employee Relations	7.00	7.00	7.00	0.00
Staffing and Compensation Services	16.00	16.00	16.00	0.00
Learning and Development	7.00	7.00	7.00	0.00
HR Police Services	1.00	1.00	1.00	0.00
Member Communications	1.00	1.00	1.00	0.00
Human Rights Commission	1.00	1.00	1.00	0.00
Occupational Safety	3.00	3.00	3.00	0.00
Occupational Health	8.00	8.00	8.00	0.00
Total	47.00	47.00	47.00	0.00
Total Position Summary	47.00	47.00	47.00	0.00

Resource Summary Notes

The $32,500 in revenues is reimbursement for physicals performed by Occupational Health for Water and Sewer staff in safety sensitive positions.


Municipal Council
Positions = 11.00
Municipal Council
Positions = 11.00

Municipal Council

Our City organization exists to enhance the economic, educational, social and physical quality of the community, while providing municipal services effectively, efficiently, and equitably with quality education for life-long learning.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Community						
Provide Legislative Actions						
Citizens Who Feel Safe in Their Neighborhoods	%	90.7	92.0	90.7	90.7	90.7
Citizens Who Feel VA Beach is a Good Place to Live	%	96.0	97.2	96.0	96.0	96.0
Residents Satisfied with City Services	%	93.8	91.0	93.8	93.8	93.8

Municipal Council

Major Changes

The Municipal Council's proposed FY 2014-15 operating budget totals $530,887, which is a decrease of -$2,223 or -0.4% compared with FY 2013-14 adjusted operating budget mainly due to the decrease in members taking health insurance, and decreases in operating costs for consultant services and professional improvement based on past spending needs.

Departmental Overview

The Municipal Council establishes city goals (both long-term and short-term) and policies, interprets and represents the community's needs, and promotes the economic, social, educational, and physical quality of the city. They have established the following destination points to guide the city's business areas to achieve their vision of a *"Community for a Lifetime"*:

- **Economic Vitality -** Diversified economy including a strong military presence, first class year-round resort for residents, businesses and tourists, business reinvestment, and technology-related businesses; new commercial enterprises; broad based revenue sources supporting quality and affordable city services; and above national average household income.

- **Safe Community -** Safe and secure citywide mobility; and quick, qualified, and caring emergency responses.

- **Quality Physical Environment -** Clean and safe water; effective transportation system; well-maintained streets; useable waterways; neighborhoods with attractive streetscapes; quality waste management; blight elimination; natural area protection; and open spaces.

- **Cultural and Recreational Opportunities -** Diverse activities for all generations; wholesome options as a substitute for unsavory activities; and provision of unique city recreational and cultural attractions and programs.

- **Quality Education and Lifelong Learning -** Education available to all; quality educational facilities; state educational standard attainment; and Pre-K preparation.

- **Family and Youth Opportunities -** Financially, physically, mentally, and emotionally strengthen families; youth retention; decreased need for courts and jails; and healthier births and babies.

- **Quality Organization -** Exemplary city leadership and advocacy; competitive, fair and responsive governmental costs; and citizen input solicitation and decision consideration.

Envision Virginia Beach 2040 -- "The future of Virginia Beach in our region": On January 11, 2011, the Mayor appointed a 13 member citizen visioning group to research and analyze current trends to determine the future of Virginia Beach in 2040. The committee presented this vision of year 2040 to City Council and issued its report May 15, 2012, which Council adopted as the vision for the City through 2040. The Envision Virginia Beach 2040 Committee Report includes the following six broad areas of focus that will drive the city's strategic planning, action plans, policies, marketing and decision-making:

- Connected Community: Virginia Beach is a well-planned community of exciting, diverse neighborhoods, each offering unique opportunities to live, work, play, and grow in a culturally rich and safe environment. Our neighborhoods and residents find interconnectivity through our award-winning multi-modal transportation system, the ubiquitous presence of broadband communication technologies, and most importantly by building a deep sense of community.

- Learning Community: We have a comprehensive approach to formal education and broader learning opportunities for citizens at all stages of life that supports their ability to learn, grow and prosper. We believe in and support an educational continuum that begins at birth and lasts a lifetime. Individuals, families, government, and businesses know and accept their roles preparing citizens to be successful throughout their life.

- Diverse Community: Our community-wide culture embraces and values all citizens and visitors with regard to ethnicity, national origin, gender, sexual orientation, age, socioeconomic standing, physical abilities, or religious

beliefs. We address the processes and norms that ensure engagement, collaboration, fairness, respect, understanding, and trust exists between all populations within the community.

- Unique Environment: We value and enhance our greatest natural assets, a broad array of coastal resources that includes beaches, waterways, farmlands and wetlands. We are a model community for clean air and water, and our commitment to environmental sustainability. Local foods, open space and parks contribute to the overall quality of life and healthy living.

- Active Lifestyle: Cultural and recreational opportunities enhance the regional economy and provide emotional and intellectual opportunities for expression, education and entertainment. Citizens of all ages, individually and as families, experience the natural resources, restaurants, museums, aquarium, recreation centers, and entertainment venues in the region to stimulate, strengthen, and revive the mind, body and spirit.

- Thriving Economy: We have a thriving regional economy that leverages our assets with high employment and dynamic business growth. We educate, attract, and retain a talented and diverse workforce and provide a broad base of employment with an emphasis on high paying jobs.

The report recommends various strategies and actions to move the community toward the vision including Council: developing a regional coalition to collaborate on issues, investing in early childhood education, focusing on multi-modal transportation, and establishing an ongoing Vision to Action Citizen Coalition to monitor and measure alignment of Council's planning and implementation of this Community Vision. Also, the vision outlined in this report will be implemented using a new plan drafted in 2012 by the Planning Department's Environment and Sustainability Office with community input entitled, "A Community Plan for Sustainable Future". This plan provides a roadmap of actions to achieve Vision 2040 outlined in 10 major areas of community interest (e.g. People, Places, Learning, Work, Connections, Air, Water, Energy, Land, and Neighbors), which are supported by twenty-six related goals and 105 objectives. The goals and objectives in the Sustainability Plan are directly linked with various agencies as well as other city plans including the City of Virginia Beach Three Year Plan 2012-14.

Through their goal setting and legislative actions, City Council provides support for both the Envision Virginia Beach 2040 and Sustainability Plans. For example, at their goal setting workshop in January 2014, the City Council set the top and high priorities for 2019, which all directly related to these Plans including:

Top Priority

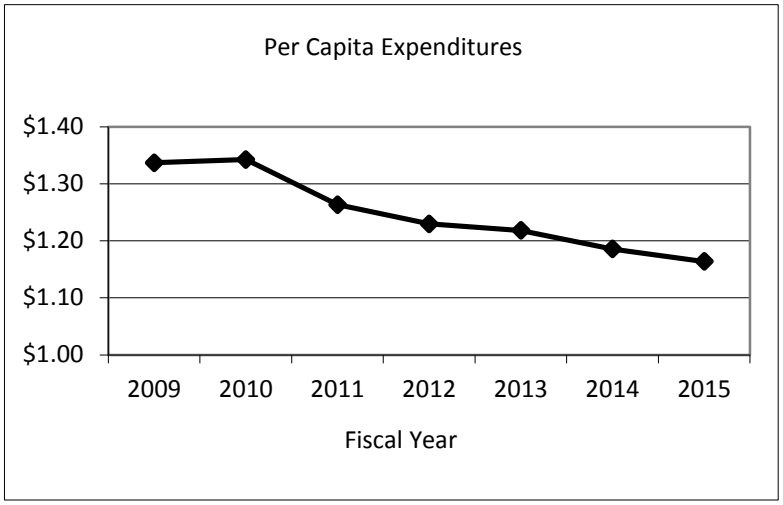
- Arena Development
- Research and Development Strategy
- Military and Related Business Strategy
- Light Rail Development
- Funding for Local Roads
- Bond Rating Actions
- Healthcare/City Benefits for Employees
- Kempsville CIP Projects
- Neighborhood Navigation Dredging SSD Program
- Stormwater Regulation Compliance

High Priority

- Burton Station Development
- Workforce Development Strategy
- Technology Plan Adoption and Implementation
- Dome Site Development
- 19th Street Pedestrian Connection Development
- Route 460 Advocacy
- Homeless Strategy
- Sea Level Rise Evaluation
- Swimming for All Children

Trends and Issues

- Per capita expenditures will decrease from $1.19 in FY 2013-14 to $1.16 in FY 2014-15. Sixty-three percent of the FY 2014-15 operating budget of the Municipal Council is comprised of personnel costs for 11.0 FTEs, with the remaining 37% covering operational costs.



Municipal Council - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Municipal Council	575,026	533,110	530,887	(2,223)
Total Expenditures	575,026	533,110	530,887	(2,223)
Revenues				
Fees	9,625	0	0	0
Total Revenues	9,625	0	0	0
General City Support	565,401	533,110	530,887	(2,223)
Total Department Expenditure	575,026	533,110	530,887	(2,223)
Total Department Revenue	9,625	0	0	0
Total General City Support	565,401	533,110	530,887	(2,223)

Position Summary by Program				
002 General Fund				
Municipal Council	11.00	11.00	11.00	0.00
Total	11.00	11.00	11.00	0.00
Total Position Summary	11.00	11.00	11.00	0.00

Non-Departmental

The Non-Departmental section of the budget serves as an umbrella for appropriations that are City-wide in nature and, as such, are not contained in an operational department. These include Community Organization Grants, Revenue Reimbursements, Regional Participation, Independent Financial Services, Employee Special Benefits, Benefits Administration, Citywide Lease Management, and Vehicle Replacements.

Objective/Performance Measure	Unit	Annual Target	Actual 2012	Actual 2013	Est. 2014	Proj. FY 2015
Financial						
Funding for Non-Profit Organizations						
Funding for Community Organization Grant Programs	$	409,126	439,675	426,343	409,126	409,126
Provide Real Estate Tax Relief for Elderly						
Number of Residents Receiving Tax Exemptions	#	8,236.0	7,978.0	8,298.0	8,067.0	8,236.0
Internal Process						
Coordinate Leases for Buildings/Land						
Lease Space Managed - Buildings and Land (square feet)	#	1,367,993.0	1,342,179.0	1,343,273.0	1,343,273.0	1,367,993.0

Non-Departmental

City Council Amendment

On May 13, 2014, City Council voted to increase funding for CASA (Court Appointed Special Advocate) by $20,000, provide $25,000 to STOP (Southeastern Tidewater Opportunity Project of Hampton Roads), provide $25,000 to the Virginia Symphony, increase funding to the TBA (Tidewater Builders Association) by $13,000, reduce funding to the General Fund Reserve for Contingencies – Regular by $284,705, and provide $725,000 for a dedicated reserve to true-up the School Funding Formula based on a final State budget, up to the amount needed.

Major Changes

The Non-Departmental budget for FY 2014-15 totals $34,766,014, which is an increase of $970,980, or 2.9% over the FY 2013-14 amount. Significant changes are highlighted below.

Change	Impact
Increase in cost of retiree health care	• Funding for retiree health care costs is increased 42.2%. While sufficient funding exists in all health care accounts to cover anticipated usage for 2014, it was necessary to shift some to the retiree health care account to reflect an increase in the number of retirees and higher utilization.
Decrease in Vehicle Replacement funding	• Funding for vehicle replacement in this section of the budget was reduced by $925,000 as a result of transferring Waste Management vehicles from the General Fund to the Waste Management Enterprise Fund.
Decrease in contribution to Regional Organizations	• The city's funding for contributions to Regional Organizations decreased by 9.7%, or $200,000, reflecting reduced funding to the Hampton Roads Economic Development Alliance. This funding was redirected to Economic Development for the establishment of a business incubator.
Reduction in Real Estate Tax Exemption for the Elderly and Disabled Program	• Funding for this program in FY 2013-14 reflected an anticipated level of participation; however, participation was actually less, so funding has been reduced for FY 2014-15 to more accurately reflects expected participation in the program in that year.
Funding for Waste Management services to municipal operations	• Funding in the amount of $750,000 has been added to this section of the budget to pay for recycling and waste collection services provided to municipal operations through the Waste Management Enterprise Fund.

Departmental Overview

- **Regional Participation and Community Organization Grants (COG) -** Provides funding for non-profit organizations. Regional Participation provides funds to non-profit organizations, regional colleges, and governmental agencies that support City Council goals and complement city services. Community Organization Grants provide an opportunity to encourage non-profit agencies to provide services that affect the welfare of residents of Virginia Beach by providing a system to award monetary grants to qualified non-profit organizations. City Council has appointed members to serve on the COG Review and Allocation Committee to review applications and make recommendations for all grant requests filed under the COG program. Financial and service delivery reports are required from those agencies receiving grant funding.

- **Independent Financial Services -** Provides funding for the city's annual external audit.

- **Employee Special Benefits -** Provides employee service awards, the Employee Assistance Program (EAP), the employer's share of health and dental insurance for eligible retirees as well as line of duty payments to local public safety officers or their beneficiaries.

- **Benefits Administration -** Provides the city's portion of funding for the staff and operations of the Consolidated City/School Employee Benefits Office, which oversees the administration of the health insurance contract and the Employee Wellness Program.

- **Revenue Reimbursements -** Provide real estate tax relief to certain private properties from which the city derives the primary benefit. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled and other persons who have financial limitations and meet the criteria of the program.

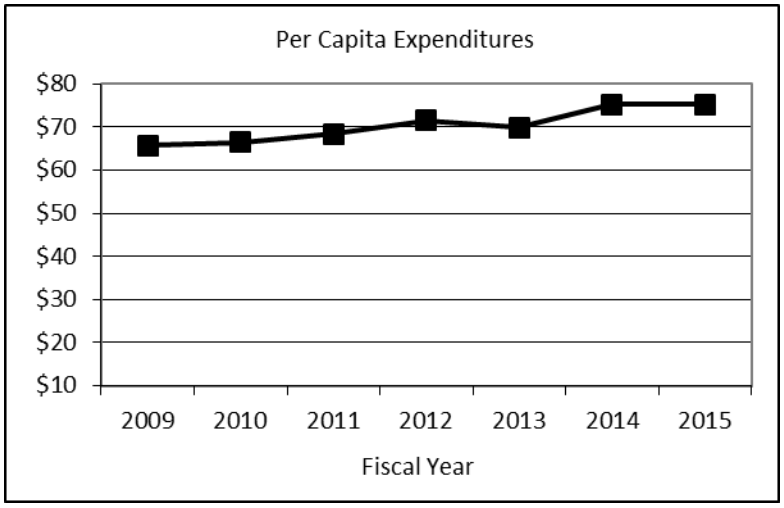
- **Citywide Leases -** Provides the necessary leases for office space, contracts for building security, provides facilities management of the Municipal Center buildings and rental space and parking.

- **Vehicle Replacements -** Provides funding for the city to replace vehicles.

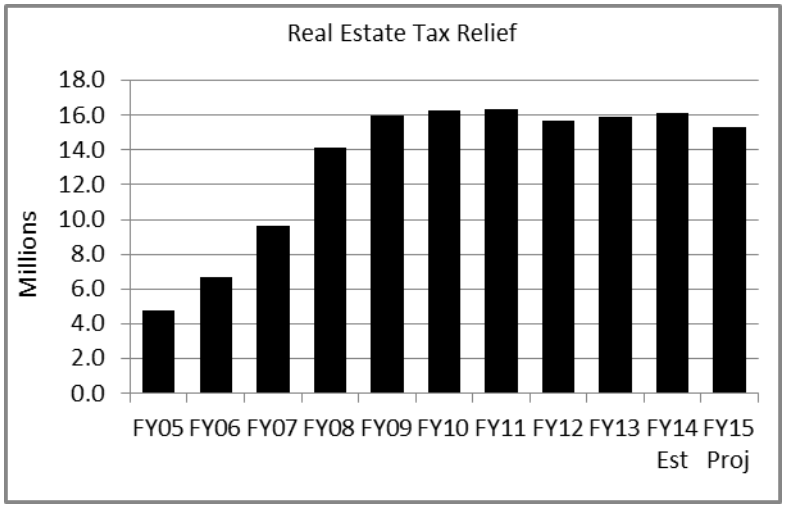
- **Waste Management Enterprise Municipal Operation -** Provides recycling and waste collection services to municipal operations through the Waste Management Enterprise Fund.

Trends and Issues

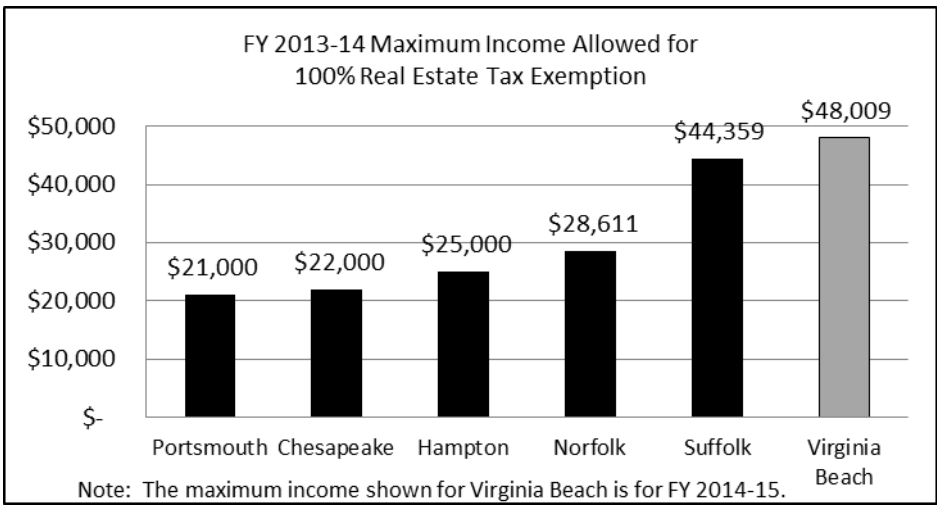
- The increases in Per Capita Expenditures in the early years is a result of increases in retiree health insurance, the real estate tax relief program, and compliance with accounting requirements as a result of GASB 54. The city's assumption of the Line of Duty pay imposed by the state reflects an increase in FY 2011-12. The reduction in FY 2012-13 is due to elimination of the Lynnhaven Mall Tax Increment Financing (TIF) Fund. Taxes previously applied to the Lynnhaven TIF are now returned to the General Fund. The increase in FY 2013-14 is the net result of an increase in Line of Duty pay, funding for the Living River Trust, an increase in Vehicle Replacement, and a reduction in real estate tax relief.



- The Elderly and Disabled Tax Relief Program offers three options to eligible senior citizens and disabled persons – tax relief, tax freeze, and tax deferral. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled who have certain financial limitations. The graph shows the amount budgeted for the Elderly Tax Relief Program and the Disabled Veterans Program. The Disabled Veterans Program is state-mandated and was initiated in FY 2011-12. The increases and reductions occurring since FY 2009-10 are the result of a combination more or fewer participants in the Program and the effects of the real estate market on assessments.



- Presently, a residential home owner with a minimum age of 65 and income less than $47,100 may qualify for 100% exemption from the city's real estate tax. As income levels increase, the exemption percentage decreases so that an income up to $63,450 would receive a 20% exemption. The FY 2014-15 operating budget includes a change in the income level thresholds. With the proposed change, income less than $48,009 may qualify for 100% exemption, while income up to $64,674 would receive a 20% exemption. The chart to the right compares the proposed FY 2014-15 maximum income allowed for 100% exemption in Virginia Beach with the current maximum incomes allowed by other Hampton Roads localities. The tables below compare the city's current tax relief thresholds with the proposed FY 2014-15 thresholds.



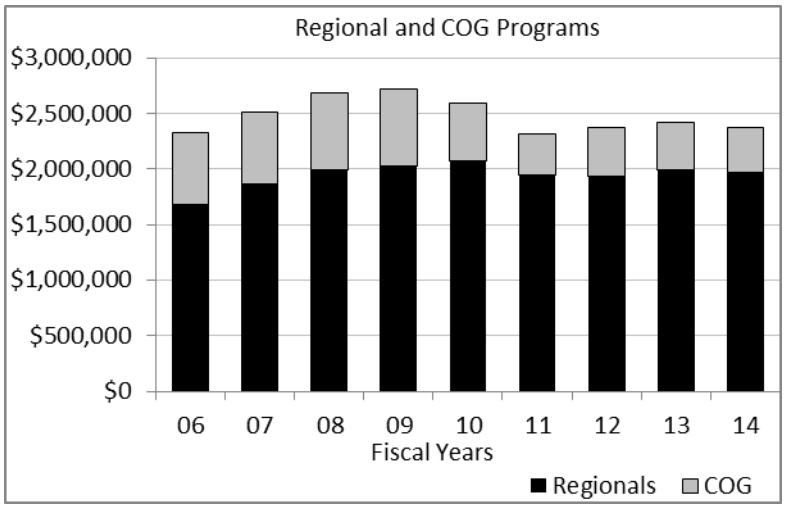
Current Real Estate Tax Relief Thresholds

Total Income	Tax Exemption
$0.00 - $47,100	100%
$47,100.01 - $51,200	80%
$51,200.01 - $55,300	60%
$55,300.01 - $59,400	40%
$59,400.01 - $63,450	20%

Proposed Real Estate Tax Relief Thresholds

Total Income	Tax Exemption
$0.00 - $48,009	100%
$48,009.01 - $52,188	80%
$52,188.01 - $56,367	60%
$56,367.01 - $60,546	40%
$60,546.01 - $64,674	20%

- This graph shows the combined funding for Regional Participation and Community Organization Grant (COG) Programs. The amount provided to organizations through the Regional Participation Program is intended to benefit the entire region. These organizations provide an economic benefit to Virginia Beach and surrounding localities. The amount provided to organizations through the COG Program provides services or capital improvements that meet specific needs of Virginia Beach residents and complement City services.



- Regional organizations proposed to receive funding in FY 2014-15 are shown below.

Regional Organizations	FY 2014-15 Funding
American Red Cross	$10,000
Court Appointed Special Advocate	10,000
Eastern Virginia Medical School	433,033
Hampton Roads Chamber of Commerce	8,500
Hampton Roads Economic Development Alliance	212,059
Hampton Roads Military and Federal Facility Alliance	215,175
Hampton Roads Planning District Commission	357,991
HRPDC-Metro Medical Response System	89,498
Navy League	21,250
Southeast 4-H	6,036
Square One	53,798
Tidewater Builders' Association	50,000
Tidewater Community College	5,100
Virginia Arts Festival	250,000
Virginia Beach S.P.C.A.	30,000
Virginia Dare Soil Conservation	8,000
Virginia Offshore Wind Alliance	5,000
Virginians for High Speed Rail	10,000
Total	**$1,775,440**

- The Community Organization Grant (COG) Program allocates funding to organizations that benefit Virginia Beach residents by providing food, shelter, medical care, training, and other service. The allocations are made by the Council-appointed COG Review and Allocation Committee, who will review the grant applications, interview qualified applicants, and recommend the allocation of funds. For FY 2014-15, a total of $409,126 is budgeted for the COG program, which will be allocated subject to adoption of the Operating Budget. Listed below are the organizations that were approved COG funding in FY 2013-14.

Community Organization Grant Allocation	FY 2013-14 Funding
Aidnow	$12,500
Beach Health Clinic	40,000
Chesapeake Care	10,000
Chesapeake Health Investment Program	2,850
Children's Hospital of the King's Daughters	25,000
Endependence Center Inc.	35,000
Equi-Kids	12,480
Foodbank of Southeastern Virginia	51,360
Judeo-Christian Outreach Center	50,000
Legal Aid Society of Eastern Virginia	15,000
Samaritan House	30,000
Senior Services of Southeastern Virginia	55,987
Seton House	15,000
Together We Can Foundation	7,500
Virginia Beach Lifesaver, Inc.	5,322
Volunteers of America-Chesapeake	41,127
Total	**$409,126**

- For information purposes, displayed on the following pages is a summary of the budgeted amounts of Reserve for Contingencies of the various Operating Budget Funds. These Reserve amounts are included in the resources that fund the respective departments. Section 11 of the Budget Ordinance authorizes the City Manager to transfer from all Reserve for Contingencies, except Reserve for Contingencies-Regular, within the intent of the Reserve approved by City Council. Negative amounts shown in the summary in health insurance reserves reflect savings in health

insurance costs, reflecting guidance of the City Council and School Board at a health insurance meeting on March 4, 2014 to lower the employee contribution and improve the sustainability of the health insurance program. Following budget adoption, these savings will be incorporated into each respective department's operating budget.

Reserve for Contingencies by Fund

Fund and Purpose	Amount
General Fund (002)	
Compensation	$ 4,435,800
Regular	1,584,012
Compression	1,270,548
ECCS ANI/ALI (automated location applications)	259,890
Neighborhood Dredging	636,300
Health Insurance	(3,394,000)
Replacement of Totaled Vehicles	225,000
School Equipment Replacement Special Revenue Fund (107)	
Education - Capital Outlay	369,641
Law Library Fund (130)	
Compensation	1,706
Health Insurance	(1,200)
Parks and Recreation Special Revenue Fund (151)	
Compensation	108,095
Compression	58,737
Future C.I.P. Commitments	365,534
Tourism Investment Program Fund (152)	
Compensation	7,837
Regular	3,480
Health Insurance	(6,000)
Future Capital Projects	901,684
Agriculture Reserve Program Special Revenue Fund (161)	
Compensation	1,520
Regular	152,828
Health Insurance	(1,200)
Tourism Advertising Program Special Revenue Fund (163)	
Compensation	8,410
Health Insurance	(6,800)
Sandbridge Tax Increment Financing Fund (166)	
Future C.I.P. Commitments	7,000,000
Open Space Special Revenue Fund (172)	
Compensation	4,473
Regular	1,003
Health Insurance	(2,800)
Water and Sewer Fund (241)	
Compensation	327,208
Regular	1,196,227
Compression	111,700
Health Insurance	(248,800)

Reserve for Contingencies by Fund (Continued)

Fund and Purpose	Amount
Parking Enterprise Fund (253)	
Compensation	5,824
Regular	8,244
Health Insurance	(4,800)
Parking Maintenance	256,237
Waste Management Special Revenue Fund (254)	
Compension	105,838
Regular	277,695
Health Insurance	(84,000)
Storm Water Utility Enterprise Fund (255)	
Compensation	117,266
Regular	514,091
Compression	46,520
Health Insurance	(89,200)
Future Commitments	7,608,428
Old Donation Creek Area Dredging SSD (310)	
Regular	60,154
City Garage Internal Service Fund (606)	
Compensation	63,641
Regular	34,889
Health Insurance	(51,200)
Risk Management Internal Service Fund (607)	
Compensation	6,740
Regular	3,974
Health Insurance	(5,600)
Capital Projects Internal Service Fund (610)	
Compensation	50,000
School Landscaping Internal Service Fund (613)	
Compensation	28,609
Regular	21,798
Health Insurance	(23,600)
Telecommunications Internal Service Fund (620)	
Compensation	12,709
Regular	305,477
Health Insurance	(9,600)
Subscriptions Internal Service Fund (621)	
Regular	288,987
Total	**$ 24,919,954**

Note: This table reflects changes to the FY 2014-15 Operating Budget document as approved by City Council.

Non-Departmental - Departmental Resource Summary

	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Adopted	Variance from FY 2014
Program Summary				
002 General Fund				
Expenditures				
Community Organization Grants	408,698	409,126	409,126	0
Virginia Beach Living River Trust	0	100,000	100,000	0
Employee Special Benefits	5,487,007	5,716,592	7,808,875	2,092,283
Benefits Administration	662,283	635,538	635,538	0
Vehicle Replacements	5,422,065	6,032,514	5,107,514	(925,000)
Computer Replacement Program	0	975,709	981,412	5,703
Revenue Reimbursements	15,801,269	16,193,730	15,385,969	(807,761)
Regional Participation	2,078,872	1,965,720	1,858,440	(107,280)
Independent Financial Services	103,809	153,878	153,878	0
Leases	1,522,187	1,612,227	1,658,262	46,035
Citywide Municipal Waste Management	0	0	750,000	750,000
Total Expenditures	31,486,191	33,795,034	34,849,014	1,053,980
Revenues				
Fees	334,060	150,000	600,000	450,000
Total Revenues	334,060	150,000	600,000	450,000
General City Support	31,152,130	33,645,034	34,249,014	603,980
Total Department Expenditure	31,486,191	33,795,034	34,849,014	1,053,980
Total Department Revenue	334,060	150,000	600,000	450,000
Total General City Support	31,152,130	33,645,034	34,249,014	603,980

Position Summary by Program

	Total
Total Position Summary	

Resource Summary Notes

The increase in Employee Special Benefits is primarily the additional expense associated with retiree health care costs. Sufficient funding exists in all health care accounts to cover anticipated usage; however, it was necessary to shift some to the retiree health care account to reflect an increase in the number of retirees and higher utilization.

Funding for vehicle replacement has been reduced as a result of Waste Management vehicles being transferred from the General Fund to the Waste Management Enterprise Fund.

The reduction in Revenue Reimbursements reflects the anticipated level of participation in the Tax Relief for the Elderly and Disabled Program. The actual amount of tax relief provided in FY 2013-14 was less than budgeted, so funding has been reduced for FY 2014-15 to more accurately reflect expected participation in the program in that year.

The city's funding for the Regional Participation Program decreased by 9.7%, reflecting reduced funding to the Hampton Roads Economic Development Alliance. This funding was redirected to Economic Development for the establishment of a business incubator.

Funding for Citywide Municipal Waste Management has been included in this section of the budget to pay for recycling and waste collection services provided to municipal operations through the Waste Management Enterprise Fund.

The increase in Fees includes higher anticipated revenue from insurance recovery on damaged vehicles and sale of vehicles and other salvage materials at auction.

Table of Contents

Section Nine

Debt Service

Debt Service 9-1

Debt Service

City Council Amendment

On May 13, 2014, City Council voted to reduce debt service by $1,078,541 based on the most recent bond sale.

Major Changes

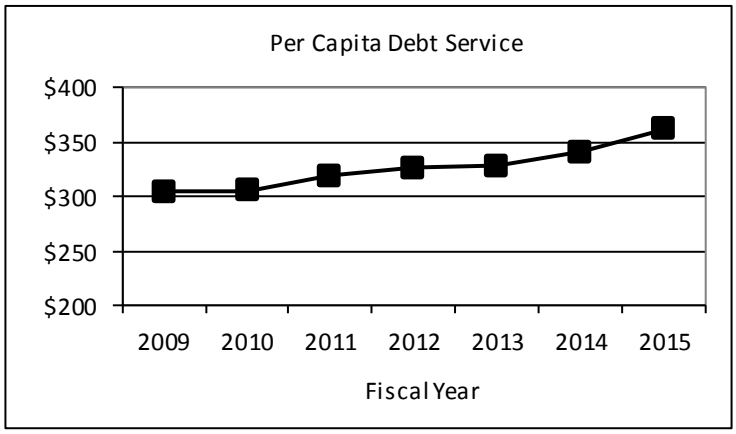
This section summarizes debt service in accordance with GASB 54, which specifies that the anticipated debt service expenditure is reflected in the fund in which it is incurred. The FY 2014-15 Debt Service budget totals $163,821,409, which represents a 7.0% increase from the previous year. The increase is due to the city not issuing debt the previous year; thus, the debt issuances occurring in the spring of 2014 will result in debt service payments in FY 2014-15 being larger than normal. The only funds that will experience a decrease in Debt Service are the Tourism Investment Program (TIP) and Open Space due to the retirement of previously issued debt. TIP debt will increase in future budgets due to debt issuance for project 2-045 Pacific Avenue Improvements.

The city consults with financial advisors to take advantage of favorable bond market conditions to refund bonds, resulting in cost savings.

Departmental Overview

Debt service is issued for three major purposes: city, schools, and utilities (including water, sewer, and storm water). To guide future capital improvement program development and address long-term debt management issues. City Council uses debt indicators as well as the following guidelines listed below:

- Debt will be the last source of funding considered.
- The city will issue bonds for capital improvements with a cost in excess of $250,000 or which cannot be financed from current revenues.
- When the city finances capital projects by issuing bonds, it will pay back the debt within a period not to exceed the expected useful life of the projects.
- Where possible, the city will develop, authorize, and issue revenue, special fee or other self-supporting debt instruments instead of general obligation bonds.
- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.
- The city will maintain good communications regarding its financial conditions. It will regularly evaluate its adherence to its debt policies. The city will promote effective communications with bond rating agencies and others in the marketplace based on full disclosure.
- The graph illustrates the budgeted debt service cost per capita for all debt. There is a modest, steady, rise in debt. This per capita calculation is based on annual debt service costs; whereas, the debt per capita indicator on the previous and following pages reflects issued general government debt per capita.



Trends and Issues

- As a reflection of its strong economic condition, Virginia Beach is rated AAA by all three major ratings agencies: Moody's, Standard & Poor's, and Fitch. This rating translates into reduced borrowing costs.

The city has consistently taken advantage of the favorable interest rate environment to refund previously issued debt. Much of the city's bonds have already been refunded. The bond market conditions will ultimately determine if refunding is feasible.

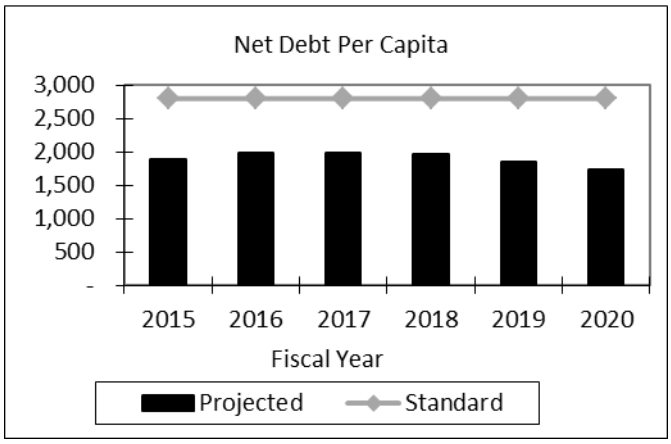
- **Projected Debt -** The total outstanding debt for the city is projected to be $1.15 billion by June 30, 2015, as summarized in the table:

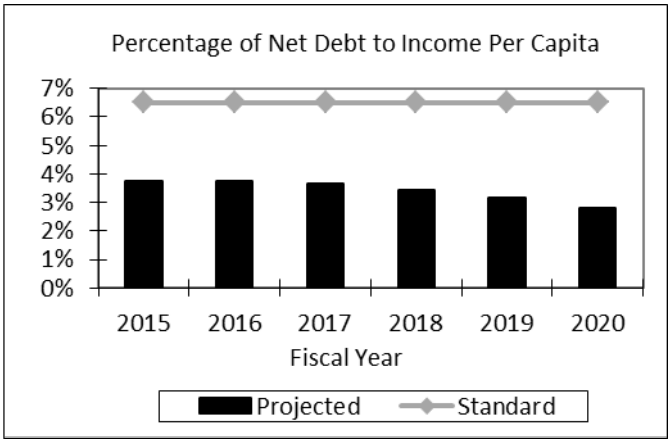
Projected Outstanding Debt
As of June 30, 2015

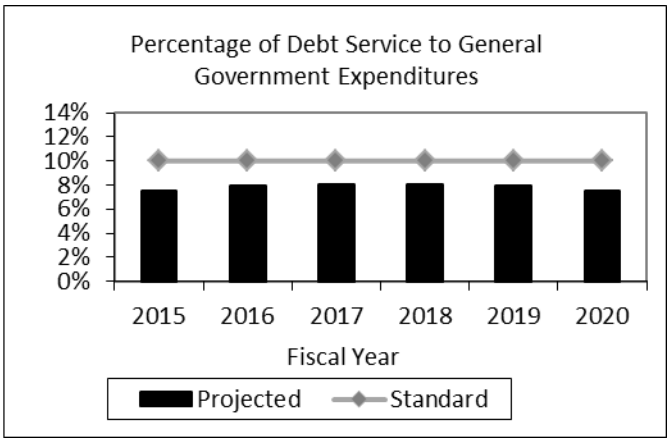
Purpose	Amount	Percent
Schools	$314,167,012	27.30%
General Government	658,979,668	57.27%
Utilities	177,510,516	15.42%
Total	**$ 1,150,657,196**	**100.00%**

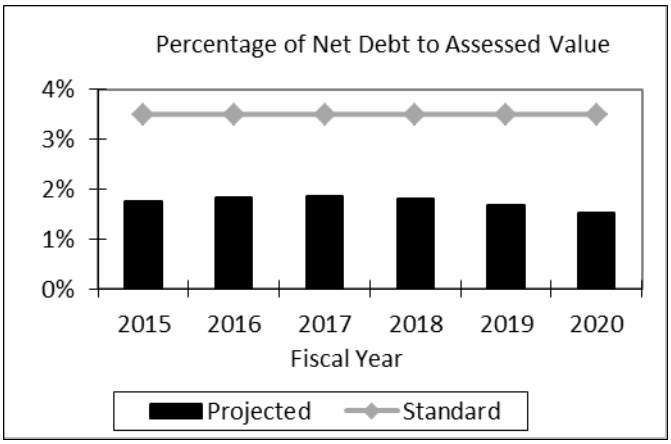
- **Legal Debt Limit -** State statute imposes on cities a legal debt margin for general obligation debt; a limit of 10% of the assessed value of real property. Revenue bonds, such as those for utilities, are not subject to the state limit. For FY 2014-15, the city's assessed value of real property is estimated at $50.5 billion. By the end of the fiscal year, the city's projected debt amount will only be 1.8% of the total assessed value.

- **Debt Indicators -** The city uses four indicators to help in its debt management. Using data from the FY 2014-15 through FY 2019-20 Capital Improvement Program, projections of these indicators are shown on the following charts. Additional information on the debt management policies of the city is found in the Financial Management section of this document.









- **Debt Service by Purpose -** The table illustrates the debt service by functional area. The utility amounts include water, sewer, and storm water debt. The general government amount includes all other city debt and the Agricultural Reserve Program debt.

Debt Service By Purpose

Purpose	FY 2013-14	FY 2014-15	% Change
Schools	$ 43,094,767	$ 45,507,225	5.6%
General Government	85,456,649	91,132,658	6.6%
Utilities	24,564,454	27,181,526	10.7%
Total	**$ 153,115,870**	**$ 163,821,409**	**7.0%**

- **Debt Service by Fund -** With the distribution of debt service among the various funds, the table lists the various funds, which have budgeted debt service. Except for the retirement of debt in the Tourism Investment Program and Open Space fund, debt will increase in all other funds. Because the city did not issue debt General Obligation debt in calendar year 2013, the size of the bond sale in 2014 (debt service payment incurred in FY 2014-15) is larger than normal and that explains the increase in the General Fund. The increase in debt for Parks & Recreation reflects debt issuance for the Replacement of Bow Creek Recreation Center. Debt issuance for Phase V of the Town Center explains the increase for the Central Business District South TIF. A 2014 issuance for Storm Water Utility, last issued in 2010, explains that increase.

Debt Service By Fund

Fund Name	FY 2013-14	FY 2014-15	% Change
General	$ 45,083,433	$ 48,274,437	7.1%
School Operating	43,094,767	45,507,225	5.6%
Parks & Recreation	2,106,472	3,551,043	68.6%
Tourism Investment Program	25,041,384	24,229,882	-3.2%
Agricultural Reserve Program	3,838,198	4,101,097	6.8%
Central Business District South TIF	5,866,866	7,704,794	31.3%
Open Space	2,827,433	2,576,042	-8.9%
Water and Sewer Enterprise	22,527,690	24,384,997	8.2%
Parking Enterprise	692,863	695,363	0.4%
Storm Water Utility Enterprise	2,036,764	2,796,529	37.3%
Total	**$ 153,115,870**	**$ 163,821,409**	**7.0%**

General Obligation Debt

The following tables show the projected debt over the next six-year period. The City of Virginia Beach issues General Obligation Bonds for construction of schools, roadways, buildings, and other capital needs of the city. Payment of the bonds are backed by the full faith and credit of the city and paid from property taxes and other general revenues. The amounts below represent the outstanding balance of the city's general obligation debt. The beginning balance of General Obligation Bonds at the start of FY 2014-15 is projected at $585.9 million. As a result of principal retirements and the anticipated issuances of new debt, the balance is projected to be $610.4 million at the end of six years. Funding of $106.4 million of unallocated Charter Bond capacity is available in the six-year CIP. If the Charter Bond capacity is used, the outstanding debt reflected in this table would increase as well as the net debt per capita.

Projection of Outstanding Debt

	Issue Amt.	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Obligation Bonds							
Beginning General Obligation Debt		585,865,231	529,845,841	477,251,523	427,516,663	380,868,469	336,749,434
Less: Principal Retirement		56,019,390	52,594,318	49,734,860	46,648,194	44,119,035	44,245,502
Ending General Obligaton Debt		529,845,841	477,251,523	427,516,663	380,868,469	336,749,434	292,503,932
Spring 2014 Issue	85,055,000	85,055,000	80,802,250	76,762,138	72,924,031	69,277,829	65,813,938
Less: Principal Retirement		4,252,750	4,040,113	3,838,107	3,646,202	3,463,891	3,290,697
Ending General Obligaton Debt		80,802,250	76,762,138	72,924,031	69,277,829	65,813,938	62,523,241
Spring 2015 Issue	72,210,000		72,210,000	68,599,500	65,169,525	61,911,049	58,815,496
Less: Principal Retirement			3,610,500	3,429,975	3,258,476	3,095,552	2,940,775
Ending General Obligaton Debt		-	68,599,500	65,169,525	61,911,049	58,815,496	55,874,721
Spring 2016 Issue	72,158,155			72,158,155	68,550,247	65,122,735	61,866,598
Less: Principal Retirement				3,607,908	3,427,512	3,256,137	3,093,330
Ending General Obligaton Debt		-	-	68,550,247	65,122,735	61,866,598	58,773,268
Spring 2017 Issue	72,318,555				72,318,555	68,702,627	65,267,496
Less: Principal Retirement					3,615,928	3,435,131	3,263,375
Ending General Obligaton Debt		-	-	-	68,702,627	65,267,496	62,004,121
Spring 2018 Issue	44,551,503					44,551,503	42,323,928
Less: Principal Retirement						2,227,575	2,116,196
Ending General Obligaton Debt		-	-	-	-	42,323,928	40,207,731
Spring 2019 Issue	40,551,503						40,551,503
Less: Principal Retirement						-	2,027,575
Ending General Obligaton Debt		-	-	-	-	-	38,523,928
Total-Outstanding Gen Obligation Debt		**529,845,841**	**545,851,023**	**561,236,435**	**576,604,880**	**565,022,952**	**610,410,943**

Leases and Other Debt

Leases and Other Debt are comprised of long-term financing from Lease-Purchases, Certificates of Participation, and Public Facility Bonds. A Lease-Purchase is a contractual agreement whereby the city acquires equipment or real property through a lease from a vendor, leasing company, or another governmental entity. Certificates of Participation and Public Facility Bonds are subject to the annual appropriation of funds. The city's balance for Leases and Other Debt totals $304.4 million at the start of FY 2014-15. At the end of the six-year period, the projected balance is $254.6 million. This debt is included in the net debt per capita calculation.

Projection of Outstanding Debt

	Issue Amt.	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Leases and Other Debt							
Beginning Outstanding Debt		304,410,000	279,435,000	256,235,000	232,005,000	206,600,000	180,670,000
Less: Principal Retirement		24,975,000	23,200,000	24,230,000	25,405,000	25,930,000	27,215,000
Ending Outstanding Debt		279,435,000	256,235,000	232,005,000	206,600,000	180,670,000	153,455,000
Spring 2014 Issue	44,830,000	44,830,000	42,588,500	40,347,000	38,105,500	35,864,000	33,622,500
Less: Principal Retirement		2,241,500	2,241,500	2,241,500	2,241,500	2,241,500	2,241,500
Ending General Obligaton Debt		42,588,500	40,347,000	38,105,500	35,864,000	33,622,500	31,381,000
Spring 2015 Issue	55,233,849		55,233,849	52,472,157	49,710,464	46,948,772	44,187,079
Less: Principal Retirement			2,761,692	2,761,692	2,761,692	2,761,692	2,761,692
Ending General Obligaton Debt		-	52,472,157	49,710,464	46,948,772	44,187,079	41,425,387
Spring 2016 Issue	26,228,455			26,228,455	24,917,032	23,605,609	22,294,186
Less: Principal Retirement				1,311,423	1,311,423	1,311,423	1,311,423
Ending General Obligaton Debt		-	-	24,917,032	23,605,609	22,294,186	20,982,764
Spring 2017 Issue	8,657,891				8,657,891	8,224,996	7,792,101
Less: Principal Retirement					432,895	432,895	432,895
Ending General Obligaton Debt		-	-	-	8,224,996	7,792,101	7,359,207
Spring 2018 Issue	-					-	-
Less: Principal Retirement						-	-
Ending General Obligaton Debt		-	-	-	-	-	-
Total-Outstanding Leases & Other Debt		**322,023,500**	**349,054,157**	**344,737,996**	**321,243,377**	**288,565,867**	**254,603,357**

Agricultural Reserve Program Debt

The Agricultural Reserve Program (ARP) provides funding for the city to buy development rights from rural landowners. The goal of the program is to preserve and protect approximately 20,000 acres of farm and forested lands in the southern part of the city. The city has purchased zero-coupon U.S. Treasury Securities to fund the cost of development rights. For giving up their rights to development of their land, property owners will receive interest payments for 25 years, and at the end of the 25-year period, they will receive a lump sum payment, but they forego their right for development permanently. Additional information on ARP is in the operating budget section for the Agriculture department. The city's obligation for ARP is $41.2 million at the start of FY 2014-15. At the end of six years, with the anticipated purchase of additional development rights, the balance is projected at $55.2 million. Because ARP debt is regarded as self-supporting (analogous to enterprise debt), this debt is not included in the net debt per capita calculation.

Projection of Outstanding Debt

Agricultural Reserve Program	**Issue Amt.**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**
Beginning Outstanding Debt		41,193,588	41,193,588	41,193,588	41,193,588	41,193,588	41,193,588
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		41,193,588	41,193,588	41,193,588	41,193,588	41,193,588	41,193,588
FY 15 Installment Purchase	1,849,909	1,849,909	1,849,909	1,849,909	1,849,909	1,849,909	1,849,909
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		1,849,909	1,849,909	1,849,909	1,849,909	1,849,909	1,849,909
FY 16 Installment Purchase	2,031,857		2,031,857	2,031,857	2,031,857	2,031,857	2,031,857
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		-	2,031,857	2,031,857	2,031,857	2,031,857	2,031,857
FY 17 Installment Purchase	2,221,083	-		2,221,083	2,221,083	2,221,083	2,221,083
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		-	-	2,221,083	2,221,083	2,221,083	2,221,083
FY 18 Installment Purchase	2,417,879	-	-		2,417,879	2,417,879	2,417,879
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		-	-	-	2,417,879	2,417,879	2,417,879
FY 19 Installment Purchase	2,622,546	-	-	-		2,622,546	2,622,546
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		-	-	-	-	2,622,546	2,622,546
FY 20 Installment Purchase	2,835,400	-	-	-	-		2,835,400
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		-	-	-	-	-	2,835,400
Total-Outstanding ARP Debt		**43,043,497**	**45,075,354**	**47,296,437**	**49,714,316**	**52,336,862**	**55,172,262**

Enterprise Funds Debt

The City has two major Enterprise funds, the Water and Sewer Enterprise Fund, and the Storm Water Enterprise Fund. Revenue bonds are issued for the expansion and maintenance of water lines, sewer lines, and the storm water system. These bonds are paid from the revenues collected from customers. The Water and Sewer debt is $157.2 million at the start of FY 2014-15. With issuances of $54 million every other year, the balance is projected at $204.3 million at six years. The balance for Storm Water Utility revenue bonds is $24.4 million at the start of FY 2014-15. With planned issuances of debt every other year within the six-year period, the balance is projected at $70.2 million after six years. Because this is revenue-supported debt, it is not included in the net debt per capita calculation.

Projection of Outstanding Debt

Water & Sewer Utility Debt	**Issue Amt.**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**
Beginning Water & Sewer Revenue Bond Debt		157,163,647	149,070,517	140,728,711	132,026,004	124,015,276	115,630,000
Less: Principal Retirement		8,093,130	8,341,806	8,702,707	8,010,728	8,385,276	7,655,000
Ending Outstanding Debt		149,070,517	140,728,711	132,026,004	124,015,276	115,630,000	107,975,000
FY 2016 Issue	54,000,000	-	-	54,000,000	51,840,000	49,766,400	47,775,744
Less: Principal Retirement				2,160,000	2,073,600	1,990,656	1,911,030
Ending Outstanding Debt		-	-	51,840,000	49,766,400	47,775,744	45,864,714
FY 2018 Issue	54,000,000	-	-	-	-	54,000,000	51,840,000
Less: Principal Retirement						2,160,000	1,375,264
Ending Outstanding Debt		-	-	-	-	51,840,000	50,464,736
FY 2020 Issue	54,000,000	-	-	-	-	-	-
Less: Principal Retirement							
Ending Outstanding Debt		-	-	-	-	-	-
Total Outstanding W&S Debt		**149,070,517**	**140,728,711**	**183,866,004**	**173,781,676**	**215,245,744**	**204,304,451**

Storm Water Utility Debt	**Issue Amt.**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**
Beginning Storm Water Bond Debt		24,410,000	23,380,000	22,325,000	21,250,000	20,155,000	19,030,000
Less: Principal Retirement		1,030,000	1,055,000	1,075,000	1,095,000	1,125,000	1,150,000
Ending Outstanding Debt		23,380,000	22,325,000	21,250,000	20,155,000	19,030,000	17,880,000
FY 2015 Issue	28,000,000		28,000,000	26,880,000	25,804,800	24,772,608	23,781,704
Less: Principal Retirement			1,120,000	1,075,200	1,032,192	990,904	951,268
Ending Outstanding Debt		-	26,880,000	25,804,800	24,772,608	23,781,704	22,830,436
FY 2017 Issue	19,248,440		-		19,248,440	18,845,138	18,421,671
Less: Principal Retirement		-	-		403,302	423,467	444,641
Ending Outstanding Debt		-	-	-	18,845,138	18,421,671	17,977,030
FY 2019 Issue	12,000,000		-	-	-	-	12,000,000
Less: Principal Retirement		-	-	-			480,000
Ending Outstanding Debt		-	-	-	-	-	11,520,000
Total Outstanding SWU Utility Debt		**23,380,000**	**49,205,000**	**47,054,800**	**63,772,746**	**61,233,374**	**70,207,466**

The City Charter allows Virginia Beach to increase its long term general obligation by $10 million each year. As part of its Capital Improvement Program, City Council is presented with an ordinance to authorize the issuance of General Obligation Bonds equal to the amount of principal retired in a calendar year plus the additional $10 million as allowed by charter. These general obligation bonds are also known as charter bonds. The table shows the projected amounts of charter bond authorizations over a six year period. The amount for calendar year 2014 is used for FY 2014-15 bond authorization. The calendar year 2015 is used for FY 2015-16 and so forth.

Computation of Bonding Limits

CALENDAR YEAR RETIREMENT		**Year 1 2014 FY 2014-15**	**Year 2 2015 FY 2015-16**	**Year 3 2016 FY 2016-17**	**Year 4 2017 FY 2017-18**	**Year 5 2018 FY 2018-19**	**Year 6 2019 FY 2019-20**	**Total**
Additional Annual Bonding Limits		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	**60,000,000**
Add:								
Calendar Year Principal Retirement		56,488,608	55,508,534	54,009,074	49,507,406	52,503,245	47,869,710	**315,886,577**
New Bond Issues	Amount							
2013 Bonds (Spring 2014)	85,055,000	0	4,252,750	4,252,750	4,252,750	4,252,750	4,252,750	**21,263,750**
2014 Bonds (Spring 2015)	72,000,000	0	0	3,600,000	3,600,000	3,600,000	3,600,000	**14,400,000**
2015 Bonds (Spring 2016)	72,515,655	0	0	0	3,625,783	3,625,783	3,625,783	**10,877,348**
2016 Bonds (Spring 2017)	73,816,363	0	0	0	0	3,690,818	3,690,818	**7,381,636**
2017 Bonds (Spring 2018)	40,551,503	0	0	0	0	0	2,027,575	**2,027,575**
2018 Bonds (Spring 2019)	40,551,503	0	0	0	0	0	0	**0**
2019 Bonds (Spring 2020)	40,551,503	0	0	0	0	0	0	**0**
Total Estimated Principal Retirement		56,488,608	59,761,284	61,861,824	60,985,939	67,672,596	65,066,636	**371,836,887**
Total Bonding Limits		66,488,608	69,761,284	71,861,824	70,985,939	77,672,596	75,066,636	**431,836,887**
Total Bonding Limits - Rounded		66,400,000	69,700,000	71,800,000	70,900,000	77,600,000	75,000,000	**431,400,000**
Charter Bonds Allocated		66,441,114	70,300,000	54,854,889	50,816,363	40,551,503	40,551,503	**323,515,372**
Total Annual Unallocated Bond Authority		(41,114)	(600,000)	16,945,111	20,083,637	37,048,497	34,448,497	**107,884,628**
Prior Year Unallocated Bond Authority*		10,986,114	0	0	0	0	0	**10,986,114**
Cumulative Unallocated Bond Authority		10,945,000	10,345,000	27,290,111	47,373,748	84,422,245	118,870,742	

*includes unallocated bond authority from Spring 2014 General Obligation Bond sale.

Note: Retirement of bonded debt assumes the issuance of bonds with 20-year, level principal retirement with principal payments beginning one year from the date of issue. Annual bond limits are calculated on a calendar year basis. The fiscal year identified in the heading represents the period in which they are traditionally appropriated. The Charter Bond capacity in the out years is retained for future City Council policy decisions.

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The following Ordinances are associated with mandated Virginia Stormwater Management Program (VSMP). These ordinances were reviewed and voted upon by City Council in April 2014 separately from the budget and CIP ordinances. Since these ordinances include revenue in support of VSMP, they are an integral part of the FY 2014-15 Budget.

Section B

Amend Stormwater Management Appendix B Ordinance 10-52

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Ordinances

Section A

AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015 IN THE SUM OF $1,830,467,105 FOR OPERATIONS

WHEREAS, the City Manager has heretofore submitted an Annual Budget for the City for the fiscal year beginning July 1, 2014, and ending June 30, 2015, and it is necessary to appropriate sufficient funds to cover said budget;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. That the amounts named aggregating $2,527,079,503 consisting of $498,234,068 in inter-fund transfers, $198,378,330 for internal service funds, and $1,830,467,105 for operations, are hereby appropriated subject to the conditions hereinafter set forth for the use of departments, and designated funds of the City government, and for the purposes hereinafter mentioned, as set forth in the Annual Operating Budget, which is hereby incorporated by reference, for the fiscal year beginning July 1, 2014, and ending June 30, 2015 (hereinafter, the "Fiscal Year"), a summary of which is attached to this ordinance as "Attachment A – Appropriations."

Sec. 2. That in accordance with Section 5.04 of the City Charter, Estimated Revenue in Support of Appropriations is set forth in said Annual Operating Budget, with a summary of Estimated Revenue in Support of Appropriations attached to this ordinance as "Attachment B – Revenues."

Sec. 3. With the exception of the funds under the control of the School Board, specifically the funds numbered 104, 107, 109, 112, 114, 115, 116, 117, 119, 614, and 615 (hereinafter referred to as "School Board Funds"), the total number of full-time permanent positions shall be the maximum number of positions authorized for the various departments of the City during the Fiscal Year, except for changes or additions authorized by the Council or as hereinafter provided. The City Manager may from time to time increase or decrease the number of part-time or temporary positions provided the aggregate amount expended for such services shall not exceed the respective appropriations made therefore. The City Manager is further authorized to make such rearrangements of positions within and between the departments as may best meet the needs and interests of the City, including changes necessary to implement the employee transition program.

Sec. 4. To improve the effectiveness and efficiencies of the government in service delivery, the City Council hereby authorizes the City Manager or his designee to transfer appropriated funds and existing positions throughout the Fiscal Year as may be necessary to implement organizational adjustments that have been authorized by the City Council. Unless otherwise directed by the City Council, such organizational adjustments shall be implemented on such date or dates as the City Manager determines, in his discretion, to be necessary to guarantee a smooth and orderly transition of existing organizational functions. The City Manager shall make a report each year to the City Council identifying the status and progress of any such organizational adjustments.

Sec. 5. All current and delinquent collections of local taxes shall be credited to the General Fund, Special Service District Funds, Tax Increment Financing Fund or any fund to which City Council has, by ordinance, dedicated a tax levy.

Sec. 6. All balances of the appropriations payable out of each fund of the City Treasury at the close of ~~business~~ the Fiscal Year, unless otherwise provided for, are hereby declared to be lapsed into the fund balance of the respective funds, except all appropriations to School Board Funds derived from local public sources which shall lapse and revert to the General Fund Balance, and may be used for the payment of the appropriations that may be made in the appropriation ordinance for the fiscal year beginning July 1, 2015. Prior to the expenditure of any sums that have lapsed to the fund balance of any fund, an appropriation by the City Council shall be required.

Sec. 7. That the City's debt management policies for the Water and Sewer Enterprise Fund shall serve as a basis for developing financial strategies for the water and sanitary sewer system based on the following guidelines: (a) for the Water and Sewer Fund, the goal of retaining working capital equal to 80% to 100% of one year's operating expense shall be pursued; (b) for the Water and Sewer Fund, the goal shall be for debt service coverage on its water and sewer revenue bonds at not less than 1.50 times and, on a combined basis, including water and sewer general obligation bonds, at no less than 1.20 times and (c) for the Water and Sewer Fund, contributions from non-

borrowed funds, on a five-year rolling average basis, will be sought for approximately 25% of the annual capital program for the water and sewer system.

Sec. 8. All balances of appropriations in each fund which support authorized obligations or are encumbered at the close of the business for the Fiscal Year, are hereby declared to be re-appropriated into the fiscal year beginning July 1, 2015, and estimated revenues adjusted accordingly.

Sec. 9. All balances of appropriations attributable to grants or other similar funding mechanism from state or federal sources and trust or gift funds, whose period of expenditure extends beyond the fiscal year ending on June 30, 2014, are hereby declared to be re-appropriated into the Fiscal Year, and estimated revenues adjusted accordingly. The close-out of any grant or similar funding mechanism shall account for all expenditures in such grant, and provided there is any remaining balance in the grant, the portion of the balance attributable to local sources shall revert to the General Fund, special revenue fund, or enterprise fund that provided the local contribution.

Sec.10. No department or agency for which appropriations are made under the provisions of this ordinance shall exceed the amount of such appropriations except with the consent and approval of the City Council first being obtained. It is expressly provided that the restrictions with respect to the expenditure of the funds appropriated shall apply only to the totals for each Appropriation Unit included in this ordinance and does not apply to Inter-fund Transfers.

Sec.11. The City Manager or the Director of Budget and Management Services is hereby authorized to approve transfers of appropriations in an amount up to $100,000 between any Appropriation Units included in this ordinance through the accrual period. The City Manager shall make a monthly report to the City Council of all transfers between $25,000 and $100,000. In addition, the City Manager may transfer, in amounts necessary, appropriations from all Reserves for Contingencies except Reserve for Contingencies – Regular, within the intent of the Reserve as approved by City Council.

Sec. 12. The City Manager or the Director of Budget and Management Services is hereby authorized to establish and administer budgeting within Appropriation Units consistent with best management practices, reporting requirements, and the programs and services adopted by the City Council. Consistent with best management practices, the City utilizes a modified accrual system of accounting. Revenues are considered available when collectible either during the current period or after the end of the current period, but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources. In practical effect, the modified accrual system allows a window of 45 days wherein the City may accrue back to the immediately preceding fiscal year revenues and expenditures. The City Manager or the Director of Budget and Management Services is further authorized to establish administrative directives to provide additional management oversight and control to ensure the integrity of the City's budget.

Sec. 13. The City Manager or the Director of Budget and Management Services is hereby authorized to change the Estimated Revenues included in this ordinance to reflect expected collections. If the Estimated Revenue in support of an Operating Appropriation Unit declines, the City Manager or the Director of Budget and Management Services is hereby authorized to reduce, subject to any other provision of law, those appropriations to equal the decline in Estimated Revenue. The City Manager shall give prior notice to the City Council of any reduction to total appropriations exceeding $100,000. The notice to City Council shall identify the basis and amount of the appropriation reduction and the Appropriation Units affected. The accounting records of the City will be maintained in a manner that the total of Estimated Revenue is equal to the total of the Appropriation Units for each of the City's funds. The City Manager or the Director of Budget and Management Services is hereby authorized to transfer any excess appropriations to the Reserve for Contingencies after all anticipated expenditures for which those funds were appropriated have been incurred. Nothing in this section shall be construed as authorizing any reduction to be made in the amount appropriated in this ordinance for the payment of interest or principal on the bonded debt of the City Government.

Sec. 14. Allowances made from the appropriations made in this ordinance by any or all of the City departments, bureaus, or agencies, to any of their officers and employees for expenses on account of the use by such officers and employees of their personal automobiles in the discharge of their official duties shall not exceed fifty six cents

($0.56) ~~forty two cents ($0.42)~~ per mile of actual travel for the first 15,000 miles and fifteen cents ($0.15) per mile for additional miles of such use within the fiscal year.

Sec. 15. In the event of an emergency and under emergency circumstances wherein the City Council cannot reasonably hold a meeting, the City Manager is authorized to transfer and expend appropriated sums from any budget account to ensure that the emergency is handled as efficiently and expeditiously as possible. Immediately following the expenditure of funds under this provision, and as soon as the City Council can reasonably meet under the existing circumstances, the City Manager shall notify the City Council of the reason for such action, how funds were expended, and present to the City Council for adoption an emergency appropriations ordinance that sets forth what measures are required to ensure that funds are forthwith restored to the appropriate accounts and that the budget is balanced at the end of the fiscal year in which the emergency expenditures occurred.

An emergency is defined for the purposes of this provision as an event that could not have been reasonably foreseen at the time of the adoption of the budget, and in which (i) an immediate threat to the public health, safety or welfare is involved, such as clean-up after a hurricane, and/or (ii) immediate action is required to protect or preserve public properties.

Sec. 16. All travel expense accounts shall be submitted on forms approved by the Director of Finance and according to regulations approved by the City Council. Each account shall show the dates expenses were incurred or paid; number of miles traveled; method of travel; hotel expenses; meals; and incidental expenses. The Director of Finance is specifically directed to withhold the issuance of checks in the event expense accounts are submitted for "lump-sum" amounts.

Sec. 17. The City Manager is hereby authorized to allocate funding, within the aggregate amounts approved by City Council for total compensation, to implement the General Assembly mandated changes to the Virginia Retirement System ("VRS") that require all full-time City employees hired before July 1, 2010 to pay five percent (5%) of their salaries to the VRS to be offset by a pay increase of five percent (5%) by July 1, 2016. The City Council has chosen to phase this in with 1% increments with 1% provided for fiscal year 2015. To accommodate VRS requirements that the entire paycheck provided on July 15th include the fiscal year 2015 increase, the City Manager or designee is authorized to make the changes in this section for the pay period relating back to June 22, 2014. While not mandated by the General Assembly, a 1% increase is provided for all full time City employees hired after July 1, 2010.

Sec. 18. A salary increase of .34% on June 22, 2014 for full-time employees and 1.66% on September 22, 2014 is hereby provided for part-time and full time employees.

Sec. 19. Fund 142 "DEA Seized Forfeiture Special Revenue Fund" is hereby renamed "Police Federal and State Seized Assets Special Revenue Fund." The fund balance associated within Fund 142 "DEA Seized Forfeiture Special Revenue Fund" apportioned to the City of Virginia Beach's Commonwealth Attorney's Office is hereby transferred to a newly established Fund 140 "Commonwealth Attorney's Federal and State Seized Assets Special Revenue Fund."

Sec. 20. At the request of the School Board, Fund 104 "Green Run Collegiate" is hereby established in the Operating Budget to allow the segregation of funding for the Charter School.

Sec. 21. The $1,000,000 from the Fund Balance of the General Fund is hereby appropriated to the Department of Finance's FY 2014-15 Operating Budget.

Sec. ~~19~~22. Violation of this ordinance may result in disciplinary action by the City Manager against the person or persons responsible for the management of the Appropriation Unit in which the violation occurred.

Sec. ~~20~~23. This ordinance shall be effective on July 1, 2014. The portion of Section 17 addressing the requirements of VRS and the payroll period that crosses fiscal years shall be effective June 22, 2014.

Sec. ~~21~~24. If any part of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining parts of this ordinance.

Adopted by the Council of the City of Virginia Beach, Virginia, on this the 13th day of May, 2014.

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

	FY 2014-15 Proposed
002 General Fund	
Agriculture	815,543
Benefits Administration	635,538
Board of Equalization	9,141
Budget and Management Services	1,639,851
Circuit Court	1,089,739
City Attorney	4,084,871
City Auditor	688,272
City Clerk	582,372
City Manager	2,825,204
City Real Estate Assessor	3,222,977
City Treasurer	5,572,935
Clerk of the Circuit Court	3,143,523
Commissioner of the Revenue	4,198,633
Commonwealth's Attorney	7,990,185
Communications and Information Technology	23,072,926
Community Organization Grants	409,126
Computer Replacement Program	981,412
Convention and Visitor Bureau	9,185,890
Cultural Affairs	2,299,922
Debt Service	48,274,437
Economic Development	3,059,915
Emergency Communications and Citizen Services	10,325,988
Emergency Medical Services	9,217,994
Employee Special Benefits	7,808,875
Finance	5,148,564
Fire	47,519,420
General District Court	373,039
General Registrar	1,378,780
Health	3,202,360
Housing and Neighborhood Preservation	1,801,299
Human Resources	4,318,769
Human Services	109,600,169
Independent Financial Services	153,878
Juvenile and Domestic Relations District Court	131,995
Juvenile Probation	1,652,897
Leases	1,658,262
Library	17,641,624
Magistrates	93,604
Municipal Council	530,887
Municipal Solid Waste Management	750,000
Museums	11,357,390
Parks and Recreation	13,655,605
Planning	10,340,971
Police	95,679,304
Public Works	66,589,842
Regional Participation	1,958,440
Reserve for Contingencies	5,457,845
Revenue Reimbursements	15,385,969
Strategic Growth Area	6,754,723
Transfer to Other Funds	433,079,971
Vehicle Replacements	5,107,514

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

	FY 2014-15 Proposed
Fund 002 Appropriation Totals	1,012,458,390
098 School Reserve Special Revenue Fund	
Transfer to Other Funds	16,000,000
Fund 098 Appropriation Totals	16,000,000
104 Green Run Collegiate Charter School	
Administration, Attendance, and Health	8,000
Instruction	2,233,351
Operations and Maintenance	21,400
Pupil Transportation	159,128
Technology	25,000
Fund 104 Appropriation Totals	2,446,879
107 School Equipment Replacement Special Revenue Fund	
Reserve for Contingencies	369,641
Fund 107 Appropriation Totals	369,641
108 School Instructional Technology Fund	
Instructional Technology	159,700
Fund 108 Appropriation Totals	159,700
109 School Vending Operations Fund	
Vending	220,289
Fund 109 Appropriation Totals	220,289
112 School Communication Tower Technology Fund	
Instructional Technology	600,000
Fund 112 Appropriation Totals	600,000
114 School Cafeteria Fund	
Cafeteria	30,278,999
Fund 114 Appropriation Totals	30,278,999
115 School Operating Fund	
Administration, Attendance, and Health	22,675,243
Debt Service	45,507,225
Instruction	533,735,053
Operations and Maintenance	87,505,569
Pupil Transportation	31,026,585
Technology	27,687,623
Fund 115 Appropriation Totals	748,137,298
116 School Grants Fund	
Grants	63,534,234
Fund 116 Appropriation Totals	63,534,234

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

		FY 2014-15 Proposed
117 School Textbook Fund		
Textbook		9,952,535
	Fund 117 Appropriation Totals	9,952,535
119 School Athletic Special Revenue Fund		
Athletic		4,922,642
	Fund 119 Appropriation Totals	4,922,642
130 Law Library Fund		
Library		244,382
Reserve for Contingencies		506
Transfer to Other Funds		57,252
	Fund 130 Appropriation Totals	302,140
140 Commonwealth Attorney's Fed & State Seized Assets SRF		
Commonwealth's Attorney		400,000
	Fund 140 Appropriation Totals	400,000
147 Federal Section 8 Program Special Revenue Fund		
Housing and Neighborhood Preservation		20,185,225
	Fund 147 Appropriation Totals	20,185,225
149 Sheriff's Department Special Revenue Fund		
Sheriff and Corrections		39,856,062
Transfer to Other Funds		24,551
	Fund 149 Appropriation Totals	39,880,613
151 Parks and Recreation Special Revenue Fund		
Debt Service		3,551,043
Future C.I.P. Commitments		365,534
Parks and Recreation		28,464,013
Public Works		2,719,800
Reserve for Contingencies		166,832
Transfer to Other Funds		1,604,094
	Fund 151 Appropriation Totals	36,871,316
152 Tourism Investment Program Fund		
Convention and Visitor Bureau		100,000
Cultural Affairs		50,500
Debt Service		24,229,882
Parks and Recreation		135,128
Public Works		934,874
Reserve for Contingencies		5,317
Strategic Growth Area		4,251,194
Transfer to Other Funds		5,307,824
	Fund 152 Appropriation Totals	35,014,719

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

	FY 2014-15 Proposed
157 Sandbridge Special Service District Spec Rev Fd	
Transfer to Other Funds	3,930,199
Fund 157 Appropriation Totals	3,930,199
161 Agriculture Reserve Program Special Revenue Fund	
Agriculture	220,108
Debt Service	4,101,097
Reserve for Contingencies	153,148
Fund 161 Appropriation Totals	4,474,353
163 Tourism Advertising Program Special Revenue Fund	
Convention and Visitor Bureau	10,756,124
Reserve for Contingencies	1,610
Transfer to Other Funds	56,838
Fund 163 Appropriation Totals	10,814,572
166 Sandbridge Tax Increment Financing Fund	
Future C.I.P. Commitments	7,000,000
Transfer to Other Funds	1,369,801
Fund 166 Appropriation Totals	8,369,801
169 Central Business District-South TIF (Twn Cntr) Fd	
Debt Service	7,704,794
Transfer to Other Funds	150,000
Fund 169 Appropriation Totals	7,854,794
172 Open Space Special Revenue Fund	
Debt Service	2,576,042
Parks and Recreation	505,545
Public Works	15,300
Reserve for Contingencies	2,676
Transfer to Other Funds	1,800,000
Fund 172 Appropriation Totals	4,899,563
174 Town Center Special Service District	
Parks and Recreation	46,309
Town Center Special Tax District	1,963,600
Transfer to Other Funds	386,199
Fund 174 Appropriation Totals	2,396,108
180 Community Development Special Revenue Fund	
Housing and Neighborhood Preservation	1,797,398
Transfer to Other Funds	128,858
Fund 180 Appropriation Totals	1,926,256
181 CD Loan and Grant Fund	
Housing and Neighborhood Preservation	839,091
Fund 181 Appropriation Totals	839,091

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

		FY 2014-15 Proposed
182 Federal Housing Assistance Grant Fund		
Housing and Neighborhood Preservation		912,891
	Fund 182 Appropriation Totals	912,891
183 Grants Consolidated Fund		
Commonwealth's Attorney		314,442
Emergency Medical Services		375,000
Fire		235,345
Housing and Neighborhood Preservation		1,291,593
Human Services		1,730,342
Police		60,054
Public Works		15,000
Transfer to Other Funds		935,508
	Fund 183 Appropriation Totals	4,957,284
241 Water and Sewer Fund		
Debt Service		24,384,997
Public Utilities		76,656,690
Reserve for Contingencies		1,386,335
Transfer to Other Funds		18,271,875
	Fund 241 Appropriation Totals	120,699,897
253 Parking Enterprise Fund		
Debt Service		695,363
Reserve for Contingencies		265,505
Strategic Growth Area		1,811,626
Transfer to Other Funds		599,515
	Fund 253 Appropriation Totals	3,372,009
254 Waste Management Enterprise Fund		
Public Works		40,599,989
Reserve for Contingencies		299,533
Transfer to Other Funds		2,627,847
	Fund 254 Appropriation Totals	43,527,369
255 Storm Water Utility Enterprise Fund		
Debt Service		2,796,529
Public Works		16,772,058
Reserve for Contingencies		8,197,105
Transfer to Other Funds		11,593,385
	Fund 255 Appropriation Totals	39,359,077
310 Old Donation Creek Area Dredging SSD		
Reserve for Contingencies		60,154
Transfer to Other Funds		6,201
	Fund 310 Appropriation Totals	66,355

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

		FY 2014-15 Proposed
311 Bayville Creek Neighborhood Dredging SSD Fund		
Transfer to Other Funds		51,749
	Fund 311 Appropriation Totals	51,749
312 Shadowlawn Area Dredging SSD		
Transfer to Other Funds		25,560
	Fund 312 Appropriation Totals	25,560
313 Chesopeian Colony Dredging SSD		
Transfer to Other Funds		211,391
	Fund 313 Appropriation Totals	211,391
314 Harbour Point Dredging SSD		
Transfer to Other Funds		15,450
	Fund 314 Appropriation Totals	15,450
315 Gills Cove Dredging SSD		
Reserve for Contingencies		12,143
	Fund 315 Appropriation Totals	12,143
540 General Government Capital Projects Fund		
Building Capital Projects		1,966,599
Coastal Capital Projects		5,713,172
Communications and Information Technology Projects		5,167,994
Economic and Tourism Development Capital Projects		5,120,373
Parks and Recreation Capital Projects		6,196,418
Roadways Capital Projects		6,396,503
	Fund 540 Appropriation Totals	30,561,059
541 Water and Sewer Capital Projects Fund		
Water and Sewer Capital Projects		8,000,000
	Fund 541 Appropriation Totals	8,000,000
555 Storm Water Capital Projects Fund		
Storm Water Capital Projects		9,514,582
	Fund 555 Appropriation Totals	9,514,582
606 City Garage Internal Service Fund		
Public Works		12,933,097
Reserve for Contingencies		47,330
	Fund 606 Appropriation Totals	12,980,427
607 Risk Management Internal Service Fund		
Finance		14,377,824
Reserve for Contingencies		5,114
	Fund 607 Appropriation Totals	14,382,938

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

		FY 2014-15 Proposed
610 Capital Projects Internal Service Fund		
City Treasurer		70,000
Commissioner of the Revenue		70,000
Communications and Information Technology		589,875
Economic Development		66,194
Finance		176,754
Public Works		405,973
Reserve for Contingencies		50,000
	Fund 610 Appropriation Totals	1,428,796
613 School Landscaping Internal Service Fund		
Parks and Recreation		3,896,217
Reserve for Contingencies		26,807
	Fund 613 Appropriation Totals	3,923,024
614 School Risk Management Fund		
School Risk Management		4,806,319
	Fund 614 Appropriation Totals	4,806,319
615 City and School Health Insurance Fund		
City and School Health Insurance		145,389,250
	Fund 615 Appropriation Totals	145,389,250
616 Fuels Internal Service Fund		
Public Works		8,410,504
	Fund 616 Appropriation Totals	8,410,504
620 Telecommunications Internal Service Fund		
Communications and Information Technology		3,037,849
Reserve for Contingencies		308,586
	Fund 620 Appropriation Totals	3,346,435
621 Subscriptions Internal Service Fund		
Communications and Information Technology		3,421,650
Reserve for Contingencies		288,987
	Fund 621 Appropriation Totals	3,710,637
908 City Beautification Fund		
Parks and Recreation		100,000
	Fund 908 Appropriation Totals	100,000
909 Library Gift Fund		
Library		15,000
	Fund 909 Appropriation Totals	15,000
910 Parking Meters - Homeless Donation Fund		
Housing and Neighborhood Preservation		5,000
	Fund 910 Appropriation Totals	5,000

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment A - Appropriations

	FY 2014-15 Proposed
911 Parks and Recreation Gift Fund	
Parks and Recreation	55,000
Fund 911 Appropriation Totals	55,000
Total Budget Appropriations	2,527,079,503
Less Internal Service Funds	198,378,330
Less Interfund Transfers	498,234,068
NET BUDGET APPROPRIATIONS	1,830,467,105

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

	FY 2014-15 Proposed
002 General Fund	
Revenue From Local Sources	
Automobile License	9,627,331
Business License	47,600,886
Charges for Services	39,964,597
Cigarette Tax	12,148,649
Fines and Forfeitures	6,706,205
From the Use of Money and Property	5,548,179
General Sales Tax	60,016,191
Hotel Room Tax	6,017,443
Miscellaneous Revenue	5,292,859
Other Taxes	17,617,261
Permits, Privilege Fees, and Regulatory Licenses	5,092,563
Personal Property	137,161,976
Real Estate	443,222,611
Restaurant Meal Tax	38,003,613
Utility Tax	44,895,159
Revenue from the Commonwealth	
Other Sources from the Commonwealth	95,626,175
Revenue from the Federal Government	19,144,339
Specific Fund Reserves	2,000,000
Transfers from Other Funds	16,772,353
Fund 002 Revenue Totals	1,012,458,390
098 School Reserve Special Revenue Fund	
Specific Fund Reserves	16,000,000
Fund 098 Revenue Totals	16,000,000
104 Green Run Collegiate Charter School	
Transfers from Other Funds	2,446,879
Fund 104 Revenue Totals	2,446,879
107 School Equipment Replacement Special Revenue Fund	
Specific Fund Reserves	369,641
Fund 107 Revenue Totals	369,641
108 School Instructional Technology Fund	
Specific Fund Reserves	159,700
Fund 108 Revenue Totals	159,700
109 School Vending Operations Fund	
Revenue From Local Sources	
Miscellaneous Revenue	192,550
Specific Fund Reserves	27,739
Fund 109 Revenue Totals	220,289

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

		FY 2014-15 Proposed
112 School Communication Tower Technology Fund		
Revenue From Local Sources		
From the Use of Money and Property		260,000
Specific Fund Reserves		340,000
	Fund 112 Revenue Totals	600,000
114 School Cafeteria Fund		
Revenue From Local Sources		
Charges for Services		12,537,655
From the Use of Money and Property		7,000
Miscellaneous Revenue		200,000
Revenue from the Commonwealth		
Other Sources from the Commonwealth		500,000
Revenue from the Federal Government		16,254,782
Specific Fund Reserves		779,562
	Fund 114 Revenue Totals	30,278,999
115 School Operating Fund		
Revenue From Local Sources		
Charges for Services		2,203,383
From the Use of Money and Property		465,000
Miscellaneous Revenue		786,703
Revenue from the Commonwealth		
Other Sources from the Commonwealth		252,592,470
State Shared Sales Tax		70,065,298
Revenue from the Federal Government		16,453,899
Transfers from Other Funds		405,570,545
	Fund 115 Revenue Totals	748,137,298
116 School Grants Fund		
Revenue From Local Sources		
Miscellaneous Revenue		3,299,327
Revenue from the Commonwealth		
Other Sources from the Commonwealth		16,021,049
Revenue from the Federal Government		44,213,858
	Fund 116 Revenue Totals	63,534,234
117 School Textbook Fund		
Revenue From Local Sources		
From the Use of Money and Property		100,000
Miscellaneous Revenue		10,000
Revenue from the Commonwealth		
Other Sources from the Commonwealth		3,959,589
Specific Fund Reserves		5,882,946
	Fund 117 Revenue Totals	9,952,535

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

	FY 2014-15 Proposed
119 School Athletic Special Revenue Fund	
Revenue From Local Sources	
Charges for Services	494,000
From the Use of Money and Property	5,000
Miscellaneous Revenue	4,423,642
Fund 119 Revenue Totals	4,922,642
130 Law Library Fund	
Revenue From Local Sources	
Charges for Services	293,000
From the Use of Money and Property	4,140
Specific Fund Reserves	5,000
Fund 130 Revenue Totals	302,140
140 Commonwealth Attorney's Fed & State Seized Assets SRF	
Specific Fund Reserves	400,000
Fund 140 Revenue Totals	400,000
147 Federal Section 8 Program Special Revenue Fund	
Revenue From Local Sources	
Charges for Services	2,182,374
Miscellaneous Revenue	32,000
Revenue from the Federal Government	17,731,193
Transfers from Other Funds	239,658
Fund 147 Revenue Totals	20,185,225
149 Sheriff's Department Special Revenue Fund	
Revenue From Local Sources	
Charges for Services	5,078,588
From the Use of Money and Property	10,000
Miscellaneous Revenue	10,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	18,010,250
Revenue from the Federal Government	602,250
Specific Fund Reserves	575,000
Transfers from Other Funds	15,594,525
Fund 149 Revenue Totals	39,880,613
151 Parks and Recreation Special Revenue Fund	
Revenue From Local Sources	
Charges for Services	13,501,870
From the Use of Money and Property	1,579,251
Miscellaneous Revenue	2,200
Permits, Privilege Fees, and Regulatory Licenses	700
Real Estate	17,280,944
Revenue from the Commonwealth	
Other Sources from the Commonwealth	27,000
Specific Fund Reserves	27,000
Transfers from Other Funds	4,452,351
Fund 151 Revenue Totals	36,871,316

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

	FY 2014-15 Proposed
152 Tourism Investment Program Fund	
Revenue From Local Sources	
Amusement Tax	5,836,125
Cigarette Tax	934,511
Fines and Forfeitures	740,000
From the Use of Money and Property	651,143
Hotel Room Tax	15,321,383
Miscellaneous Revenue	300
Permits, Privilege Fees, and Regulatory Licenses	73,077
Restaurant Meal Tax	11,458,180
Fund 152 Revenue Totals	35,014,719
157 Sandbridge Special Service District Spec Rev Fd	
Revenue From Local Sources	
From the Use of Money and Property	6,899
Hotel Room Tax	798,013
Real Estate	628,909
Specific Fund Reserves	139,257
Transfers from Other Funds	2,357,121
Fund 157 Revenue Totals	3,930,199
161 Agriculture Reserve Program Special Revenue Fund	
Revenue From Local Sources	
Real Estate	4,474,353
Fund 161 Revenue Totals	4,474,353
163 Tourism Advertising Program Special Revenue Fund	
Revenue From Local Sources	
Charges for Services	101,198
From the Use of Money and Property	45,700
Hotel Room Tax	5,235,473
Miscellaneous Revenue	27,399
Restaurant Meal Tax	5,404,802
Fund 163 Revenue Totals	10,814,572
166 Sandbridge Tax Increment Financing Fund	
Revenue From Local Sources	
From the Use of Money and Property	27,459
Real Estate	8,139,025
Specific Fund Reserves	203,317
Fund 166 Revenue Totals	8,369,801
169 Central Business District-South TIF (Twn Cntr) Fd	
Revenue From Local Sources	
From the Use of Money and Property	2,000
Hotel Room Tax	500,000
Miscellaneous Revenue	400,000
Real Estate	5,367,921
Specific Fund Reserves	1,584,873
Fund 169 Revenue Totals	7,854,794

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

		FY 2014-15 Proposed
172 Open Space Special Revenue Fund		
Revenue From Local Sources		
Restaurant Meal Tax		4,756,226
Specific Fund Reserves		143,337
	Fund 172 Revenue Totals	4,899,563
174 Town Center Special Service District		
Revenue From Local Sources		
From the Use of Money and Property		1,000
Real Estate		1,548,564
Specific Fund Reserves		696,544
Transfers from Other Funds		150,000
	Fund 174 Revenue Totals	2,396,108
180 Community Development Special Revenue Fund		
Revenue from the Federal Government		1,290,671
Transfers from Other Funds		635,585
	Fund 180 Revenue Totals	1,926,256
181 CD Loan and Grant Fund		
Non-Revenue Receipts		125,000
Revenue from the Federal Government		469,967
Transfers from Other Funds		244,124
	Fund 181 Revenue Totals	839,091
182 Federal Housing Assistance Grant Fund		
Non-Revenue Receipts		70,000
Revenue from the Federal Government		842,891
	Fund 182 Revenue Totals	912,891
183 Grants Consolidated Fund		
Revenue From Local Sources		
Charges for Services		43,632
Revenue from the Commonwealth		
Other Sources from the Commonwealth		2,937,719
Revenue from the Federal Government		1,479,133
Transfers from Other Funds		496,800
	Fund 183 Revenue Totals	4,957,284
241 Water and Sewer Fund		
Non-Revenue Receipts		2,061,135
Revenue From Local Sources		
Charges for Services		115,799,855
From the Use of Money and Property		357,641
Miscellaneous Revenue		367,343
Revenue from the Federal Government		944,456
Transfers from Other Funds		1,169,467
	Fund 241 Revenue Totals	120,699,897

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

		FY 2014-15 Proposed
253 Parking Enterprise Fund		
Revenue From Local Sources		
Charges for Services		3,183,509
Fines and Forfeitures		180,000
From the Use of Money and Property		8,500
	Fund 253 Revenue Totals	3,372,009
254 Waste Management Enterprise Fund		
Revenue From Local Sources		
Charges for Services		41,676,123
From the Use of Money and Property		140,000
Miscellaneous Revenue		816,246
Permits, Privilege Fees, and Regulatory Licenses		150,000
Revenue from the Commonwealth		
Other Sources from the Commonwealth		45,000
Specific Fund Reserves		700,000
	Fund 254 Revenue Totals	43,527,369
255 Storm Water Utility Enterprise Fund		
Revenue From Local Sources		
Charges for Services		38,877,647
From the Use of Money and Property		125,000
Miscellaneous Revenue		60,000
Revenue from the Federal Government		267,411
Transfers from Other Funds		29,019
	Fund 255 Revenue Totals	39,359,077
310 Old Donation Creek Area Dredging SSD		
Revenue From Local Sources		
Real Estate		66,355
	Fund 310 Revenue Totals	66,355
311 Bayville Creek Neighborhood Dredging SSD Fund		
Revenue From Local Sources		
Real Estate		51,749
	Fund 311 Revenue Totals	51,749
312 Shadowlawn Area Dredging SSD		
Revenue From Local Sources		
Real Estate		25,560
	Fund 312 Revenue Totals	25,560
313 Chesopeian Colony Dredging SSD		
Revenue From Local Sources		
Real Estate		211,391
	Fund 313 Revenue Totals	211,391

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

		FY 2014-15 Proposed
314 Harbour Point Dredging SSD		
Revenue From Local Sources		
Real Estate		15,450
	Fund 314 Revenue Totals	15,450
315 Gills Cove Dredging SSD		
Revenue From Local Sources		
Real Estate		12,143
	Fund 315 Revenue Totals	12,143
540 General Government Capital Projects Fund		
Transfers from Other Funds		30,561,059
	Fund 540 Revenue Totals	30,561,059
541 Water and Sewer Capital Projects Fund		
Transfers from Other Funds		8,000,000
	Fund 541 Revenue Totals	8,000,000
555 Storm Water Capital Projects Fund		
Transfers from Other Funds		9,514,582
	Fund 555 Revenue Totals	9,514,582
606 City Garage Internal Service Fund		
Revenue From Local Sources		
Charges for Services		12,031,350
Miscellaneous Revenue		124,296
Specific Fund Reserves		824,781
	Fund 606 Revenue Totals	12,980,427
607 Risk Management Internal Service Fund		
Revenue From Local Sources		
Charges for Services		14,355,938
From the Use of Money and Property		27,000
	Fund 607 Revenue Totals	14,382,938
610 Capital Projects Internal Service Fund		
Revenue From Local Sources		
Charges for Services		1,428,796
	Fund 610 Revenue Totals	1,428,796
613 School Landscaping Internal Service Fund		
Revenue From Local Sources		
Charges for Services		3,923,024
	Fund 613 Revenue Totals	3,923,024
614 School Risk Management Fund		
Revenue From Local Sources		
Charges for Services		4,806,319
	Fund 614 Revenue Totals	4,806,319

City of Virginia Beach, Virginia
Fiscal Year 2014-15 Budget Ordinance

Attachment B - Revenue

		FY 2014-15 Proposed
615 City and School Health Insurance Fund		
Revenue From Local Sources		
Miscellaneous Revenue		145,389,250
	Fund 615 Revenue Totals	145,389,250
616 Fuels Internal Service Fund		
Revenue From Local Sources		
Charges for Services		7,710,504
Specific Fund Reserves		700,000
	Fund 616 Revenue Totals	8,410,504
620 Telecommunications Internal Service Fund		
Revenue From Local Sources		
Charges for Services		3,346,435
	Fund 620 Revenue Totals	3,346,435
621 Subscriptions Internal Service Fund		
Revenue From Local Sources		
Charges for Services		2,458,458
Miscellaneous Revenue		144,000
Specific Fund Reserves		1,108,179
	Fund 621 Revenue Totals	3,710,637
908 City Beautification Fund		
Revenue From Local Sources		
Miscellaneous Revenue		100,000
	Fund 908 Revenue Totals	100,000
909 Library Gift Fund		
Revenue From Local Sources		
Miscellaneous Revenue		15,000
	Fund 909 Revenue Totals	15,000
910 Parking Meters - Homeless Donation Fund		
Revenue From Local Sources		
Miscellaneous Revenue		5,000
	Fund 910 Revenue Totals	5,000
911 Parks and Recreation Gift Fund		
Revenue From Local Sources		
Miscellaneous Revenue		55,000
	Fund 911 Revenue Totals	55,000
Total Budget Revenues		2,527,079,503
Less Internal Service Funds		198,378,330
Less Interfund Transfers		498,234,068
NET BUDGET REVENUES		1,830,467,105

AN ORDINANCE ESTABLISHING THE TAX LEVY ON REAL ESTATE FOR FISCAL YEAR 2015

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on Real Estate.

There shall be levied and collected for fiscal year 2015 taxes for general purposes on all real estate, including all separate classifications of real estate set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of ninety-three ($0.93) on each one hundred dollars ($100) of assessed valuation thereof. The real property tax rate that has been prescribed in this section shall be applied on the basis of one hundred percentum of the fair market value of such real property, except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia. It is the intention of the Council that four cents of the tax rate is dedicated, subject to annual appropriation, to provide funding for the Schools to offset the decrease in State funding through the Local Composite Index. , and two cents of the tax rate is dedicated, subject to annual appropriation, to offset the State reduction in funding for urban road construction and the increased local obligations under the Line of Duty Act. The Council directs the City Manager in the production of future budgets to provide an analysis of State funding for Schools, urban road construction, and the Line of Duty Act. At such time as the State restores funding above the following benchmarks: funding for Schools at $350M (per annum, net of School Facility Funds); urban road construction at $20M (per annum); and Line of Duty Act at $0 (per annum), the City Manager will recommend a reduction, in whole or in part, to the four cent or two cent tax rate dedication in an amount roughly equal to the increased State funding with a corresponding decrease in the real estate tax rate.

Sec. 2. Amount of Levy on ~~"Certified Pollution Control Equipment and Facilities" Classified as Real Estate,~~ "Certified Storm Water Management Developments and Property," "Certified Solar Energy Recycling Equipment, Facilities or Devices" Classified as Real Estate, and "Environmental Restoration Sites," Real Estate Improved by Erosion Controls, and Certain Wetlands and Riparian Buffers.

In accordance with Sections 58.1-3660 (A), 58.1-3660.1, 58.1-3661, 58.1-3664, 58.1-3665 and 58.1-3666 of the Code of Virginia, there shall be levied and collected for general purposes for fiscal year 2015, taxes on all real estate ~~(a) certified by the Commonwealth of Virginia as "Certified Pollution Control Equipment and Facilities,"~~ (~~b~~a) certified by the Department of Environmental Quality as "Certified Storm Water Management Developments and Property," (~~c~~b) certified as provided by Code of Virginia Section 58.1-3661 as "Certified Solar Energy Equipment, Facilities or Devices," or "Certified Recycling Equipment, Facilities or Devices," (~~d~~c) defined by Code of Virginia Section 58.1-3664 as an "Environmental Restoration Site," (~~e~~d) improved to control erosion as defined by Code of Virginia § 58.1-3665, or (~~f~~e) qualifying as wetlands and riparian buffers as described by Code of Virginia § 58.1-3666, not exempt from taxation, at a rate of ninety-three cents ($0.93) on each one hundred dollars of assessed valuation thereof. The real property tax rates imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 3. Amount of Levy on Real Estate Within the Sandbridge Special Service District.

There shall be levied and collected for fiscal year 2015, taxes for the special purpose of providing beach and shoreline restoration and management at Sandbridge on all real estate within the Sandbridge Special Service District, not exempt from taxation, at the rate of six cents ($0.06) on each one hundred dollars ($100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. For real property that qualifies for Land Use Assessment, pursuant to Division 2 of Chapter 35 of the City Code, or Exemption, Deferral or Freeze for Elderly and Disabled Persons, pursuant to Division 3 of Chapter 35 of the City Code, this real estate tax rate shall be applied in the same manner as the real estate tax rate set forth in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 4. Amount of Levy on Real Estate Within the Town Center Special Service District.

For the special purpose of operating and maintaining the parking garage and providing enhanced services for the plaza and public spaces within the boundaries of the service district at the Town Center, as well as other additional services authorized by Virginia Code § 15.2-2403, there shall be levied and collected for fiscal year 2015,

taxes on all real estate within the Town Center Special Service District, not exempt from taxation, at the rate of forty-five cents ($0.45) on each one hundred dollars ($100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax set forth in Section 1 of this ordinance. For real property that qualifies for Land Use Assessment, pursuant to Division 2 of Chapter 35 of the City Code, or Exemption, Deferral or Freeze for Elderly and Disabled Persons, pursuant to Division 3 of Chapter 35 of the City Code, this real estate tax rate shall be applied in the same manner as the real estate tax rate set forth in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real property, except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 5. Amount of Levy on "Energy-Efficient Buildings".

In accordance with Section 58.1-3221.2 of the Code of Virginia and any relevant section of the City Code, there shall be levied and collected for general purposes for the fiscal year 2015, taxes on all real estate that has been classified as an energy efficient building, not exempt from taxation, at a rate of seventy-eight cents ($0.78) on each one hundred dollars of assessed valuation thereof. The real property tax rate imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 6. Amount of Levy on Properties Listed in the Virginia Landmarks Register.

In accordance with Section 58.1-3221.5 of the Code of Virginia and any relevant section of the City Code, there shall be levied and collected for general purposes for the fiscal year 2015, taxes on buildings that are individually listed on the Virginia Landmarks Register, not including the real estate or land on which the building is located, so long as the building is maintained in a condition such that it retains the characteristics for which it was listed on the Virginia Landmarks Register at a rate of forty-nine ($0.49) on each one hundred dollars of assessed valuation thereof. The real property tax rate imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided by Section 58.1-2604 of the Code of Virginia.

Sec. 7. Amount of Levy on Real Estate Within the ~~Old Donation Special Service District~~ <u>Various Dredging Special Service Districts</u>.

There shall be levied and collected for fiscal year 2015, taxes for the special purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses on all real estate within ~~the Old Donation Special Service District, not exempt from taxation, at the rate of eighteen and four-tenths cents ($0.184) on each one hundred dollars ($100) of assessed value thereof~~ <u>each special service district listed below:</u>

<u>a. Old Donation Special Service District, not exempt from taxation, at the rate of eighteen and four-tenths cents ($0.184) on each one hundred dollars ($100) of assessed value thereof.</u>

<u>b. Bayville Creek Special Service District, not exempt from taxation, at the rate of thirty six and three-tenths cents ($0.363) on each one hundred dollars ($100) of assessed value thereof.</u>

<u>c. Shadowlawn Special Service District, not exempt from taxation, at the rate of fifteen and nine-tenths cents ($0.1594) on each one hundred dollars ($100) of assessed value thereof.</u>

<u>d. Chesopeian Special Service District, not exempt from taxation, at the rate of twenty nine and one-tenths cents ($0.2913) on each one hundred dollars ($100) of assessed value thereof.</u>

<u>e. Harbour Point Special Service District, not exempt from taxation, at the rate of seven and nine-tenths cents ($0.079) on each one hundred dollars ($100) of assessed value thereof.</u>

<u>f. Gills Cove Special Service District, not exempt from taxation, at the rate of six and three-tenths cents ($0.063) on each one hundred dollars ($100) of assessed value thereof.</u>

This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall apply without reduction to any properties subject to ad valorem taxes including those properties enrolled in the Exemption, Deferral or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in Code of Virginia, section 15.2-2403(6), written consent is required to apply this tax rate to the full assessed value of properties subject to special use value assessment. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum (100%) of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

~~**Sec. 8. Amount of Levy on Real Estate Within the Bayville Creek Special Service District.**~~

~~There shall be levied and collected for fiscal year 2015, taxes for the special purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses on all real estate within the Bayville Creek Special Service District, not exempt from taxation, at the rate of thirty six and three tenths cents ($0.363) on each one hundred dollars ($100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall apply without reduction to any properties subject to ad valorem taxes including those properties enrolled in the Exemption, Deferral or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in Code of Virginia, section 15.2-2403(6), written consent is required to apply this tax rate to the full assessed value of properties subject to special use value assessment. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum (100%) of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.~~

~~**Sec. 9. Amount of Levy on Real Estate Within the Shadowlawn Special Service District.**~~

~~There shall be levied and collected for fiscal year 2015, taxes for the special purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses on all real estate within the Shadowlawn Special Service District, not exempt from taxation, at the rate of fifteen and nine tenths cents ($0.159) on each one hundred dollars ($100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall apply without reduction to any properties subject to ad valorem taxes including those properties enrolled in the Exemption, Deferral or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in Code of Virginia, section 15.2-2403(6), written consent is required to apply this tax rate to the full assessed value of properties subject to special use value assessment. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum (100%) of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.~~

Sec. ~~10~~. 8 Severability.

If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

Sec. ~~11~~.9 Effective Date.

The effective date of this ordinance shall be July 1, 2014.

Adopted by the City Council of the City of Virginia Beach, Virginia on this 13th day of May, 2014.

AN ORDINANCE ESTABLISHING THE TAX LEVY ON PERSONAL PROPERTY AND MACHINERY AND TOOLS FOR THE CALENDAR YEAR 2015

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on the General Classification of Tangible Personal Property.

In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for general purposes for the calendar year 2015 on all tangible personal property, including all separate classifications of personal property set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of ~~three dollars and seventy cents ($3.70)~~ <u>four dollars ($4.00)</u> on each one hundred dollars ($100) assessed valuation thereof.

Sec. 2. Personal Property Tax Relief.

As required by § 58.1-3523 of the Code of Virginia, qualifying vehicles (as defined by § 58.1-3523), not otherwise exempted from taxation in this ordinance or by law, shall be subject to the following:

1 Any qualifying-vehicle with a total assessed value of $1,000 or less will be levied no tax.

2. Any qualifying vehicle with an assessed value of between $1,001 and $20,000 will be levied 45% of the computed tax based on the total assessed value of the vehicle. Reimbursement is expected from the state under the Personal Property Tax Relief Act equal to the remaining 55% of the computed tax on the first $20,000 of assessed value.

3. Any qualifying vehicle with an assessed value of over $20,000 will be levied 45% of the computed tax based on the first $20,000 of assessed value and 100% of the computed tax based on the assessed value in excess of $20,000. Reimbursement is expected from the state under the Personal Property Tax Relief Act equal to the remaining 55% of the computed tax on the first $20,000 of assessed value.

4. Pursuant to authority conferred in Item 503.D of the 2005 Virginia Appropriations Act, the City Treasurer is authorized to issue a supplemental personal property tax bill, in the amount of 100% of the tax due without regard to any former entitlement to state relief, plus applicable penalties and interest, to any taxpayer whose taxes with respect to a qualifying vehicle for tax year 2005 or any prior tax year remain unpaid on September 1, 2006, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, whichever earlier occurs. Penalties and interest with respect to bills issued pursuant to this section shall be computed on the entire amount of tax owed. Interest shall be computed from the original due date of the tax.

Sec. 3. Amount of Levy on Certain Classifications of Tangible Personal Property

In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for general purposes for the calendar year 2015 on the certain classifications of tangible personal property set forth below at the rate of ~~three dollars and seventy cents ($3.70)~~ <u>four dollars ($4.00)</u> on each one hundred dollars ($100) assessed valuation thereof.

a. heavy construction equipment as described in Code of Virginia § 58.1-3506 (A) (8);

b. computer equipment as described in Code of Virginia § 58.1-3506 (A) (11);

c. tangible personal property as described in (a) Code of Virginia § 58.1-3506 as "certified pollution control equipment and facilities" and (b) Code of Virginia § 58.1-3661 as "certified solar equipment, facilities or devices and certified recycling equipment, facilities or devices";

d. furniture, office, and maintenance equipment as described in Code of Virginia § 58.1-3506 (A) (24);

e. all tangible personal property employed in a trade or business other than described in subdivisions A 1 through A 18, except for subdivision A 17, of § 58.1-3503 as described in Code of Virginia § 58.1-3506 (A) (26);

f. programmable computer equipment and peripherals employed in a trade or business ad described in Code of Virginia § 58.1-3506 (A) (27);

g. tangible personal property used in the provision of internet service as described in Code of Virginia § 58-1-3506 (A) (31);

h. forest harvesting and silvicultural activity as described in Code of Virginia § 58-1-3506 (A) (33);

i. equipment used primarily for research, development, production or provision of biotechnology as described in Code of Virginia § 58-1-3506 (A) (34);

j. tangible personal property which is owned and operated by a service provider who is not a CMRS provider and is not licensed by the FCC used to provide, for a fee, wireless broadband internet service as described in Code of Virginia § 58-1-3506 (A) (37).

Sec. 4. Amount of Levy on Manufactured Homes.

There shall be levied and collected for general purposes for the calendar year 2015 taxes on all vehicles without motive power, used or designated to be used as manufactured homes, as defined by Section 36-85.3 of the Code of Virginia, at the rate of ninety-three cents ($0.93) on each one hundred dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Section 58.1-3506 (A) (10).

Sec. 5. Amount of Levy on All Boats or Watercraft Used for Business Purposes Only.

There shall be levied and collected for general purposes for the calendar year 2015 taxes on all boats or watercraft used for business purposes (both boats weighing less than five (5) tons and boats weighing five (5) tons or more), except as provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents ($1.50) on each one hundred dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (35) and (A) (36).

Sec. 6. Amount of Levy on All Boats or Watercraft Not Used Solely for Business Purposes.

There shall be levied and collected for general purposes for the calendar year 2015 taxes on all boats or watercraft not used solely for business purposes weighing less than five (5) tons, and weighing five (5) tons or more, except as provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents ($1.50) on each one hundred dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (1) (a) and (A) (1) (b).

Sec. 7. Amount of Levy on Machinery and Tools.

In accordance with Section 58.1-3507 of the Code of Virginia, there shall be levied and collected for general purposes for the calendar year 2015 taxes on machinery and tools, including machinery and tools used directly in the harvesting of forest products or semiconductor manufacturing, not exempt from taxation, at the rate of one millionth of one cent ($.000001) on each one hundred dollars ($100) of assessed valuation thereof. As provided by Code of Virginia § 58.1-3506 (B), the following personal property shall also be taxed at the rate of machinery and tools:

a. all tangible personal property used in research and development businesses, as described in Code of Virginia § 58.1-3506 (A) (7);

b. generating or cogenerating equipment, as described in Code of Virginia § 58.1-3506 (A) (9); and

c. all motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce, as described in Code of Virginia § 58.1-3506 (A) (25).

Sec. 8. Amount of Levy on Privately Owned Pleasure Boats and Watercraft Used for Recreational Purposes Only.

There shall be levied and collected for general purposes for the calendar year 2015 taxes on all privately owned pleasure boats and watercraft used for recreational purposes only, at the rate of one millionth of one cent ($.000001) on each one hundred dollars ($100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (12), (A) (28), and (A) (29).

Sec. 9. Amount of Levy on Privately Owned Camping Trailers, Privately Owned Travel Trailers, and Motor Homes Used for Recreational Purposes Only, and Privately Owned Horse Trailers.

There shall be levied and collected for general purposes for the calendar year 2015 taxes at the rate of one dollar and fifty cents ($1.50) on each one hundred dollars ($100) of assessed valuation thereof on the following property: (a) all privately owned camping trailers and motor homes as defined in Section 46.2-100 of the Code of Virginia and privately owned travel trailers as defined in Code of Virginia § 46.2-1900, that are used for recreational purposes only; and (b) privately owned trailers as defined in § 46.2-100 of the Code of Virginia that are designed and used for the transportation of horses, except those trailers described in subdivision (A) (11) of § 58.1-3505 of the Code of Virginia. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (18) and (A) (30).

Sec. 10. Amount of Levy on One Motor Vehicle Owned and Regularly Used by a Disabled Veteran.

There shall be a reduced tax, levied and collected for general purposes for the calendar year 2015 at the rate of one dollar and fifty cents ($1.50) on each one hundred dollars ($100) of assessed valuation, on one (1) motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind, or who is permanently and totally disabled as certified by the Department of Veterans' Affairs. Any motor vehicles in addition to the one (1) so taxed shall not qualify for the taxation at the rate established herein, and shall be taxed at the rate or rates applicable to that class of property. To qualify, the veteran shall provide a written statement to the Commissioner of the Revenue from the Department of Veterans' Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to meet the requirements of Section 58.1-3506 (A) (19), and that his or her disability is service connected. Such property declared a separate class of tangible personal property in Section 58.1-3506 (A) (19).

Sec.11. Amount of Levy on a Motor Vehicle Owned and Used Primarily by or for Someone at Least Sixty-Five Years of Age or Anyone Found to be Permanently and Totally Disabled.

a. In accordance with Sections 58.1-3506.1 et seq. of the Code of Virginia, there shall be a reduced tax, levied and collected for general purposes for calendar year 2015, at the rate of three dollars ($3.00) on each one hundred dollars ($100.00) of assessed valuation, on one (1) automobile or pickup truck owned and used primarily by or for anyone at least sixty-five years of age or anyone found to be permanently and totally disabled, as defined in Section 58.1-3506.3 of the Code of Virginia, subject to the following conditions:

1. The total combined income received, excluding the first $7,500 of income, from all sources during calendar year 2014 by the owner of the motor vehicle shall not exceed twenty-two thousand dollars ($22,000).

2. The owner's net financial worth, including the present value of all equitable interests, as of December 31 of calendar year 2014, excluding the value of the principal residence and the land, not exceeding one (1) acre, upon which it is situated, shall not exceed seventy thousand dollars ($70,000).

3. All income and net worth limitations shall be computed by aggregating the income and assets, as the case may be, of a husband and wife who reside in the same dwelling and shall be applied to any owner of the motor vehicle who seeks the benefit of the preferential tax rate permitted under this ordinance, irrespective of how such motor vehicle may be titled.

b. Any such motor vehicle owned by a husband and wife may qualify if either spouse is sixty-five or over or if either spouse is permanently and totally disabled, and the conditions set forth in subsection (a) have been satisfied.

Sec. 12. Assessed Value Determination.

In accordance with Section 58.1-3103 of the Code of Virginia, personal property mentioned in the above sections shall be assessed at actual fair market value, to be determined by the Commissioner of the Revenue for the City of Virginia Beach.

Sec. 13. Severability.

If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

Sec. 14. Effective Date.

This ordinance shall be effective January 1, 2015.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2014.

AN ORDINANCE TO APPROPRIATE $106,008 AND DECLARE $7,000,000 OF FUNDING WITHIN THE SANDBRIDGE TAX INCREMENT FINANCING DISTRICT AS SURPLUS FUNDS IN THE FY 2013-14 OPERATING BUDGET

WHEREAS, the Sandbridge Tax Increment Financing District (Sandbridge TIF) and the Sandbridge Special Service District (Sandbridge SSD), were established to provide a funding source for beach and shoreline restoration and management at Sandbridge;

WHEREAS, an analysis of the Sandbridge TIF and the Sandbridge SSD occurs annually to ensure that funding is adequate for long-term beach and shoreline restoration and management along Sandbridge;

WHEREAS, current projections indicate that the Sandbridge TIF and Sandbridge SSD have sufficient funding to meet long-term obligations for beach and shoreline restoration and management;

WHEREAS, projections also indicate that the funding available exceeds the long-term obligations of the project; and

WHEREAS, $ ~~7,350,000~~ 7,000,000 is available as an unencumbered appropriation in the FY 2013-14 Sandbridge TIF Reserve for Future Commitments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

(1) That $ ~~7,350,000~~ 7,000,000 of funding within the Sandbridge TIF is hereby declared to be in excess of the long-term obligations for beach and shoreline restoration and management and is hereby declared surplus.

(2) That $~~236,384~~ 106,008 is hereby appropriated from the fund balance of the Sandbridge Tax Increment Financing District to the FY 2013-14 Sandbridge TIF Reserve for Future Commitment and $ ~~7,350,000~~ 7,000,000 is hereby transferred within the FY 2013-14 Operating Budget from the Sandbridge TIF to the General Fund – Unappropriated Real Estate Tax Revenues.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on June 30, 2014.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2014.

A RESOLUTION PROVIDING CERTIFICATION TO THE VIRGINIA RETIREMENT SYSTEM REGARDING MEMBER CONTRIBUTIONS BY SALARY REDUCTION

WHEREAS, the City of Virginia Beach (VRS #55234) (the "City") employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the City employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the City may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2013, to each such employee in service on June 30, 2013, who was also in service with the City on June 30, 2012, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the percentage increase of the member contribution paid by such pursuant to this resolution (For example, if the member contribution paid by the employee increases from two to three percent pursuant to this resolution, the employee must receive a one percent increase in creditable compensation.).

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA, THAT:

The City of Virginia Beach (VRS #55234) does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2014:

Plan 1	Percent		Plan 2	Percent
Employer Paid Member Contribution	2%		Employer Paid Member Contribution	0%
Employee Paid Member Contribution	3%		Employee Paid Member Contribution	5%
Total	5%		Total	5%

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by the City in lieu of member contributions; and

BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, that member contributions made by the City under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement; and

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to VRS members to receive pick up contributions made by the City directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the City shall be reduced by the amount of member contributions picked up by the City on behalf of such employee pursuant to the forgoing resolutions; and

BE IT FURTHER RESOLVED, that in accordance with the Appropriation Act, no salary increases that were provided solely to offset the cost of required member contributions to the Virginia Retirement System under §51.1-144 of the Code of Virginia will be used to certify that the salary increases required by the Appropriations Act have been provided.

NOW, THEREFORE, the City Manager or designee is hereby authorized and directed in the name of the City to carry out the provisions of this resolution, and said officers are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the City for this purpose.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 13th day of May, 2014.

A RESOLUTION REGARDING THE CITY'S 2015 EMPLOYEE AND RETIREE HEALTH INSURANCE PLANS

WHEREAS, the next Health Insurance Plan Year takes effect January 1, 2015;

WHEREAS, the City Council and the School Board have met several times, most recently on March 4, 2014 to discuss plan design changes needed to reduce the cost of the City and School Health Insurance Program;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT

1. The City Manager or his designee is hereby authorized to work with the Consolidated Benefits Office to implement the Health Insurance Offerings to City and School Employees as outlined below:

    a. Implement the plan design changes set forth in Attachment A for plan year 2015 and as follows:

        i. In order to encourage all members of the health insurance program to utilize VBWellness*for*Life to improve their overall health and assist in controlling costs, those who elect not to participate will pay an additional premium $500 for health insurance coverage;

        ii. Establish three plan offerings of Point of Service (POS), Plus Preferred Provider Organization (Plus PPO), and Preferred Provider Organization (PPO):

            1. All plans will cover chiropractic, hearing aids, and routine eye care, but
            2. All plans will no longer cover infertility treatment, bariatric surgery, or child dependent obstetric (OB) services

    b. Establish an employer contribution strategy is to provide a defined contribution to each tier of each of the three plans offered, equal to the amount needed in the PPO plan to maintain for active employees, ninety-seven percent (97%) coverage for the single subscriber, eighty percent (80%) coverage for dependents, and sixty percent (60%) coverage for an eligible spouse. Retired employees (non-Medicare eligible) would be covered at ninety-one percent (91%) for the single subscriber, eighty percent (80%) coverage for dependents, and sixty percent (60%) coverage for an eligible spouse.

        i. Effective January 1, 2015, spouses will not be eligible to enroll on the City and School Health Insurance plan if they have access to another employer group health plan that meets the Affordability and Minimum Value standards provided by the Affordable Care Act (ACA). To that end, employees will be required to certify that their spouse does not have access to another employer group health plan that meets the Affordability and Minimum Value standards provided by the ACA to gain coverage on the City and School Health Insurance.

        ii. For those members choosing the PPO plan during the 2015 Plan Year, the City and Schools will provide a one-time employer contribution into a Health Savings Account (HSA). This will not be provided to any employee hired after January 1, 2015 or open enrollment thereafter.

iii. Employees hired on or after July 1, 2014, will not receive an employer contribution to retiree health insurance. Per State law (Virginia Code § 15.2-1517), such employees with fifteen years of continuous service with the City or Schools may elect to continue on a City and School Health Insurance Plan upon retirement, but the retiree would be responsible for the full premium cost of the selected plan.

2. The City Auditor is directed to conduct an audit of health care claims by an independent outside firm. The City Auditor is also directed to perform periodic audits of the health care program as deemed necessary.

3. The City Auditor is directed to provide for an actuarial valuation of retiree health insurance costs biennially to meet the Government Accounting Standards Board (GASB) 45 pronouncement concerning fully costing out Other Post Employment Benefits.

Adopted by the Council of the City of Virginia Beach, Virginia on the 13th day of May, 2014.

Attachment A

Calendar Year Plan for 2015 Compared to Current Plans

	Current 2014 Plans		2015 Plans		
	POS	**HDHP**	**POS**	**Plus PPO**	**PPO**
Deductibles	$300/$600	$1,250/$2,500 (non-embedded)	$500/$1500	$1,000/$2,000	$1,500/$3,000 (non-embedded)
HSA Funding	N/A	$500/$500	N/A	N/A	$500**
Out of Pocket Max	$1,500/$3,000	$6,250/$12,500	$2,500/$5,000	$3,000/$6,000	$3,500/$7,000
PCP Visit	$20/100%*	30% Coinsurance	$20/100%*	15% Coinsurance	20% Coinsurance
Preventive Visit	100%	100%	100%*	100%*	100%*
Specialist Visit	$40/100%*	30% Coinsurance	$40/100%*	15% Coinsurance	20% Coinsurance
Diagnostic (X-ray, blood work)	$40/100%	30% Coinsurance	10% Coinsurance	15% Coinsurance	20% Coinsurance
Imaging (CT/PET, MRI)	$150/100%	30% Coinsurance	10% Coinsurance	15% Coinsurance	20% Coinsurance
Inpatient Hospital	$500/100%	30% Coinsurance	10% Coinsurance	15% Coinsurance	20% Coinsurance
Outpatient Surgery	$250/100%	30% Coinsurance	10% Coinsurance	15% Coinsurance	20% Coinsurance
Maternity Care	$40 OB Confirm/$200 global then 100%	30% Coinsurance	$350 Copay*	15% Coinsurance	20% Coinsurance
Pharmacy* **		After Deductible:			After Deductible:
Preferred	$15	$15	$15*	$15*	$15
Standard	$30	$30	$30*	$30*	$30
Premium	25% (min $45, max $60)	25% (min $45, max $60)	25% (min $45, max $60)*	25% (min $45, max $60)*	25% (min $45, max $60)
Premium Plus	50% (min $60, max $110)	50% (min $60, max $110)	50% (min $60, max $110)*	50% (min $60, max $110)*	50% (min $60, max $110)

Notes: * Deductible does not apply to this service

** PPO $500 HSA contribution offered first plan year ONLY

*** Pharmacy copays do not assume participation in the preferred network

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE EQUIVALENT RESIDENTIAL UNIT (ERU) FEE

SECTION AMENDED: § 32.5-2

WHEREAS, City Council held public a hearing on the proposed fee increase to provide for public comment;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 32.5-2 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained to read as follows:

Sec. 32.5-2. Definitions.

The following words and terms used in this section shall have the following meanings:

(a) *Equivalent residential unit* or *ERU* means the equivalent impervious area of a single-family residential developed property per dwelling unit located within the city based on the statistical average horizontal impervious area of a single-family residence in the city. An equivalent residential unit (ERU) equals two thousand two hundred sixty-nine (2,269) square feet of impervious surface area.

(b) *ERU rate* means the utility fee charged on an equivalent residential unit, which shall ~~be thirty-one and six-tenth cents ($0.316) per day, effective July 1, 2011; thirty-six and six-tenth cents ($0.366) per day, effective July 1, 2012, forty-one and six-tenth cents ($0.416) per day, effective July 1, 2013~~ forty-three and three-tenth cents ($0.433) per day, effective July 1, 2014.

. . . .

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2014.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2014.

AN ORDINANCE TO AMEND SECTION 12-14.1 OF THE CITY CODE PERTAINING TO FIRE INSPECTIONS TO INCREASE THE FEE CHARGED FOR RE-INSPECTIONS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 12-49 of the Code of the City of Virginia Beach is hereby amended and reordained to read as follows:

Sec. 12-49.1. Permits and Inspections Fees.

Fees for permits or inspections required by this article or the Virginia Statewide Fire Prevention Code are hereby levied in accordance with the following schedule:

(1) Annual fire inspection fee .....$50.00.

However, each business premise located within a structure shall be inspected independently of other areas located in the structure. This fee shall not be levied for the inspection of City or Virginia Beach City Public School facilities.

(2) Re-inspection fee for second ~~third~~ re-inspection and every subsequent inspection to demonstrate compliance with the Virginia Statewide Fire Prevention Code ..... 50.00 ~~25.00~~ No fee shall be charged for any necessary first ~~or second~~ re-inspection. This fee shall not be levied for the inspection of City or Virginia Beach City Public School facilities.

. . . .

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2014.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2014.

AN ORDINANCE TO AMEND SECTION 21-330 OF THE CITY CODE PERTAINING TO PARKING IN METERED SPACES, TO INCREASE CERTAIN PARKING FEES, AND TO DEDICATE REVENUE AND FINES FOR IMPLEMENTATION OF A RESORT AREA PARKING STRATEGY

WHEREAS, the original Tourism and Growth Investment Special Revenue Fund ("TGIF") established on February 2, 1993 dedicated fines from parking tickets to the TGIF, which was later transitioned to the Tourism Investment Program Special Revenue Fund;

WHEREAS, the Parking Enterprise Fund is responsible for staffing and all operational costs to provide a comprehensive enforcement program at the Oceanfront;

WHEREAS, Resort Area civic leagues have requested enhanced parking management initiatives;

WHEREAS, the implementation of the Resort Area Parking Strategy will require additional resources to meet the goals of the community;

WHEREAS, on September 24, 2013, the City Council amended Section 21-358 of the City Code to increase penalties for violations of residential parking restrictions by ordinance (ORD #3306); and

WHEREAS, the City's comprehensive parking strategy requires additional revenue for enforcement, infrastructure replacement, and maintenance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

(1) That Section 21-330 of the Code of the City of Virginia Beach, Virginia, is hereby amended and reordained to read as follows:

Section 21-330. Prepayment of penalty for parking in metered spaces in violation of Division.

(a) When a notice is attached to a vehicle pursuant to Section 21-329, the owner of the vehicle may, within fourteen (14) calendar days thereafter, pay to the City Treasurer, in satisfaction of the violation for which the notice was given, a penalty of twenty dollars ~~twelve dollars~~ ($20.00) ~~($12.00)~~ for each hour or fraction thereof during which such vehicle occupied a parking meter space illegally. Such payment shall constitute a plea of guilty to the violation in question. If such payment is not postmarked or received by the City Treasurer within fourteen (14) calendar days after receipt of such notice, the penalty for each hour or fraction thereof during which such vehicle occupied a parking meter space illegally shall be forty dollars ~~twenty-four dollars~~ ($40.00) ~~($24.00).~~

(b) The failure of any owner to make payment in accord with subsection (a) above or present the citation or notice of violation at any office of the City Treasurer for certification to the General District Court, within thirty (30) days shall render such owner subject to a fine of not more than fifty dollars ($50.00) in addition to the penalty set forth in subsection (a).

(2) That the City Manager is hereby directed to increase the hourly parking meter rate from one dollar fifty ($1.50) to two dollars ($2.00).

(3) That the City Manager is hereby directed to increase the Resident Discount Fee from two dollars ($2.00) to three dollars ($3.00) for those City parking lots providing a Resident Discount Fee for parking after 5:00 p.m.

(4) That the Council hereby dedicates, subject to annual appropriation, to the Parking Enterprise Fund the revenue generated from the increased rates, fees, and fines provided in Items (1), (2), and (3), above, and from the increased penalties for violations of residential parking fees enacted by City Council on September 24, 2013 (ORD #3306).

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be July 1, 2014.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2014.

AN ORDINANCE TO AMEND SECTIONS 28-4, 28-5, 28-6 AND 28-7, ADD A NEW SECTION 28-4.1 AND REPEAL SECTION 28-8, PERTAINING TO SEWER CAPITAL RECOVERY FEES, AMEND SECTIONS 37-7.1, 37-8, 37-9, 37-10 AND 37-11 AND REPEAL SECTION 37-12, PERTAINING TO WATER CAPITAL RECOVERY FEES

Section Amended: City Code Sections 28-4, 28-5, 28-6, 28-7, 37-7.1, 37-8, 37-9, 37-10 and 37-11

Section Added: City Code Section 28-4.1

Sections Repealed: City Code Sections 28-8 and 37-12

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 28-4, 28-5, 28-6, 28-7, 37-7.1, 37-8, 37-9, 37-10 and 37-11 of the City Code are hereby amended and reordained, Section 28-4.1 of the City Code is hereby added, and Sections 28-8 and 37-12 of the City Code are hereby repealed, to read as follows:

CHAPTER 28. SEWERS AND SEWAGE DISPOSAL

Article I. In General.

. . . .

Sec. 28-4. ~~Sanitary sewer connection~~ Sewer capital recovery fees, generally.

(a) The fees prescribed by the following subsections of this section shall be paid as the property owner's share of the cost of the ~~sanitary~~ public sewer ~~collection~~ system and associated conveyance facilities. Such fees shall be known as "~~sanitary sewer connection~~ sewer capital recovery fees~~.~~" and shall be deemed system revenues, as defined in the Master Water and Sewer Revenue Bond Resolution adopted February 11, 1992. ~~The fees shall be determined on the basis of the drainage fixture unit schedule as provided in the Uniform Statewide Building Code, as amended from time to time.~~ Such fees shall ~~also~~ be applicable to ~~a use or structure presently connected to the sanitary sewer system whenever such use or structure is expanded, changed or modified so as to result in an increase in drainage fixture units, and to~~ a use or structure not presently connected to the sanitary sewer system when such use or structure connects and as otherwise provided in this article. If a property owner has ~~previously~~ paid sanitary sewer ~~impact~~ connection fees in effect as of June 30, 2014, but has not obtained a building permit for the building or structure to which such fees apply, the property owner may, through December 31, 2014, ~~shall be charged the full amount of applicable sanitary sewer connection~~ elect to pay sewer capital recovery fees in the amount prescribed in this article, less a credit of any sanitary sewer ~~impact~~ connection fees previously paid. Any property owner who pays such fees between July 1, 2014 and December 31, 2014 may choose to pay sewer capital recovery fees in the prescribed amount or the applicable amount of sanitary sewer connection fees in effect as of June 30, 2014.

(b) ~~Where connection is made to the public sewer system, connection fees shall be fifty nine dollars ($59.00) per drainage fixture unit, as defined in the current edition of the Uniform Statewide Building Code or, where~~ In cases in which a gravity sewer ~~service~~ connection to the public sewer system is not available to the property, ~~twenty eight dollars ($28.00) per drainage fixture unit~~ the sewer capital recovery fee shall be in amount equal to fifty per cent (50%) of the applicable fee set forth in subsection (a) of section 28-4.1.

(b1) Notwithstanding the provisions of subsection (b), ~~hereof,~~ where a use or structure connected to the ~~sanitary~~ public sewer system is reconstructed, expanded or modified, so as to result in an increase in ~~drainage fixture units, and such addition or modification does not require site plan approval, connection~~ water meter size, the sewer capital recovery fee~~s~~ shall be ~~thirteen dollars ($13.00) per drainage fixture unit added~~ in an amount equal to the difference between the fee corresponding to the size of new water meter installed to serve such use or structure and the fee corresponding to the size of the water meter replaced.

(c) Where the property owner ~~must~~ is required to construct ~~a sewer or sewers~~ sewage facilities~~, which~~ that are to become a part of the public sewer system~~,~~ in order to provide service to a specific parcel or parcels,~~ as shall be shown on the approved construction plans, connection fees~~ the sewer capital recovery fee shall be ~~thirteen dollars ($13.00) per drainage fixture unit~~ in an amount equal to twenty-five per cent (25%) of the applicable fee specified in subsection (a) of section 28-4.1.

(d) Whenever ~~system installation costs are calculated pursuant to subsection (c) of this section, and the property to be served discharges through a publicly-owned pump station, then, in addition to the fees prescribed in subsection (c) above,~~ a property to be served discharges through a publicly-owned pump station, and (1) the system installation costs are calculated pursuant to subsection (c) of this section, or (2) the estimated peak sanitary sewer flow exceeds the property's flow allocation, there shall ~~also~~ be ~~charged a~~ an additional fee in the ~~sum~~ amount of ~~seven hundred fifty six dollars ($756.00) from July 1, 2008 to June 30, 2009, and~~ one thousand, one hundred eighty-seven dollars ($1,187.00) ~~effective July 1, 2009~~ per gallon per minute/peak flow. "Peak flow" shall be construed to mean the ~~prevailing~~ projected peak flow ~~standards~~ set forth ~~by~~ in the ~~Virginia~~ Department of ~~Environmental Quality~~ Public Utilities Design Standards or the actual peak flow, whichever is greater. "Flow allocation" shall mean that portion of the pump station's capacity assigned to the property.

(e) ~~Special sewer connection fees~~ The sewer capital recovery fee for ~~seasonally operated~~ campgrounds or temporary uses connected to ~~any main or interceptor are~~ the public sanitary sewer system is hereby established. Such fee~~s~~ shall be determined as follows:

(1) For campgrounds and other uses operated on a seasonal basis, ~~each campsite or recreational vehicle pad shall be deemed to contain one-half of the number of drainage fixture units contained in a residential bathroom, as established by the current edition of the Uniform Statewide Building Code. For each such drainage fixture unit, the fee shall be fifty-nine dollars ($59.00)~~, the fee shall be in an amount equal to one-half (1/2) of the applicable sewer capital recovery fee specified in subsection (a) of section 28-4.1 for each water meter installed to serve such campground. For such fee to be applicable, the owner shall first enter into a contract with the city providing that, if such campground is converted to year-round use, the owner shall, at the time of conversion to year-round use, pay the fee prescribed by subdivision (2) hereof, less the amount of any sewer capital recovery fee previously paid on account of such campground.

(2) For campgrounds operated on a year-round basis~~, each campsite or recreational vehicle pad shall be deemed to contain the number of drainage fixture units contained in a residential bathroom, as established by the current edition of the Uniform Statewide Building Code. For each such drainage fixture unit, the fee shall be fifty-nine dollars ($59.00)~~ the sewer capital recovery fee shall be in an amount equal to the applicable fee under subsection (a) of section 28-4.1 for each water meter installed to serve such campground.

~~For these fees to be applicable, the owner must enter into a contract with the city providing that, at such future times as the campground is converted to year-round use, the fees specified in subsections (b) and (c) of this section shall be applicable and that the owner shall pay the difference in such fees at the time of conversion to year-round use.~~

(3) For temporary uses and structures, the applicable fee shall be determined by the director of public utilities based upon the estimated contribution of wastewater to the public sanitary sewer system from the proposed use or structure. A temporary use or structure shall be one intended to be operated or occupied during a single season or period of time and not thereafter repeated on an annual or other basis.

~~(f)~~ (g) No building permit shall be ~~valid~~ issued and no water or sewer tap shall be installed for any property until the fees ~~provided for in~~ required by this section have been fully paid, except as otherwise provided in this article.

~~(g)~~ (h) ~~In the case of existing~~ Existing contractual agreements between property owners and the city regarding fees and waiver of fees~~, such agreements~~ shall remain in effect.

(i) Where a property having no water meter is connected to the public sewer system, the sewer capital recovery fee shall be in an amount equal to the applicable fee for a water meter of a size necessary to serve such property, as determined in accordance with the applicable provisions of the Department of Public Utilities Design Standards Manual.

COMMENT

The amendments effect a fundamental change in the way sanitary sewer connection fees, which will be known as "sewer capital recovery fees", are calculated. Currently, they are determined on the basis of the number of drainage fixture units (DFUs), a measurement unit for potential water use for a given plumbing fixture or appliance, in a building or structure connected to the public sewer system. The amendments eliminate the DFU as the basis for determining the amount of sewer capital recovery fees and substitute water meter size as the determinant. It is anticipated that the resulting fees will be higher in some instances and lower in others; overall, however, it is expected that the change will not significantly affect total revenue from the fees.

The amendments establish the amount of sewer capital recovery fees for single-family dwellings, duplexes, triplexes, multiple-family dwellings, non-residential uses and mixed-use buildings having both residential and non-residential uses. In addition, provision is made for certain uses, such as campgrounds, temporary uses and property that is connected to the public sewer system but not to City water and hence has no water meter.

The amendments also provide for applying credits for prior payments of connection fees where no building permit has been issued and allows property owners the choice in certain circumstances of paying fees under the current DFU-based system or under the new meter-based system.

Sec. 28-4.1. Sewer capital recovery fees, amount.

The sewer capital recovery fee shall be determined as follows:

(a) For single-family and duplex dwellings and triplexes where the dwelling units are separately-metered (per dwelling unit) and for all non-residential uses:

Meter Size (in inches)	*Sewer Capital Recovery Fee*
5/8	$ 1,545
1	3,863
1.5	7,727
2	12,363
3	23,181
4	38,634
6	77,268
8	123,629
10	177,717

(b) For multiple-family dwellings, the fee shall be in an amount equal to seventy per cent (70%) of the applicable sewer capital recovery fee or reduced fee under section 28-4(c), as the case may be, per dwelling unit.

(c) For mixed-use and other buildings containing both residential and non-residential uses, separate meters shall be required to serve the residential and non-residential components of the property. Fees shall be payable for each meter serving the property in accordance with this section.

COMMENT

The amendments set forth the amounts of the sewer capital recovery fee. Single-family dwellings, duplexes and triplexes that are separately metered and non-residential buildings have the same rate, while the rate for multiple-family dwellings is 70% of the rate for those buildings per dwelling unit.

Sec. 28-5. Installment, etc., payment of ~~sanitary~~ sewer ~~connection~~ capital recovery fees.

(a) The director of public utilities is hereby authorized to accept, on behalf of the city, promissory notes for the payment of the ~~sanitary~~ sewer capital ~~connection~~ recovery fees due under ~~subsection (b)(1) and (b)(3) of section 28-4~~ this article, for single-family residences and duplexes ~~(no more than two (2) residential units)~~. The terms of each such note shall be all tap and cleanout fees, given as a down payment, with the full ~~sanitary~~ sewer capital ~~connection~~ recovery fee to be paid within four (4) years. Installation payments must be made at least annually in four (4) ~~equal~~ installments during the four-year period, but may be made more frequently if agreed to by the owner and the director of public utilities. Interest shall be charged at a rate equal to the Prime Rate for U.S. Banks, as published in the Wall Street Journal, when the installment contract is executed, plus three (3) percentage points, not to exceed twelve (12) percent per annum.

(b) When a hardship exists, the director of public utilities may allow the down payment prescribed in ~~paragraph~~ subsection (a) ~~above,~~ to be paid by installments over a one-year period; or, if the property is being offered for sale, the director of public utilities may enter into an agreement on behalf of the city whereby all fees shall be paid from the proceeds of the sale or within ninety (90) days of the date of the agreement, whichever shall be the sooner.

COMMENT

The amendments make technical and stylistic revisions to the current section and allow installment payments to be made in unequal amounts.

Sec. 28-6. ~~Sanitary sewer connection~~ Sewer capital recovery fee exemption - ~~For~~ certain elderly ~~and handicapped~~ or disabled persons.

(a) Exemption or partial exemption from payment of the ~~sanitary~~ sewer ~~connection~~ capital recovery fees prescribed by section 28-4 is provided for ~~certain property~~ owners of single-family dwellings and duplexes who qualify under this section. The exemption is to be administered by the city manager or his authorized designee, herein referred to as the administrator. The administrator is hereby authorized ~~and empowered~~ to prescribe~~,~~ ~~adopt and enforce~~ such rules ~~and regulations, including the requirement of answers under oath,~~ as may be reasonably necessary to determine qualifications for exemption. The administrator may require the production of certified tax returns and appraisal reports to establish income and financial worth.

(b) Exemptions shall be granted under this section subject to the following provisions:

(1) Title to the property for which the ~~sanitary sewer connection fee~~ exemption is sought must be held or partially held by the applicant continuously for at least one hundred twenty (120) days prior to the installation or scheduled date of installation, whichever comes first, of the public sewer system~~.~~;

(2) The owner of the title or partial title must be sixty-five (65) years of age or older at least one hundred twenty (120) days prior to the installation or scheduled installation date, whichever comes first, of the public sewer system. If such person is under sixty-five (65) years of age, he or she shall ~~possess a certification~~ have been determined by the Social Security Administration, the Veterans Administration, or the ~~railroad retirement board,~~ Railroad Retirement Board ~~or if such person is not eligible for certification by any of these agencies, a sworn affidavit by two (2) medical doctors licensed to practice medicine in the commonwealth, to the effect that such person is permanently and~~ to be totally disabled, as defined in ~~subsection (f) of this section~~ the regulations of the agency making such determination. ~~The affidavit of at least one of such doctors shall be based upon a physical examination of such person by such doctor. The affidavit of one of such doctors may be based upon medical information contained in the records of the civil service commission which is relevant to the standards for~~

~~determining permanent and total disability, as defined in subsection (f) of this section.~~ Such ~~medical affidavits~~ determination shall be filed with the administrator at such time as the applicant files an ~~sanitary sewer connection fee~~ application for exemption ~~affidavit.~~;

(3) The dwelling to be connected to the public sewer system must be the sole ~~dwelling~~ residence of the applicant claiming exemption~~.~~;

(4) The total combined income during the immediately preceding calendar year from all sources of the owners of the dwelling living therein and of the owner's relatives living in the dwelling does not exceed twenty-three thousand five hundred dollars ($23,500.00); provided that the first five thousand dollars ($5,000.00) of income of each relative, other than spouse or spouses of the owner or owners living in the dwelling shall not be included in such total; and provided further that the first seven thousand five hundred dollars ($7,500.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total~~.~~; and

(5) The net combined financial worth of the owners of the property shall not exceed eighty thousand dollars ($80,000.00), excluding the fair market value of the ~~house~~ property to be connected to the public sewer system. Net combined financial worth shall include the value of all assets, including equitable interests, of the owner and of the spouse of the owner.

(c) Persons applying for an ~~sanitary sewer connection fee~~ exemption under this section must file with the administrator an ~~fee exemption~~ affidavit setting forth, in a manner prescribed by the administrator, the location and value of the property to be connected to the public sewer, the names of the persons related to the owner and occupying the dwelling, their gross combined income and their net combined financial worth. If such applicant is under sixty-five (65) years of age, ~~medical certification or affidavits~~ a copy of the determination of disability, as set forth in subsection (b)(2) of this section, shall also be filed with the administrator.

(d) Where the person claiming an exemption ~~conforms to the standards and does not exceed the limitations contained~~ meets the eligibility criteria set forth in this section, the ~~sanitary sewer connection fee~~ exemption shall be as shown in the following schedule:

Total income, all sources	*Amount of exemption*
$ 00.00—15,000.00	100%
15,000.01—17,000.00	80%
17,000.01—19,000.00	60%
19,000.01—21,000.00	40%
21,000.01—23,500.00	20%

(e) If, within twelve (12) months after the fee exemption is obtained under this section, the ~~applicant's~~ financial position of the person having the exemption ~~should~~ changes, ~~so~~ such that ~~its effect would be to remove the person holding the exemption from within the limits and standards of~~ he or she no longer meets the criteria for qualification under this section, ~~then the person holding the exemption shall refund~~ the amount of the exemption shall become due and payable to the city.

~~(f) For purposes of this section, a person is permanently and totally disabled if he is so certified as required in subsection (b)(2) of this section and is found by the administrator to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life.~~

~~(g)~~ (f) Any person falsely claiming an exemption ~~or violating any provision of~~ provided for by this section shall be guilty of a Class 1 misdemeanor.

COMMENT

The amendments make technical and stylistic revisions to the current section. In addition, they simplify the provisions regarding exemptions for reasons of disability by requiring that decisions to grant or deny an exemption request be based solely on whether there has been a determination of total disability by the Social Security Administration, Veteran's Administration or Railroad Retirement Board. The revised section no longer requires a finding of *permanent* disability, as an agency finding of *total* disability must be based on an impairment that is expected to last at least twelve months.

Sec. 28-7. Same—~~For~~ certain financially disadvantaged persons generally.

(a) Exemption from payment of the ~~sanitary~~ sewer ~~connection~~ capital recovery fees prescribed by ~~section 28-4~~ this article is provided for certain financially disadvantaged ~~property~~ owners of single-family or duplex dwellings who qualify under this section. The exemption is to be administered by the city manager or his authorized designee, herein referred to as the administrator. The administrator is hereby authorized ~~and empowered~~ to prescribe, ~~adopt and enforce~~ such rules ~~and regulations, including the requirements of answers under oath,~~ as may be reasonably necessary to determine qualifications for exemption. The administrator may require the production of certified tax returns and appraisal reports to establish income and financial worth.

(b) Exemptions shall be granted under this section subject to the following provisions:

(1) Title to the property for which the exemption is sought must be held or partially held by the applicant at least one hundred twenty (120) days prior to the installation or scheduled date of installation, whichever comes first, of the sewer line.

(2) The dwelling to be connected to the sewer line must be the sole ~~dwelling~~ residence of the applicant claiming exemption.

(3) The total combined income of the owner and the owner's relatives living in the household during the year immediately preceding the installation ~~must be determined by the administrator as~~ shall not exceed~~ing~~ the most recent federally established poverty thresholds.

(4) The net combined financial worth of the owner shall not exceed twenty thousand dollars ($20,000.00), excluding fair market value of the house to be connected to the sewer line. Net combined financial worth shall include the value of all assets, including equitable interests, of the owner and of the spouse of the owner.

(c) Persons applying for an exemption under this section must file with the administrator an affidavit, setting forth, in a manner prescribed by the administrator, the location and value of the property to be connected to the line, the names of the persons related to the owner and occupying the dwelling, their gross combined income and their net combined financial worth.

(d) Where the person claiming an exemption ~~conforms to the standards, and does not exceed the limitations contained~~ meets the eligibility criteria set forth in this section, the exemption shall be one hundred ~~(100) percent~~ per cent (100%) of the sewer capital recovery fee.

(e) If, within twelve (12) months after an exemption is obtained under this section, the ~~applicant's~~ financial position of the person having the exemption changes ~~so~~ such that ~~its effect would be to remove the person holding the exemption from within the limits and standards~~ he or she no longer meets the criteria for qualification under ~~of~~ this section, ~~then the person holding the exemption shall the~~ ~~refund~~ the amount of the exemption shall become due and payable to the city.

(f) Any person falsely claiming an exemption or violating any provision of this section shall be guilty of a Class 1 misdemeanor.

COMMENT

The amendments make technical and stylistic revisions to the current section and allow installment payments to be made in unequal amounts.

Sec. 28-8. ~~Same—families in community development target areas.~~ [RESERVED]

~~Where connection is made to the public sewer system in a community development target area, no sanitary sewer capital connection recovery fee shall be due under this article from property owners who qualify as of low and or moderate income, as determined by the secretary of housing and urban development or by the Virginia Housing Development Authority under one or more of their rental assistance or homeownership mortgage programs. Through agreement with the city, waivers of sanitary sewer connection such fees may also be provided to builders who are building under the aforementioned programs for low and moderate income families.~~

COMMENT

The amendments repeal this section, as there are no longer any community development target areas within the City.

CHAPTER 37. WATER SUPPLY

Article I. In General

. . . .

Sec. 37-7.1. Water ~~resource~~ capital recovery fee~~s~~ generally.

(a) The fees prescribed by ~~the following subsections of~~ this section shall be paid as the property owner's share of the cost of water resource development and associated distribution facilities. Such fees shall be known as "water capital recovery fees~~.~~" and shall be deemed system revenues, as defined in the Master Water and Sewer Revenue Bond Resolution adopted February 11, 1992. ~~The fees shall be determined on the basis of the drainage fixture unit schedule as provided in the Uniform Statewide Building Code (Plumbing), as amended from time to time.~~ Such fees shall ~~also~~ be applicable to ~~a use or structure presently connected to the water system whenever such use or structure is expanded, changed or modified resulting in an increase in drainage fixture units, and to~~ a use or structure not presently connected to the water system when such use or structure connects and as otherwise provided in this article. If a property owner has ~~previously~~ paid water ~~line~~ resource recovery fees in effect as of June 30, 2014, but has not obtained a building permit for the building or structure to which such fees apply, the property owner may, through December 31, 2014, elect to pay ~~shall be charged the full amount of applicable~~ water capital recovery fees in the amount specified by this article, less a credit of any water ~~line~~ resource recovery fees previously paid. Any property owner who pays such fees between July 1, 2014 and December 31, 2014 may choose to pay water capital recovery fees in the prescribed amount or the applicable amount of water resource recovery fees in effect as of June 30, 2014.

(b) The water capital ~~Recovery~~ recovery fee~~s~~ shall be determined as follows:

~~(1) Each drainage fixture unit shall be charged a recovery fee according to the following schedule:~~

~~(i) Thirty-two dollars ($32.00) per drainage fixture unit from the effective date of this section until June 30, 1986.~~

~~(ii) Sixty-three dollars ($63.00) per drainage fixture unit from July 1, 1986, to December 31, 1986.~~

~~(iii) Sixty-six dollars ($66.00) per drainage fixture until effective November 24, 1987.~~

~~(iv) Seventy-nine dollars ($79.00) per drainage fixture from July 1, 2008, to June 30, 2009.~~

~~(v) Ninety-two dollars ($92.00) per drainage fixture effective July 1, 2009.~~

~~(2) In all cases where a plumbing fixture is not specifically described in the Uniform Statewide Building Code (Plumbing), as amended from time to time, an equivalent drainage fixture unit value for the plumbing fixture shall be computed by the department of public utilities and shall be made a part of the standards and specifications of the department of public utilities.~~

(1) For single-family and duplex dwellings and triplexes where the dwelling units are separately-metered (per dwelling unit) and for all non-residential uses:

Meter Size (in inches)	*Water Capital Recovery Fee*
5/8	$ 2,267
1	5.667
1.5	11.333
2	18,133
3	34,000
4	56,667
6	113,334
8	181,334
10	260,668

(2) For multiple-family dwellings, the fee shall be in an amount equal to seventy per cent (70%) of the applicable water capital recovery fee, per dwelling unit.

(3) For mixed-use and other buildings containing both residential and non-residential uses, separate meters shall be required to serve the residential and non-residential components of the property. Fees shall be payable for each meter serving the property in accordance with this section.

(4) Where a use or structure connected to the public water system is reconstructed, expanded or modified so as to result in an increase in water meter size, the water capital recovery fee shall in an amount equal to the difference between the fee corresponding to the size of new water meter installed to serve such use or structure and the fee corresponding to the size of the water meter replaced.

(c) In the event of a dispute as to the amount of fees owed, the property owner may appeal the department of public utilities' decision to the city manager or his designee and, thereafter, to city council.

~~(c)~~ (d) No building or plumbing permit shall be issued for any property~~, and if issued, such permit shall not be valid, until~~ unless the fees provided for in this section have been paid in full.

~~(d)~~ (e) ~~In the case of existing~~ Existing contractual agreements between property owners and the city regarding water ~~resource impact~~ capital recovery fees or their equivalent and waiver of ~~water resource impact~~ such fees~~, such agreements~~ shall remain in effect.

COMMENT

The revisions to this section are similar to those effected by the amendments to the sections on sewer connection fees. The term for the new fees is "water capital recovery fee", which replaces the current "water resource recovery fee."

Sec. 37-8. Water resource recovery fee account.

All moneys collected as water ~~resource~~ capital recovery fees ~~under section 37-7.1~~ shall be deposited into a special account to be known as the "water ~~resource~~ capital recovery fee account." Moneys shall be disbursed from this account to pay costs of projects designed to develop sources of water supply and distribution facilities for the city.

COMMENT

The section updates the name of the special account into which water capital recovery fees are deposited to reflect the new term for the fees.

Sec. 37-9. Installment, etc., payment of ~~connection~~ water capital recovery ~~charges~~ fees.

(a) The director of public utilities is hereby authorized to accept, on behalf of the city, notes for the payment of ~~recovery~~ the fees due under ~~subsections (b)(1) and (b)(2) of~~ section 37-7.1 for single-family residences and duplexes ~~(no more than two (2) residential units)~~. The terms of such note shall be all tap and meter fees, given as a down payment, with the full remaining fees to be paid within four (4) years. Installment payments must be made at least annually in four (4) ~~equal~~ installments during the four-year period, but may be made more frequently if

agreed to by the owner and the director of public utilities. Interest shall be charged at a rate equal to the Prime Rate for U.S. Banks, as published in the Wall Street Journal, when the installment contract is executed, plus three (3) percentage points, not to exceed twelve (12) percent per annum.

(b) When a hardship exists, the director of public utilities may allow the down payment prescribed in paragraph (a) above, to be paid by installments over a one-year period; or, if the property is being offered for sale, the director of public utilities may enter into an agreement on behalf of the city whereby all fees shall be paid from the proceeds of the sale or within ninety (90) days of the date of the agreement, whichever shall be the sooner.

COMMENT

The amendments are similar to those made in Section 28-5 above, but pertain to water capital recovery fees.

Sec. 37-10. ~~Recovery~~ Water capital recovery fee exemptions—~~For~~ certain elderly ~~and handicapped~~ or disabled persons.

(a) Exemption or partial exemption from payment of the water capital recovery fees prescribed by section 37-7.1 is provided for ~~certain property~~ owners of single-family dwellings and duplexes who qualify under this section. The exemption is to be administered by the city manager or his authorized designee, herein referred to as the administrator. The administrator is hereby authorized and empowered to prescribe~~,~~ ~~adopt and enforce~~ such rules ~~and regulations, including the requirement of answers under oath,~~ as may be reasonably necessary to determine qualifications for exemption. The administrator may require the production of certified tax returns and appraisal reports to establish income and financial worth.

(b) Exemptions shall be granted under this section subject to the following provisions:

(1) Title to the property for which the ~~recovery fee~~ exemption is sought must be held or partially held by the applicant continuously for at least one hundred twenty (120) days prior to the installation, or scheduled date of installation, whichever comes first, of the water line~~.~~;

(2) The owner of the title or partial title must be sixty-five (65) years of age or older at least one hundred twenty (120) days prior to the installation or scheduled installation date, whichever comes first, of the water line. If such person is under sixty-five (65) years of age, he or she shall ~~possess a certification~~ have been determined by the social security administration, the veterans administration, or the railroad retirement board~~, or if such person is not eligible for certification by any of these agencies, a sworn affidavit by two (2) medical doctors licensed to practice medicine in the commonwealth,~~ to ~~the effect that such person is~~ be ~~permanently and~~ totally disabled, as defined in ~~subsection (f) of this section~~ the regulations of the agency making such determination. ~~The affidavit of at least one of such doctors shall be based upon a physical examination of such person by such doctor. The affidavit of one of such doctors may be based upon medical information contained in the records of the civil service commission which is relevant to the standards for determining permanent and total disability as defined in subsection (f) of this section.~~ Such ~~medical affidavits~~ determination shall be filed with the administrator at such time as the applicant files ~~a water line fee~~ an application for exemption ~~affidavit.~~;

(3) The dwelling to be connected to the water line must be the sole dwelling of the applicant claiming exemption~~.~~;

(4) The total combined income during the immediately preceding calendar year from all sources of the owners of the dwelling living therein and of the owner's relatives living in the dwelling does not exceed twenty-three thousand five hundred dollars ($23,500.00); provided that the first five thousand dollars ($5,000.00) of income of each relative, other than spouse or spouses of the owner or owners living in the dwelling, shall not be included in such total; and provided further that the first seven thousand five hundred dollars ($7,500.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total~~.~~; and

(5) The net combined financial worth of the owners of the property shall not exceed eighty thousand dollars ($80,000.00), excluding the fair market value of the ~~house~~ property to be connected to the water line. Net

combined financial worth shall include the value of all assets, including equitable interests, of the owner and of the spouse of the owner.

(c) Persons applying for recovery fee exemption under this section must file with the administrator a recovery fee exemption affidavit, setting forth, in a manner prescribed by the administrator, the location and value of the property to be connected to the water line, the names of the persons related to the owner and occupying the dwelling, their gross combined income and their net combined financial worth. If such applicant is under sixty-five (65) years of age, ~~medical certification or affidavits~~ a copy of the determination of disability, as set forth in subsection (b)(2) of this section, shall also be filed with the administrator.

(d) Where the person claiming an exemption conforms to the standards and does not exceed the limitations contained in this section, the ~~recovery fee~~ exemption shall be as shown in the following schedule:

Total income, all sources	*Exemption*
$ 00.00—15,000.00	100%
15,000.01—17,000.00	80%
17,000.01—19,000.00	60%
19,000.01—21,000.00	40%
21,000.01—23,500.00	20%

(e) If, within twelve (12) months after the ~~recovery~~ fee exemption is obtained under this section, the ~~applicant's~~ financial position of the person receiving the exemption ~~should~~ changes, ~~so~~ such that ~~its effect would be to remove the person holding the exemption from within the limits and standards of~~ he or she no longer meets the criteria for qualification under this section, ~~then the person holding the exemption shall refund~~ the amount of the exemption shall become due and payable to the city.

~~(f) For purposes of this section, a person is permanently and totally disabled if he is so certified as required in subsection (b)(2) of this section and is found by the administrator to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person's life.~~

~~(g)~~ (f) Any person falsely claiming an exemption or violating any provision of this section shall be guilty of a Class 1 misdemeanor.

COMMENT

The amendments are similar to those made in Section 28-6 above, but pertain to water capital recovery fees.

Sec. 37-11. Same—~~For~~ certain financially disadvantaged persons generally.

(a) Exemption from payment of the ~~recovery~~ fees prescribed by section 37-7.1 is provided for ~~certain~~ financially disadvantaged ~~property~~ owners of single-family or duplex dwellings who qualify under this section. The exemption is to be administered by the city manager or his authorized designee, herein referred to as the administrator. The administrator is hereby authorized and empowered to prescribe~~, adopt and enforce~~ such rules ~~and regulations, including the requirement of answers under oath,~~ as may be reasonably necessary to determine qualifications for exemption. The administrator may require the production of certified tax returns and appraisal reports to establish income and financial worth.

(b) Exemptions shall be granted under this section subject to the following provisions:

(1) Title to the property for which the recovery fee exemption is sought must be held or partially held by the applicant at least one hundred twenty (120) days prior to the installation, or scheduled date of installation, whichever comes first, of the water line.

(2) The dwelling to be connected to the water line must be the sole dwelling of the applicant claiming the exemption.

(3) The total combined income of the owner and the owner's relatives living in the household during the year immediately preceding the installation ~~must be determined by the administrator as~~ shall not exceed~~ing~~ the most recent federally established poverty thresholds.

(4) The net combined financial worth of the owner shall not exceed twenty thousand dollars ($20,000.00), excluding the fair market value of the house to be connected to the water line. Net combined financial worth shall include the value of all assets, including equitable interests, of the owner and of the spouse of the owner.

(c) Persons applying for a recovery fee exemption under this section must file, with the administrator, a recovery fee exemption affidavit setting forth, in a manner prescribed by the administrator, the location and value of the property to be connected to the line, the names of the persons related to the owner and occupying the dwelling and their gross combined income and their net combined financial worth.

(d) Where the person claiming an exemption conforms to the standards and does not exceed the limitations contained in this section, the ~~recovery fee~~ exemption~~s~~ shall be one hundred (100) percent of the water capital recovery fee.

(e) If, within twelve (12) months after the ~~recovery~~ fee exemption is obtained under this section, the ~~applicant's~~ financial position of the person receiving the exemption ~~should~~ changes, ~~so~~ such that ~~its effect would be to remove the person holding the exemption from within the limits and standards of~~ he or she no longer meets the criteria for qualification under this section, ~~then the person holding the exemption shall refund~~ the amount of the exemption shall become due and payable to the city.

(f) Any person falsely claiming an exemption or violating any provision of this section shall be guilty of a Class 1 misdemeanor.

COMMENT

The amendments are similar to those made in Section 28-7 above, but pertain to water capital recovery fees.

~~**Sec. 37-12. Same—Families in community development target areas.**~~

~~Where connection is made to the public water system installed in a community development target area, no recovery fee shall be due under this article from property owners who qualify as low and moderate income as determined by the secretary of housing and urban development or by the Virginia Housing Development Authority under one or more of their rental assistance or home ownership mortgage programs. Through agreement with the city, waivers of recovery fees may also be provided to builders who are building under the aforementioned programs for low and moderate income families.~~

COMMENT

The amendments repeal this section, as there are no longer any community development target areas within the City.

BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That this ordinance shall take effect on July 1, 2014.

Adopted by the City Council of the City of Virginia Beach, Virginia, on the 13th day of May, 2014.

AN ORDINANCE TO AMEND SECTIONS 35-64 AND 35-67 OF THE CITY CODE PERTAINING TO THE EXEMPTION OR DEFERRAL OF REAL ESTATE TAXES FOR ELDERLY OR DISABLED PERSONS

SECTIONS AMENDED: §§ 35-64 AND 35-67

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 35-64 and 35-67 of the City Code are hereby amended and reordained to read as follows:

Sec. 35-64. General prerequisites to grant; effect of residency in hospital, nursing home, etc.

(a) Either the exemption, deferral or freeze, but not more than one (1), as provided for in this division shall be granted to persons subject to the following provisions:

(1) The title to the property for which exemption, deferral or freeze is claimed is held, or partially held, on June thirtieth immediately preceding the taxable year, by the person or persons claiming exemption, deferral or freeze and is occupied as the sole dwelling of such person or persons.

(2) The head of the household occupying the dwelling and owning title or partial title thereto or either spouse in a dwelling jointly held by a husband and wife is either permanently and totally disabled or is sixty-five (65) years of age or older on June thirtieth of the year immediately preceding the taxable year; provided, however, that a dwelling jointly held by a husband and wife may qualify if either spouse is over sixty-five (65) years of age.

(3) For the tax exemption programs, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed sixty ~~three thousand four hundred and fifty dollars~~ four thousand six hundred and seventy five dollars ~~($63,450)~~ ($64,675) provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total: and provided further that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(4) For the tax freeze program, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed sixty ~~seven~~ eight thousand two hundred and ninety three dollars ~~($67,000)~~ ($68,293); provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total; and provided that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(5) For the tax exemption programs, the net combined financial worth, including equitable interests, as of December thirty-first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars ($350,000.00).

(6) For the tax freeze program, the net combined financial worth, including equitable interests, as of December thirty-first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars ($350,000.00).

(7) For the tax deferral program, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed sixty- ~~seven~~ eight thousand two hundred and ninety three dollars ~~($67,000)~~ ($68,293); provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total; and provided further that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(8) For the tax deferral program, the net combined financial worth, including equitable interests, as of December thirty-first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding one acre) upon which it is situated, shall not exceed three hundred and fifty thousand dollars ($350,000.00).

(9) The dwelling is occupied.

. . . .

Sec. 35-67. Amount of exemption.

When a person claiming exemption under this division conforms to the standards and does not exceed the limitations contained in this division, the tax exemption shall be as shown on the following schedule:

Total income, All Sources		*Tax Exemption*
~~$0.00 - $47,100.00~~	$0.00 - $48,009.00	100%
~~$47,100.01 - $51,200.00~~	$48,009.01 - $52,188.00	80%
~~$51,200.01 - $55,300.00~~	$52,188.01 - $56,367.00	60%
~~$55,300.01 - $59,400.00~~	$56,367.01 - $60,546.00	40%
~~$59,400.01 - $63,450.00~~	$60,546.01 - $64,675.00	20%

No lien shall accrue as a result of the amount certified as exempt.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on July 1, 2014.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2014.

AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO SUBMIT AN ANNUAL FUNDING PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the United States Congress has established legislation designated as the Housing and Community Development Act of 1974 that sets forth the development of viable urban communities as a national goal;

WHEREAS, there is federal assistance available for the support of Community Development and Housing activities directed toward specific objectives, such as eliminating deteriorated conditions in low and moderate income neighborhoods that are detrimental to the public health, safety, and welfare, as well as improving the City's housing stock and community services, along with other related activities; and

WHEREAS, as a prerequisite to receiving the above-referenced federal assistance, the City of Virginia Beach has developed an Annual Funding Plan for submission to the Department of Housing and Urban Development and has created the necessary mechanisms for its implementation in compliance with federal and local directives.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City Manager is hereby authorized and directed, as the executive and administrative head of the City, to submit the City's FY 2014-15 Annual Funding Plan (the "Plan") and amendments thereto, along with understandings and assurances contained therein and such additional information as may be required, to the Department of Housing and Urban Development to permit the review, approval, and funding of the Plan.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 13th day of May, 2014.

The following Ordinances are associated with mandated Virginia Stormwater Management Program (VSMP). These ordinances were reviewed and voted upon by City Council in April 2014 separately from the budget and CIP ordinances. Since these ordinances include revenue in support of VSMP, they are an integral part of the FY 2014-15 Budget.

Ordinances

Section B

AN ORDINANCE TO AMEND THE CITY CODE, APPENDIX B, (SUBDIVISION REGULATIONS) SECTIONS 5.5, 6.1, 7.1, 7.7 AND 8.1 PERTAINING TO STORMWATER MANAGEMENT

Sections Amended: Subdivision Regulations §§ 5.5, 6.1, 7.1, 7.7 and 8.1

WHEREAS, the public necessity, convenience, general welfare and good zoning practice so require;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 5.5, 6.1, 7.1, 7.7 and 8.1 of the Subdivision Regulations are hereby amended and reordained to read as follows:

REQUIRED IMPROVEMENTS

. . . .

Sec. 5.5. Street and other drainage.

. . . .

(a) *[Curbs and gutters].* Curbs and gutters built to specifications of the department of public works, as approved by the council of the City of Virginia Beach shall be required, except as provided in subsection (c), on all streets, except when it is determined by the director of planning or his designee that existing soil or site conditions would make this requirement impractical or where the use of linear best management practices is better promoted otherwise, in which case a waiver or modification may be authorized, ~~provided, however, that any such waiver or modification shall be put into writing and include the reasons therefor and be made a part of the permanent application record~~ as provided in subsection (d).

. . . .

(d) *[Waiver or modification.]* The director of the department of planning shall consider and may approve a waiver or modification to the requirements set forth in sections 5.5(a) and 5.5(b), for a subdivision, provided that the following are met:

(i) Each lot in the subdivision shall be no less than fifteen thousand (15,000) square feet in area;

(ii) Each lot shall provide area for no fewer than four (4) on-site parking spaces;

(iii) All open drainage systems shall be provided and designed in accordance with the performance standards and design criteria of ` the stormwater management ordinance;

(iv) The proposed system of open or natural drainage ways shall be an appropriate component of a ~~natural area protection plan~~ stormwater management plan to be approved for the

subdivision as part of the process for granting a waiver or modification under this section. Such ~~natural area protection plan~~ stormwater management plan shall include, in addition to the requirements of Section 1-6, Appendix D, the following elements: A tree inventory/protection plan meeting the requirements of Sec. 1.4, Appendix E; a wetlands delineation; depicting the limits of tidal and non-tidal wetlands and a plan for avoiding impacts to identified wetlands to the maximum extent practicable, minimizing unavoidable impacts to the maximum extent practicable and a plan for compensating for impacts that cannot be avoided and minimized ~~inventory/protection plan~~; provision for the protection or creation of a natural area buffer of sufficient width to prevent erosion, trap sediment in overland runoff, provide necessary maintenance access and provision for the protection of any other significant natural features in accordance with the design principles for "Sheet Flow to Conserved Open Space" contained in Virginia Stormwater BMP Clearinghouse, including ~~topographic relief~~ steep slopes;

. . . .

PLATS AND DATA

Sec. 6.1. Preliminary plats and data—Generally.

. . . .

~~(o) Where Chesapeake Bay Preservation Areas lie within a subdivision, the following materials shall also be required, unless waived as unnecessary by the planning director or previously submitted in conjunction with a site plan or Chesapeake Bay Preservation Area Board application review:~~

~~(1) A survey of environmental features;~~
~~(2) A landscape plan;~~
~~(3) A stormwater management plan;~~
~~(4) An erosion and sediment control plan; and~~
~~(5) A water quality impact assessment, if required by Section 107 of the Chesapeake Bay Preservation Area Ordinance [Appendix F].~~

~~The materials set forth in (1) through (5) hereinabove shall contain all of the information required by Section 107 of the Chesapeake Bay Preservation Area Ordinance [Appendix F].~~ Reserved.

. . . .

PROCEDURAL REQUIREMENTS ON IMPROVEMENTS

Sec. 7.1. Plans and specifications for general improvements.

. . . .

B. Plans and information on hauling operations associated with the excavation of stormwater management facilities. In addition to information required under the provisions of the subdivision regulations (Appendix B), where sand, gravel, topsoil, fill or other excavated material from the excavation of a stormwater management facility will be hauled off site, the following information shall be submitted to the planning director:

. . . .

(16) If the hauled material will be deposited in the City of Virginia Beach, the address where the hauled material will be deposited and proof of current VPDES or VSMP permit coverage for the site where the material will be deposited.

. . . .

Sec. 7.7. Public acceptance of improvements or proposed dedications.

The installation of improvements or the offer of dedications in subdivisions created hereafter under the terms of this ordinance shall in no case bind the city to accept such improvements or offers to dedicate. Upon certification of completion of required improvements as set forth in section 7.6, the director of planning or other affected official or, in the case of water and sewer facilities, the director of public utilities, is authorized to accept on behalf of the city such dedications or improvements as the city may then be prepared to accept and maintain. No city permit shall be issued and no city services extended to any lot within such subdivision until the requirements of this or other ordinances or lawful regulations of the city have been met in full.

. . . .

Sec. 8.1. Plat fees.

. . . .

(b) At the time construction plans are submitted ~~for residential subdivisions of six (6) or more lot plats or for any nonresidential subdivisions~~, the following fees shall be due and payable from the effective date of this ordinance [~~July 1, 1999~~July 1, 2014]: ~~Two hundred fifty-two dollars ($252.00) plus eighty-four dollars ($84.00) per hundred (100) linear feet of roadway.~~

Area of proposed land disturbance	Fee
Greater than or equal to 2500 SF and less than 1 acre	$900
Greater than or equal to 1 acre and less than 5 acres	$1000
Greater than or equal to 5 acres and less than 10 acres	$1333
Greater than or equal to 10 acre and less than 50 acres	$2847
Greater than or equal to 50 acres and less than 100 acres	$5877
Greater than or equal to 100 acres	$7560

Stormwater Management Review fees as required by Section 1-33 of the Stormwater Management Ordinance [Appendix D].

This Ordinance shall become effective on July 1, 2014.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 22nd day of April, 2014.

AN ORDINANCE TO AMEND THE CITY CODE, APPENDIX C, (SITE PLAN ORDINANCE) SECTIONS 3, 4 AND 7 PERTAINING TO STORMWATER MANAGEMENT

Sections Amended: Site Plan Ordinance §§ 3, 4 and 7

WHEREAS, the public necessity, convenience, general welfare and good zoning practice so require;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 3, 4 and 7 of the Site Plan Ordinance are hereby amended and reordained to read as follows:

Sec. 3. Procedures.

. . . .

3.2. *Procedure for site development plan approval:*

A.1. The developer shall cause to be prepared a site development plan with other material as set forth in sections 4 and 5.

A.2. At the time the site development plan is ~~presented~~ <u>submitted</u>, the following fees shall be due and payable:

~~(a) Residential site plan for two (2) or more residences: One thousand fourteen dollars ($1,014.00) plus thirty dollars ($30.00) per unit after the first five (5) residential units.~~

~~(b) Nonresidential site plan: One thousand three hundred fifty-six dollars ($1,356.00) plus one hundred two dollars ($102.00) per acre.~~

~~(c) Duplex site plan: Five hundred sixty dollars ($560.00).~~

~~(d) A site plan review fee in the amount of seventy-five dollars ($75.00)shall be required for a site plan encompassing only one single-family dwelling unit not located in a Chesapeake Bay Preservation Area. For single-family dwellings and additions and other residential structures requiring a plan of development pursuant to Section 107 of the Chesapeake Bay Preservation Area Ordinance, there shall be a fee in the amount of two hundred eighty dollars ($280.00); provided, however, that if the agent determines that such plan of development may be subject to abbreviated review, there shall be a fee in the amount of one hundred thirty-five dollars ($135.00).~~

~~(e) Land Management Plan: Two Hundred and Fifty dollars ($250.00).~~

<u>(a)</u>	<u>Single-family and duplex</u>	<u>Fee</u>
	<u>Individual single-family dwelling</u>	<u>$75</u>
	<u>Two single-family dwellings on the same lot</u>	<u>$330</u>

One duplex on one lot	$330

(b) All other site development not listed above:

Area of proposed land disturbance	Fee
Greater than or equal to 2500 SF and less than 1 acre	$900
Greater than or equal to 1 acre and less than 5 acres	$1000
Greater than or equal to 5 acres and less than 10 acres	$1333
Greater than or equal to 10 acres and less than 50 acres	$2847
Greater than or equal to 50 acres and less than 100 acres	$5877
Greater than or equal to 100 acres	$7560

(c) Stormwater Management Review fees as required by Section 1-33 of the Stormwater Management Ordinance [Appendix D].

~~(g)~~(d) If an applicant, at any time during site plan review, submits a review, submits a revised plan or portion thereof, field change or makes a change to the plan under review not at the request of the City of Virginia Beach, such revision shall be accompanied by a fee of one hundred sixty-eight dollars ($168.00) per sheet that is revised or changed.

. . . .

D.3. For development or redevelopment subject to the plan of development process set forth in Section 107 of the Chesapeake Bay Preservation Area Ordinance [Appendix F], there shall also be furnished a certified check, bond, irrevocable letter of credit or other surety satisfactory to the city attorney in an amount equal to the estimated cost, including materials, of installation of required landscaping ~~and stormwater management facilities~~. Cost estimates shall be based upon the approved plan of development and shall be subject to the approval of the director of development services. The terms "development" and "redevelopment" shall be as defined in section 103 of the Chesapeake Bay Preservation Area Ordinance.

. . . .

Sec. 4. Information required on site development plan.

. . . .

B. *Existing and required site features and improvements*:

. . . .

7. Existing and proposed storm drainage easements and the direction of drainage flow in streets, storm sewers, valley gutters, streams and ditches. Indicate all contributing areas in acres for storm drainage calculations as required by the Stormwater Management Ordinance [Appendix D]. Drainage area maps and drainage calculations shall be submitted to the city ~~agent upon request~~ as a component of the site stormwater management plan in accordance with the Stormwater Management Ordinance [Appendix D].

8. All existing and proposed water, sanitary sewer facilities indicating pipe sizes, types and grades shall be shown. Connections into existing or proposed central water and sewer systems shall be shown.

. . . .

13. For development or redevelopment having a construction footprint exceeding two thousand five hundred (2,500) square feet in Chesapeake Bay Preservation Areas, there shall, except if waived as unnecessary by the planning director, also be provided all elements of the plan of development as required by Section 107 of the Chesapeake Bay Preservation Area Ordinance [Appendix F] <u>and the elements for Chesapeake Bay land disturbing activities in accordance with the Stormwater Management Ordinance [Appendix D]</u>. The terms "development," "redevelopment" and "construction footprint" shall be as defined in section 103 of the Chesapeake Bay Preservation Area Ordinance. <u>The term “Chesapeake Bay Preservation Act land disturbing activity” shall be as defined in Section 1-3 of the Stormwater Management Ordinance [Appendix D].</u>

. . . .

C. *Hauling operations plans and information.* In addition to the information required in subsections A. and B. of this section, where sand, gravel, topsoil, fill or other excavated material from the excavation of a stormwater management facility will be hauled off site, the following information shall be submitted to the city agent:

. . . .

(15) A description or plan of all proposed improvements to mitigate the traffic impacts associated with the hauling activity including, but not limited to, turn lanes, signalization, striping and other traffic control measures.

<u>(16)</u> <u>If the hauled material is to be deposited within the limits of the City of Virginia Beach, the address of the location where the hauled material will be taken and proof of current VPDES or VSMP permit coverage for the site where the material will be placed.</u>

. . . .

Sec. 7. Variances and appeals.

. . . .

In authorizing a variance the city manager or his designee may impose such conditions as may be necessary in the public interest.

7.2. It is further provided that any decision of the city manager or his designee may be modified, reversed or affirmed by the city council upon appeal by any aggrieved party to such decision, if such appeal is filed within thirty (30) days of such decision.

7.3. Final decisions under this ordinance shall be subject to review by the appropriate court of record, if filed within thirty (30) days from the date of council action.

7.4. Notwithstanding anything in this section to the contrary, variances and appeals arising from provisions of the Chesapeake Bay Preservation Area Ordinance [Appendix F] included or incorporated in this ordinance shall be in accordance with Section 110 or Section 111 of the Chesapeake Bay Preservation Area Ordinance, as the case may be.

7.5 Notwithstanding anything in this section to the contrary, variances and appeals arising from provisions of the Stormwater Management Ordinance [Appendix D] included or incorporated in this ordinance shall be in accordance with the applicable provisions of the Stormwater Management Ordinance [Appendix D].

This Ordinance shall become effective on July 1, 2014

Adopted by the Council of the City of Virginia Beach, Virginia, on the 22nd day of April, 2014.

AN ORDINANCE TO REPEAL APPENDIX D OF THE CITY CODE, (STORMWATER MANAGEMENT) AND ADDING A NEW APPENDIX D OF THE CITY CODE (STORMWATER MANAGEMENT) PERTAINING TO THE PURPOSE AND AUTHORITY, THE ESTABLISHMENTOF THE STORMWATER MANAGEMENT PROGRAM, DEFINITIONS, APPLICABILITY AND EXEMPTIONS, SUBMISSION AND APPROVAL OF PLANS, CONTENT OF STORMWATER MANAGEMENT PLANS, REVIEW OF PLANS, CONTENT OF STORMWATER POLLUTION PREVENTION PLANS, CONTENT OF POLLUTION PREVENTION PLANS, WATER QUALITY DESIGN CRITERIA, WATER QUALITY COMPLIANCE, WATER QUANTITY, OFFSITE COMPLIANCE, DESIGN STORM AND HYDROLOGIC METHODS, STORMWATER HARVESTING, LINEAR DESIGN PROJECTS, STORMWATER MANAGEMENT IMPOUNDMENT STRUCTURES OR FACILITIES, COMPREHENSIVE STORMWATER MANAGEMENT PLANS, GRANDFATHER PROVISIONS, VARIANCES, TECHNICAL CRITERIA FOR PROJECTS NOT GOVERNED BY THE NEW CRITERIA, LONG TERM MAINTENANCE, MONITORING AND INSPECTIONS, HEARINGS, APPEALS, ENFORCEMENT, FEES, PERFORMANCE BONDS, STANDARDS AND SPECIFICATIONS, SEVERABILITY AND EFFECTIVE DATE

Section Repealed and Added: Appendix D, Stormwater Management

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Appendix D (Stormwater Management Ordinance), of the City Code of the City of Virginia Beach, Virginia, is hereby repealed and replaced to read as follows:

~~**Sec. 1. Title.**~~

~~This ordinance is adopted pursuant to Article 1.1, Chapter 6, Title 10.1, Section 10.1-603.1 et seq. of the Code of Virginia as amended, and shall be known as the "Stormwater Management Ordinance."~~

~~**Sec. 2. Findings of fact.**~~

~~The City of Virginia Beach finds that uncontrolled drainage and development of land has a significant adverse impact upon the health, safety and welfare of the community. More specifically:~~

~~(a) Stormwater runoff can carry pollutants into receiving water bodies, degrading water quality;~~
~~(b) The increase in nutrients such as phosphorous and nitrogen accelerates eutrophication of receiving waters, adversely affecting flora and fauna;~~
~~(c) Improperly channeling water increases the velocity of runoff, thereby increasing erosion and sedimentation;~~
~~(d) Construction requiring the alteration of natural topography and removal of vegetation tends to increase erosion;~~
~~(e) Siltation of water bodies resulting from increased erosion decreases their capacity to hold and transport water, interferes with navigation and harms flora and fauna;~~

~~(f) Impervious surfaces increase the volume and rate of stormwater runoff and allow less water to percolate into the soil, thereby decreasing groundwater recharge;~~

~~(g) Improperly managed stormwater runoff can increase the incidence of flooding and the level of floods which occur, endangering property and human life;~~

~~(h) Improperly managed stormwater runoff can interfere with the maintenance of optimum salinity in estuarine areas, thereby disrupting biological productivity;~~

~~(i) Substantial economic losses result from these adverse impacts on city waters; and~~

~~(j) Many future problems can be avoided if land is developed in accordance with sound stormwater runoff management practices.~~

~~Sec. 3. Objectives.~~

~~In order to protect, maintain, and enhance both the immediate and the long-term health, safety and general welfare of the citizens of the City of Virginia Beach, this ordinance has the following objectives:~~

~~(a) To encourage productive and enjoyable harmony between development interests and the natural resources of the city;~~

~~(b) To protect, restore and maintain the chemical, physical and biological integrity of city waters;~~

~~(c) To prevent activities which harm the city by adversely affecting water resources;~~

~~(d) To encourage the construction of drainage systems which maintain or functionally approximate existing natural systems;~~

~~(e) To encourage the protection of natural drainageways and the use of them in ways which do not impair their beneficial functioning;~~

~~(f) To encourage the use of drainage systems which minimize the consumption of electrical energy or petroleum fuels to move water, remove pollutants or maintain the systems;~~

~~(g) To minimize the transport of pollutants to city waters;~~

~~(h) To maintain or restore groundwater levels;~~

~~(i) To protect, maintain or restore natural salinity levels in estuarine areas;~~

~~(j) To minimize erosion and sedimentation;~~

~~(k) To prevent damage to wetlands;~~

~~(l) To prevent damage from flooding, while recognizing that natural fluctuations in water levels are beneficial;~~

~~(m) To protect, restore and maintain fish and wildlife habitat in the watersheds of the city;~~

~~(n) To ensure that attainment of these objectives by requiring the approval and implementation of stormwater management plans for all activities which may have an adverse impact upon city waters;~~

~~(o) To provide appropriate access, for the purposes of future inspection and maintenance of stormwater management facilities constructed under the requirements of this ordinance; and~~

~~(p) To provide for the long-term responsibility for and maintenance of stormwater management facilities and other techniques specified to manage the quality and quantity of runoff.~~

~~Sec. 4. Definitions.~~

~~Unless specifically defined below, words or phrases shall be interpreted so as to give them the meaning they have in common usage and to give this ordinance its most effective application. Words used in the singular shall include the plural, and the plural the singular; words used in the present tense shall include the future tense. The word "shall" connotes mandatory and not discretionary; the word "may" is permissive.~~

~~*Adverse impacts* are any modifications, alterations or effects on a feature or characteristic of community waters or wetlands, including their quality, quantity, hydrodynamics, surface area, species composition, living resources, aesthetics or usefulness for human or natural uses which are or may potentially be harmful or injurious to human health, welfare, safety or property, to biological productivity, diversity or stability or which unreasonably interfere with the enjoyment of life or property, including outdoor recreation. The term includes secondary and cumulative as well as direct impacts.~~

~~*Applicant* means any person submitting a stormwater management plan for approval.~~

~~*Channel* means a natural or man-made stream.~~

~~*Clearing* means the removal of trees and brush from the land but shall not include the ordinary mowing of grass.~~

~~*Department* means the department of planning.~~

~~*Developer* means any person who engages in land development either as the owner or as the agent of an owner of property.~~

~~*Director* means the director of the department of planning or his designee.~~

~~*Drainage system* is the system through which water flows from the land. Drainage systems include, but are not limited to, all channels, stormwater management facilities, water bodies and wetlands.~~

~~*Erosion* is the wearing or washing away of soil by the action of wind or water.~~

~~*Flooding* means a volume of water that is too great to be confined within the banks or walls of the stream, water body or drainage system and that overflows onto adjacent lands, causing or threatening damage.~~

~~*Floodplain* means those areas adjoining a river, stream, watercourse, ocean, bay, or lake, which are subject to inundation. Floodplains shall be determined as the land situated below the elevation of:~~

~~(a) That recorded by the maximum elevation of the flood water of record;~~
~~(b) The intermediate flood level as determined by the U.S. Army Corps of Engineers; or~~
~~(c) The flood level as determined by the department of public works, whichever is greater.~~

~~Any changes in the delineation of the intermediate flood level are subject to approval by the federal insurance administrator.~~

~~*Impervious surface* means a surface which has been compacted or covered with a layer of material so that it is highly resistant to infiltration by water. It includes semi-impervious surfaces such as compacted clay, as well as most conventionally surfaced streets, roofs, sidewalks, parking lots, and other similar structures.~~

~~*Infiltration facility or infiltration trench* means a stormwater management facility which temporarily impounds runoff and discharges it via infiltration through the surrounding soil. While an infiltration facility may also be equipped with an outlet structure to discharge impounded runoff, such discharge is normally reserved for overflow and other emergency conditions. Since an infiltration facility impounds runoff only temporarily, it is normally dry during nonrainfall periods.~~

~~*Land development, development activity,* or *land development project* means a manmade change to the land surface that potentially changes its runoff characteristics.~~

~~*Linear development project* means a land development project that is linear in nature such as, but not limited to, (i) the construction of electric and telephone utility lines; (ii) construction of tracts, rights-of-way, bridges, communication facilities and other related structures of a railroad company; and (iii) highway construction projects.~~

~~*Natural systems* means systems which predominantly consist of or use those communities of plants, animals, bacteria and other flora and fauna which occur indigenously on the land, in the soil, or in the water.~~

~~*Owner* is the person in whom is vested the fee ownership, dominion or title of property, i.e., the proprietor. This term may also include a tenant, if chargeable under his lease for the maintenance of the property, and any agent of the owner or tenant including a developer.~~

~~*Person* means any and all persons, natural or artificial and includes any individual, firm, corporation, government agency, business trust, estate, trust, partnership, association, two (2) or more persons having a joint or common interest or any other legal entity.~~

~~*Postdevelopment conditions* are those conditions that reasonably may be expected or anticipated to exist after completion of the development activity on a specific site or tract of land.~~

~~*Predevelopment conditions* are those conditions which existed before alteration, resulting from human activity, of the natural topography, vegetation and rate, volume or direction of surface or ground water flow, as indicated by the best available historical data.~~

~~*Receiving bodies of water* shall mean any water bodies, channels or wetlands into which surface waters flow, in manmade or natural, closed or open ditches or conduit systems.~~

~~*Runoff* or *stormwater runoff* means that portion of precipitation that is discharged across the land surface or through conveyances to one or more waterways.~~

~~*Sediment* is fine particulate material, whether mineral or organic, that is in suspension or has settled in a water body.~~

~~*Site* means any tract, lot or parcel of land or combination of tracts, lots or parcels of land which are in one (1) ownership or are contiguous and in diverse ownership where land development is to be performed as part of a unit, subdivision or project.~~

~~*Stormwater detention basin* or *detention basin* means a stormwater management facility which temporarily impounds runoff and discharges it through a hydraulic outlet structure to a downstream drainage system. Since a detention basin impounds runoff only temporarily, it is normally dry during nonrainfall periods.~~

~~*Stormwater management facility* means a device that controls stormwater runoff and changes the characteristics of that runoff including, but not limited to, the quantity and quality, the period of release or the velocity of flow. For purposes of this ordinance, the term also includes retention basins and detention basins which are no more than fifteen (15) feet deep, as measured from normal (dry weather) water level to the lowest level of excavation. The term specifically excludes borrow pits as defined in the city zoning ordinance (Appendix A).~~

~~*Stormwater management plan* refers to the detailed analysis and documentation required by section 6 for development activity described in section 5 of this ordinance.~~

~~*Stormwater retention basin* or *retention basin* means a stormwater management facility, which similar to a detention basin, temporarily impounds runoff and discharges its outflow through a hydraulic outlet structure to a downstream drainage system. Unlike a detention basin, however, a retention basin also includes a permanent impoundment and, therefore, is normally wet, even during nonrainfall periods.~~

~~*Structure* means that which is built or constructed, an edifice or building of any kind or any piece of work artificially built up or composed of parts joined together in some definite manner but shall not include fences or signs.~~

~~*Subdivide* means to divide the ownership of a parcel of land, whether improved or unimproved, into two (2) or more contiguous lots or parcels of land in accordance with the provisions of the subdivision regulations.~~

~~*Vegetation* means all plant growth, especially trees, shrubs, vines, ferns, mosses and grasses.~~

~~*Waters* or *community of waters* means any and all water on or beneath the surface of the ground. It includes the water in any channel, water body or drainage system. It also includes diffused surface water and water percolating, standing or flowing beneath the surface of the ground, as well as coastal waters.~~

~~*Water body* means any natural or artificial pond, lake, reservoir or other area which ordinarily or intermittently contains water and which has a discernible shoreline.~~

~~*Watershed* means a defined land area drained by a river or stream or system of connecting rivers or streams such that all surface water within the area flows through a single outlet.~~

~~*Wetlands* means those areas defined in section 1401 (e)(f)(j) of the City Zoning Ordinance (Appendix A) and shall also include tidal wetlands, which are vegetated and nonvegetated wetlands, as defined in section 1401 of the City Zoning Ordinance (Appendix A); and nontidal wetlands, which are those wetlands, other than tidal wetlands, that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions, as identified or referred to in the City of Virginia Beach Soil Survey by soil names Backbay Mucky Peat; Duckston portion of Corolla-Duckston Fine Sands; Dorovan Mucky Peat; Duckston Fine Sand; Nawney Silt Loam; Pamlico Mucky Peat; Pamlico-Lakehurst Variant Complex; Rapahannock Mucky Peat, Strongly Saline or Pocaty Peat; and any other lands which under normal conditions are saturated to the ground surface and connected by surface flow and contiguous to tidal wetlands or tributary streams.~~

~~Sec. 5. Applicability.~~

~~(a) *[Submission of stormwater management plan.]* Unless exempted pursuant to subsection (b), a stormwater management plan must be submitted and approved before the issuance of any grading, building, or other permit for land development.~~

~~(b) *Exemptions.* The following development activities are exempt from the requirements of this ordinance:~~

~~(1) Single-family residences separately built and not part of a subdivision, including additions or modifications to existing single-family detached residential structures;~~
~~(2) All agricultural, horticultural, or forest crops activities not associated with land development;~~
~~(3) Land development activities that disturb less than one (1) acre of land area;~~
~~(4) Permitted surface or deep mining operations or projects or oil and gas operations conducted under the provisions of Title 45.1 of the Code of Virginia; or~~
~~(5) Linear development projects, provided that (i) less than one acre of land will be disturbed per outfall or watershed, (ii) there will be insignificant increases in peak flow rates, and (iii) there are no existing or anticipated flooding or erosion problems downstream of the discharge point.~~

~~(c) *Variances.* The applicant may submit a written request for a variance from any requirement of this ordinance. The director may grant a variance in accordance with the following criteria:~~

~~(1) The variance requested is the minimum necessary to afford relief. Economic hardship is not sufficient reason to grant a variance from the requirement of this ordinance; and~~

~~(2) The granting of the variance will not:~~

~~(i) Increase the flow rate of stormwater runoff;~~

~~(ii) Have an adverse impact on a wetland, channel, water body or, upstream and/or downstream of a receiving body of water;~~

~~(iii) Contribute to the degradation of water quality;~~

~~(iv) Be of substantial detriment to adjacent property or adversely affect the character of adjoining neighborhoods; or~~

~~(v) Otherwise impair attainment of the objectives of this ordinance.~~

~~Variances in the Chesapeake Bay Preservation areas shall also meet the following additional criteria:~~

~~(1) The granting of the variance will not confer upon the applicant any special privileges that are denied to other property owners who are subject to the provisions of the Chesapeake Bay Preservation Area Ordinance and who are similarly situated;~~

~~(2) The granting of the variance is in harmony with the purpose and intent of the Chesapeake Bay Preservation Area Ordinance and is not of substantial detriment to water quality; and~~

~~(3) The request for a variance is not based upon conditions or circumstances that are self-created or self-imposed.~~

~~**Sec. 6. Stormwater management plan.**~~

~~(a) It is the responsibility of an applicant to include in the stormwater management plan sufficient information for the department to evaluate the environmental characteristics of the affected areas, the potential and predicted impacts of the proposed activity on city waters, and the effectiveness and acceptability of those measures proposed by the applicant for reducing adverse impacts. The stormwater management plan shall contain maps, charts, graphs, tables, photographs, narrative descriptions, and explanations and citations to supporting references, as appropriate, to communicate the information required by this section.~~

~~(b) The stormwater management plan shall contain the name, address and telephone number of the applicant, the owner, the developer and all persons who will be responsible for maintenance of the stormwater management facilities. In addition, the legal description of the property shall be provided and its location with reference to such landmarks as major water bodies, adjoining roads, railroads or subdivisions shall be clearly identified by a map. All maps, plans and designs shall be prepared, stamped and endorsed by a professional engineer or Class III B surveyor licensed in the Commonwealth of Virginia.~~

~~(c) The existing environmental and hydrologic conditions of the site shall be described in detail, including the following:~~

~~(1) The direction and flow rate of stormwater runoff under existing conditions;~~

~~(2) The location of areas on the site where stormwater collects or percolates into the ground;~~

~~(3) A description of all channels, conveyance systems, water bodies and wetlands on or adjacent to the site or into which stormwater flows. Information regarding their water quality and the current water quality classification, if any, given them by the Virginia Water Control Board shall be included;~~

~~(4) Groundwater levels, including seasonal fluctuations;~~

~~(5) Location of floodplain;~~

~~(6) Vegetation;~~

~~(7) Topography; and~~

~~(8) Soils.~~

~~(d) Proposed alterations of the site shall be described in detail, including:~~

~~(1) Changes in topography;~~

~~(2) Areas where vegetation will be cleared or otherwise killed;~~

~~(3) Areas that will be covered with an impervious surface and a description of the surfacing material; and~~

~~(4) The size and location of any buildings or other structures.~~

~~(e) Predicted impacts of the proposed development activity on existing conditions shall be described in detail, including:~~

~~(1) Changes in water quality;~~
~~(2) Changes in groundwater levels;~~
~~(3) Changes in the incidence and duration of flooding on the site and upstream and downstream from it;~~
~~(4) Impacts on wetlands; and~~
~~(5) Impacts on vegetation.~~

~~(f) All components of the drainage system and any measures for the detention, retention or infiltration of water or for the protection of water quality shall be described in detail, including:~~

~~(1) The channel, direction, flow rate and quality of stormwater that will be conveyed from the site, with a comparison to existing conditions and, to the extent practicable, predevelopment conditions;~~
~~(2) Location of all stormwater management facilities, including plans for the discharge of contained waters, maintenance plans and predictions of water quality in and downstream of such facilities;~~
~~(3) Areas of the site to be used or reserved for percolation including a prediction of the impact on groundwater quality;~~
~~(4) A plan for the control of erosion and sedimentation which describes in detail the type and location of control measures, the stage of land development at which they will be put into place or used and provisions for their maintenance and final disposition. Such plan shall be filed in accordance with the provisions of article 3 of chapter 30 of the Code of the City of Virginia Beach (City Code sections 30-56 through 30-78); and~~
~~(5) Any other information reasonably necessary for an evaluation of the development activity.~~

~~(g) A certification by the applicant or developer that all land clearing, construction, development activity and drainage shall be performed in accordance with the stormwater management plan.~~
~~(h) A maintenance agreement and adequate easements, as set forth in section 12 of this ordinance, which will ensure responsibility for the maintenance of any stormwater management facilities constructed under the requirements of this ordinance and which will ensure appropriate access to such facilities for maintenance, inspection and corrective action.~~
~~(i) Minor changes to an approved stormwater management plan may be made during the site development process with the written consent of the director. Such minor changes shall be documented and shall be coordinated with the department.~~

~~Sec. 7. Procedures and fees.~~

~~(a) Any person planning a development activity, as defined in this ordinance, unless exempted, shall submit a stormwater management plan together with a request for a variance, if applicable, to the director.~~
~~(b) Requests for a variance shall be reviewed concurrently with the submitted stormwater management plan pursuant to the procedures set forth in subsection (d) herein.~~
~~(c) A processing fee will be collected at the time the stormwater management plan is submitted and will reflect the cost of administration and management of the review process. The city council shall establish, by resolution, a prorated fee schedule based upon the relative complexity of the project. The fee schedule may be amended from time to time by the city council by resolution. Notice of such resolution shall be published no less than fifteen (15) days prior to adoption.~~
~~(d) A maximum of thirty (30) calendar days from the receipt of a stormwater management plan shall be allowed for preliminary review of the plan for completeness. During this period, the director will either accept the plan for review, which will begin the sixty-day review period, or reject the plan for incompleteness and inform the applicant in writing of the information necessary to complete the plan. The sixty-day review period begins on the day the complete stormwater management plan is accepted for review. At this time, the director will send an acknowledgement letter to the applicant. During the sixty-day review period, the director shall approve, with or without specified conditions or modifications, or reject the plan and shall notify the applicant accordingly in writing. If the director has not rendered a decision within the sixty-day review period, the plan shall be deemed approved and the applicant shall be authorized to proceed with the~~

~~proposed activity. If the plan is rejected or modified, the director shall specify the reasons for rejection or such modifications, terms and conditions as will allow plan approval. However, it is not the responsibility of the director to design an acceptable project.~~

~~(e) The stormwater management plan shall not be approved unless it clearly indicates that the proposed development activity will meet the performance standards described in section 8 of this ordinance and the design standards described in section 9 of this ordinance, except where a variance has been granted pursuant to section 5, subsection (c) of this ordinance, or where an off-site stormwater management facility is approved pursuant to section 10 of this ordinance. Such plan shall also be in accordance with the specifications outlined in the manual of stormwater management practices described in section 11 of this ordinance, the state regulations and the Stormwater Management Act, title 10.1, section 10.1-603.1 et seq. of the Code of Virginia, as amended.~~

~~(f) Inspections. No stormwater management plan may be approved without adequate provision for inspection of the property. The director shall, when deemed necessary, arrange with the applicant for scheduling an initial inspection prior to approval of the stormwater management plan. The submission of a stormwater management plan shall constitute authorization for an on-site inspection by the director. After approval of the stormwater management plan, the applicant shall arrange with the director for scheduling the following inspections:~~

~~(1) Erosion control inspection: As necessary to ensure effective control of erosion and sedimentation;~~
~~(2) Bury inspection: Prior to burial of any underground drainage structure;~~
~~(3) Finish inspection: When all work including installation of all stormwater management facilities has been completed.~~

~~The director shall inspect the work and shall either approve it or notify the applicant in writing in what respects there has been a failure to comply with the requirements of the approved stormwater management plan. Any portion of the work which does not comply shall be promptly corrected by the applicant or the applicant will be subject to the penalty provisions of section 13.~~

~~(g) Bonds. Unless otherwise not required by the director pursuant to section 5(c) of this ordinance, prior to the approval of any stormwater management plan, the director shall require from the applicant therefor a reasonable performance bond, cash escrow, letter of credit or other legal surety, or any combination thereof acceptable to the city attorney, to ensure that measures may be taken by the city, at the applicant's expense, should he fail, after proper notice, within the time specified, to carry out his land development activity in accordance with the requirements of this ordinance. Except as otherwise provided, within sixty (60) days of the completion of the requirements of the approved stormwater management plan, such bond, cash escrow, letter of credit or other legal surety, or the unexpended or unobligated portion thereof, shall be refunded to the applicant or terminated, as the case may be. Where a stormwater management plan for a subdivision includes the construction of stormwater management facilities which may be affected by erosion and sedimentation from future development activities, all or portions of the bond, cash escrow, letter of credit or other legal surety may be withheld until the completion of such development activity. These requirements are in addition to all other provisions of law relating to the approval of such plans and are not intended to otherwise affect the requirements for such plans.~~

~~(h) Appeals. Any applicant or person aggrieved by a determination or decision of the director pursuant to this ordinance, shall have the right to appeal such determination or decision to the circuit court of the City of Virginia Beach. The petition for appeal shall be filed in writing within thirty (30) days of the date of the decision, determination or action, shall state clearly the grounds on which the appeal is based, and shall be reviewed in accordance with the provisions of the Administrative Process Act (section 9-6.14:1 et seq. of the Code of Virginia).~~

~~Sec. 8. Performance standards.~~

~~Stormwater management plans must demonstrate that the proposed development activity has been planned and designed and will be constructed and maintained to meet each of the following standards:~~

~~(a) Ensure that after land development, runoff from the site approximates the rate of flow and timing of runoff that would have occurred following the same rainfall under existing conditions and, to the extent practicable, predevelopment conditions, unless runoff is discharged into an off-site stormwater management facility as provided in section 10;~~

~~(b) Incorporate those measures which shall ensure compliance with the following design storm event criteria:~~

~~Drainage Area~~	~~Design Storm Event/24 Hour Duration or Critical Duration~~
~~Less than 300 acres~~	~~2 and 10 year storm~~
~~300 to 500 acres~~	~~25 year storm~~
~~Greater than 500 acres~~	~~50 year storm~~

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~~(c) Maintain the natural hydrodynamic characteristics of the watershed;~~

~~(d) Protect or restore the quality of ground and surface waters;~~

~~(e) Ensure that erosion during and after development is minimized;~~

~~(f) Protect groundwater levels;~~

~~(g) Protect the beneficial functioning of wetlands as areas for the natural storage of surface waters and the chemical reduction and assimilation of pollutants;~~

~~(h) Prevent increased flooding and damage that results from improper location, construction and design of structures in areas which are presently subject to an unacceptable danger of flooding;~~

~~(i) Prevent or reverse salt water intrusion;~~

~~(j) Protect the natural fluctuating levels of salinity in estuarine areas;~~

~~(k) Minimize injury to flora and fauna and adverse impacts to fish and wildlife habitat; and~~

~~(l) Otherwise further the objectives of this ordinance.~~

~~Sec. 9. Design criteria.~~

~~To ensure attainment of the objectives of this ordinance and to ensure that performance standards will be met, the design, construction and maintenance of drainage systems shall be in accordance with the specifications outlined in the manual of stormwater management practices described in section 11 and shall meet the following design criteria:~~

~~(a) Channeling runoff directly into water bodies shall be prohibited. Instead, runoff shall be routed through systems designed to increase time of concentration, decrease velocity, increase infiltration, allow suspended solids to settle and remove pollutants.~~

~~(b) Natural channels shall not be dredged, cleared of vegetation, deepened, widened, straightened, stabilized or otherwise altered. Water shall be retained or detained before it enters any natural channel in order to preserve the natural hydrodynamics of the channel and to prevent siltation or other pollution.~~

~~(c) Streambank erosion control shall be designed so as to meet or exceed the minimum state stormwater management criteria, which requires runoff be discharged into a channel which can convey runoff from a two-year storm event without flooding or erosion.~~

~~(d) The area of land disturbed by land development shall be as small as practicable. Those areas which are not to be disturbed shall be protected by an adequate barrier from construction activity. Whenever possible, all natural vegetation on the site of the development activity shall be retained and protected.~~

~~(e) No grading, cutting or filling shall be commenced until erosion and sedimentation control measures have been installed between the disturbed area and water bodies, channels and wetlands. Such measures shall be installed in conformance with an approved plan filed in accordance with the provisions of article 3 of chapter 30 of the Code of the City of Virginia Beach (City Code sections 30-56 through 30-78).~~

~~(f) Land which has been cleared for land development and upon which construction has not commenced shall be protected from erosion by appropriate techniques designed to revegetate the area.~~

~~(g) Sediment shall be retained on the site of the development activity.~~

~~(h) Wetlands and other water bodies shall not be used as sediment traps during land development.~~

~~(i) Erosion and sedimentation measures shall receive regular maintenance to ensure that they continue to function properly.~~

~~(j) Artificial channels shall be designed with consideration given to soil type(s), so that the flow rate is low enough to prevent erosion.~~

~~(k) Vegetated filter strips shall be created or, where practicable, retained in their natural state along the banks of all channels, water bodies or wetlands. The width of the filter shall be sufficient to prevent erosion, trap the sediment in overland runoff, provide access to the water body and allow for periodic flooding without damage to structures.~~

~~(l) Intermittent channels should be vegetated.~~

~~(m) Detention and retention basins shall be used to detain, retain or infiltrate the increased and accelerated runoff which the land development generates. Water shall be released from detention and retention basins into channels or wetlands at a rate and in a manner approximating the natural flow which would have occurred before land development.~~

~~(n) Although the use of wetlands for storing and purifying water is encouraged, care must be taken not to overload their capacity, thereby harming the wetlands and transitional vegetation. Wetlands should not be damaged by the construction of detention or retention basins.~~

~~(o) Runoff from parking lots shall be treated to remove oil, grease and sediment before it enters receiving waters.~~

~~(p) Detention and retention basins shall be designed so that shorelines are winding rather than straight and so that the length of shoreline is maximized, thus offering more space for the growth of littoral vegetation.~~

~~(q) The banks of detention and retention basins shall slope at a gentle grade into the water as a safeguard against drowning, personal injury or other accidents, to encourage the growth of vegetation and to allow the alternate flooding and exposure of areas along the shore as water levels periodically rise and fall.~~

~~(r) The use of the natural drainage system and vegetated buffer zones as open space and conservation areas shall be encouraged.~~

~~(s) Detention and retention basins shall be reasonably sized according to the drainage area based on calculations submitted to the director.~~

~~(t) Except as otherwise provided herein, the edge of any excavation or the top of bank for any detention or retention basin shall be located in accordance with the following minimum setbacks:~~

~~Type of Stormwater Management Facility~~	~~Existing Right-of-Way (feet)~~	~~Proposed Right-of-Way (feet)~~	~~Existing Property Line (feet)~~	~~Proposed Property Line (feet)~~
~~Retention Basin (no fencing or guard rail)~~	~~25~~	~~25~~	~~25~~	~~0~~
~~Retention basin (if fencing and/or guard rail are used)~~	~~10~~	~~10~~	~~10~~	~~10~~
~~Detention basin (greater than 6" but less than 18" deep)~~	~~5~~	~~5~~	~~5~~	~~0~~
~~Detention basin (greater than 18" but less than 36")~~	~~10~~	~~10~~	~~10~~	~~0~~
~~Detention basin (greater than 36" but less than 60")~~	~~15~~	~~15~~	~~15~~	~~0~~
~~Infiltration trenches~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Retention basin (linear development)~~	~~10~~	~~10~~	~~10~~	~~N/A~~
~~Detention basin (linear development)~~	~~10~~	~~10~~	~~10~~	~~N/A~~

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~~All setbacks shall be measured from the nearest property line to the edge of excavation or the top of bank, whichever is less.~~

~~(u) No structural stormwater management facilities shall be constructed within the one hundred-year floodplain of the floodplain subject to special restrictions, as enumerated in 5B.5(c) of the site plan ordinance (Appendix C) or in the southern watersheds as enumerated in 2(a) of the southern watersheds management ordinance (Appendix G).~~

~~Sec. 10. Off-site stormwater management facilities.~~

~~(a) The director may allow stormwater runoff that is otherwise of unacceptable quality or which would be discharged at rates in excess of those otherwise allowed by this ordinance to be discharged into stormwater management facilities off the site of the development activity only if each of the following conditions is met:~~

~~(1) The off-site stormwater management facilities and channels leading to them are designed, constructed and maintained in accordance with the requirements of this ordinance;~~
~~(2) Adequate provision is made for the sharing of acquisition, construction, maintenance and operating costs of the facilities. The developer may be required to pay all or a portion of such costs as a condition to receiving approval of the stormwater management plan; and~~
~~(3) Adverse environmental impacts on the site of land development will be minimized.~~

~~(b) A request to use off-site stormwater management facilities and all information related to the proposed off-site facilities should be made a part of a submitted stormwater management plan. Guidelines for the consideration of an off-site facility use are outlined in the manual of stormwater management practices described in section 11 of this ordinance.~~

~~Sec. 11. Manual of stormwater management practices.~~

~~(a) The manual of stormwater management practices, compiled by the department of public works as part of the Public Works Specifications and Standards Manual, including all future amendments thereto is hereby adopted and incorporated by reference into this ordinance. The manual is available to the public at the offices of the departments of planning and public works.~~
~~(b) The manual of stormwater management practices includes guidance in the selection of environmentally sound stormwater management practices and facilities and, specifications for the preparation of stormwater management plans including acceptable techniques for obtaining, calculating and presenting the information required in the stormwater management plans.~~
~~(c) The manual also includes minimum specifications for the construction, operation and maintenance of stormwater management facilities.~~

~~Sec. 12. Maintenance.~~

~~(a) Drainage and other appropriate easements shall be dedicated to the City of Virginia Beach where they are determined by the director to be appropriately a part of the local stormwater management system or are unlikely to be adequately maintained by the developer or owner of the property.~~
~~(b) For systems maintained by the developer or owner, a maintenance agreement and adequate easements, satisfactory to the city attorney, shall be recorded in the Office of the Clerk of the Circuit Court of the City of Virginia Beach to permit the department of public works to perform maintenance inspections of the drainage system as required under section (c) herein and, if necessary, to take such corrective action should the developer, owner or person(s) responsible for maintaining the drainage system fail to properly maintain such system or the system becomes a danger to the public health or safety. The developer, owner or responsible person(s) shall be given notice of an inspection and an opportunity to be present at the inspection. Before taking corrective action, the department of public works shall give written notice of the nature of the existing defects by registered or certified mail, postage prepaid, return receipt requested to the developer, owner or~~

~~person(s) responsible for maintaining the system at their last known address. If the developer, owner or responsible person(s) fails within thirty (30) days from the date of notice to commence corrective action or to appeal the matter to the circuit court, the department of public works may take necessary corrective action, the cost of which shall be billed to the developer, owner or responsible person(s) and shall be collected in any manner provided by law.~~

~~(c) Maintenance inspections shall be performed by the department of public works on a semiannual basis and after any storm event which causes the capacity of the stormwater management facilities to be exceeded.~~

~~(d) Drainage systems shall be maintained in accordance with the minimum maintenance requirements and procedures outlined in the manual of stormwater management practices described in section 11.~~

~~Sec. 13. Violations and enforcement.~~

~~(a) *Injunction.* Any violation or threatened violation of any of the provisions of this ordinance may be restrained by injunction without the necessity of showing that an adequate remedy at law does not exist.~~

~~(b) *Criminal penalties.* In addition to or as an alternative to any penalty provided herein or by law, any person who violates any of the provisions of this ordinance shall be guilty of a misdemeanor and shall be subject to a fine of not more than one thousand dollars ($1,000.00) or by confinement in jail for not more than thirty (30) days, for each violation or both.~~

~~(c) *Civil penalties and civil charges:*~~

~~(1) Without limiting the remedies which may be obtained under this ordinance, any person who violates any provision of this ordinance or who violates any term or condition of an approved stormwater management plan shall, upon such finding by the circuit court, be assessed a civil penalty not to exceed two thousand dollars ($2,000.00) for each violation.~~

~~(2) With the consent of any person who has violated any provision of this ordinance, or who has violated any term or condition of any approved stormwater management plan, the director or the department of public works may provide, in an order issued by the director or the department of public works against such person, for the payment of civil charges for each violation in specific sums, not to exceed two thousand dollars ($2,000.00) for each violation. Such civil charges shall be in lieu of any appropriate civil penalty which could be imposed under subsection (c)(1) hereof.~~

~~(c) *Notice of violation.* When the director determines that development activity is not being carried out in accordance with the requirements of this ordinance, he shall issue a written notice of violation to the applicant, the responsible person(s) or owner of the property. The notice of violation shall contain:~~

~~(1) The name and address of the owner, responsible person(s) or applicant;~~

~~(2) The street address when available or a description of the building, structure or land upon which the violation is occurring;~~

~~(3) A statement specifying the nature of the violation;~~

~~(4) A description of the remedial actions necessary to bring the land development activity into compliance with this ordinance and a time schedule for completion of such remedial action;~~

~~(5) A statement that upon failure to comply within the time specified, the stormwater management plan and all permits issued for land development pursuant to such stormwater management plan may be revoked, and that the person to whom the notice of violation is directed shall be deemed in violation of the ordinance and upon conviction shall be subject to penalties provided in section 13 of this ordinance; and~~

~~(6) A statement that the director's determination of violation may be appealed to the circuit court, provided an appeal is filed within thirty (30) days of service of notice of violation.~~

~~The notice of violation shall be served upon the person(s) to whom it is directed either by delivery at the site of the development activity to the agent or employee supervising such activity, or by mailing a copy of the notice of violation by registered or certified mail, postage prepaid, return receipt requested to such person at his last known address.~~

~~A notice of violation issued pursuant to this section constitutes a determination from which an appeal may be taken to the circuit court.~~

~~(e) This ordinance shall be enforced by the director, and the department of public works, who shall exercise all authority of police officers in the performance of their duties. Such authority shall include, without limitation, the authority to issue summonses directing the appearance before a court of competent jurisdiction of any person alleged to have violated any of the provisions of this ordinance.~~

~~Sec. 14. Severability.~~

~~Each separate provision of this ordinance is deemed independent of all other provisions herein so that if any provision or provisions of this ordinance be declared invalid, all other provisions thereof shall remain valid and enforceable.~~

~~Sec. 15. Effective date.~~

~~This ordinance shall become effective on June 1, 1988.~~

~~Sec. 16. Incorporation of Chesapeake Bay Preservation Area Ordinance and Southern Watersheds Management Ordinance.~~

~~The provisions of the Chesapeake Bay Preservation Area Ordinance (Appendix F) and the Southern Watersheds Management Ordinance (Appendix G), and any future amendments thereto, are hereby adopted and incorporated by reference as requirements of this ordinance in the areas of the city to which they apply. Such provisions shall be deemed to be in addition to, and not in lieu of, the provisions of this ordinance except in cases of conflict, in which event the more restrictive provisions shall apply.~~

Sec. 1-1. Purpose and authority.

A. The purpose of this Ordinance is to ensure the general health, safety, and welfare of the citizens of the City of Virginia Beach and protect the quality and quantity of state waters from the potential harm of unmanaged stormwater, including protection from a land disturbing activity causing unreasonable degradation of properties, water quality, stream channels, and other natural resources, and to establish procedures whereby stormwater requirements related to water quality and quantity shall be administered and enforced.

B. This ordinance is adopted pursuant to Article 2.3 (§ 62.1-44.15:24 *et seq*.) of Chapter 3.1 of Title 62.1 of the Code of Virginia, and in compliance with 9VAC25-870-10 *et seq.* of the Virginia Stormwater Management Regulations.

Sec. 1-2. Stormwater management program established.

Pursuant to § 62.1-44.15:27 of the Code of Virginia, the City of Virginia Beach hereby establishes a Virginia stormwater management program for land-disturbing activities and adopts the applicable Regulations that specify standards and specifications for VSMPs promulgated by the State Board for the purposes set out in Section 1-1 of this Ordinance. The City Council of the City of Virginia Beach hereby designates the City Manager, or his designee(s), as the Administrator of the Virginia stormwater management program.

Sec. 1-3. Definitions.

In addition to the definitions set forth in 9VAC25-870-10 of the Virginia Stormwater Management Regulations, as amended, which are expressly adopted and incorporated herein by reference, the following words

668 and terms used in this Ordinance have the following meanings unless otherwise specified herein. Where
669 definitions differ, those incorporated herein shall have precedence.
670
671 "*Administrator*" means the City Manager, or his designee(s).
672
673 *"Agreement in lieu of a stormwater management plan"* means a contract between the VSMP authority
674 and the owner or permittee that specifies methods that shall be implemented to comply with the requirements of
675 a VSMP for the construction of a single-family residence; such contract may be executed by the VSMP authority in
676 lieu of a stormwater management plan.
677
678 "*Applicant*" means any person submitting an application for a permit or requesting issuance of a permit
679 under this Ordinance.
680
681 *"Best management practice"* or "BMP" means schedules of activities, prohibitions of practices, including
682 both structural and nonstructural practices, maintenance procedures, and other management practices to prevent
683 or reduce the pollution of surface waters and groundwater systems from the impacts of land-disturbing activities.
684
685 *"Channel"* means a natural or manmade waterway.
686
687 "*Chesapeake Bay Preservation Act land-disturbing activity*" means a land-disturbing activity including
688 clearing, grading, or excavation that results in a land disturbance equal or greater than 2,500 square feet and less
689 than one acre in all areas of jurisdictions designated as subject to the Chesapeake Bay Preservation Area
690 Designation and Management Regulations (9VAC25-830) adopted pursuant to the Chesapeake Bay Preservation
691 Act.
692
693 *"Common plan of development or sale"* means a contiguous area where separate and distinct
694 construction activities may be taking place at different times on different schedules.
695
696 *"Construction activity"* means any clearing, grading or excavation associated with large construction
697 activity or associated with small construction activity.
698
699 *"Control measure"* means any best management practice or stormwater facility, or other method used to
700 minimize the discharge of pollutants to state waters.
701
702 *"Clean Water Act" or "CWA"* means the federal Clean Water Act (33 U.S.C §1251 et seq.), formerly
703 referred to as the Federal Water Pollution Control Act or Federal Water Pollution Control Act Amendments of
704 1972, Public Law 92-500, as amended by Public Law 95-217, Public Law 95-576, Public Law 96-483, and Public Law
705 97-117, or any subsequent revisions thereto.
706
707 *"Department"* means the Department of Environmental Quality.
708
709 *"Development"* means land disturbance and the resulting landform associated with the construction of
710 residential, commercial, industrial, institutional, recreation, transportation or utility facilities or structures or the
711 clearing of land for non-agricultural or non-silvicultural purposes.
712
713 *"Drainage area"* means a land area, water area, or both from which runoff flows to a common point.
714
715 *"Flooding"* means a general or temporary condition of partial or complete inundation of normally dry land
716 areas from:
717
718 (a) The overflow of inland or tidal waters,
719 (b) The unusual and rapid accumulation or runoff of surface waters from any source, or

(c) Mudflows, which area proximately caused by flooding as defined in paragraph (1)(b) of this definition and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current.

The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels or suddenly caused by an unusually high water level in a natural body of water, accompanied by a severe storm, or by an unanticipated force of nature such as flash flood or an abnormal tidal surge, some similarly unusual and unforeseeable event that results in flooding as defined above.

"Floodplain" means any land area susceptible to being inundated by water from any source.

"General permit" means the state permit titled GENERAL PERMIT FOR DISCHARGES OF STORMWATER FROM CONSTRUCTION ACTIVITIES found in Chapter 880 (9VAC25-880-1 *et seq*.) of the Regulations authorizing a category of discharges under the CWA and the Act within a geographical area of the Commonwealth of Virginia.

"Hydrologic Unit Code" or "HUC" means a watershed unit established in the most recent version of Virginia's 6th Order National Watershed Boundary Dataset unless specifically identified as another order.

"Impervious cover" means a surface composed of material that significantly impedes or prevents natural infiltration of water into soil.

"Land disturbance" or *"land-disturbing activity"* means a man-made change to the land surface that potentially changes its runoff characteristics including clearing, grading, or excavation except that the term shall not include those exemptions specified in Section 1-4 of this Ordinance.

"Large construction activity" means construction activity including clearing, grading and excavation, except operations that result in the disturbance of less than five acres of total land area. Large construction activity also includes the disturbance of less than five acres of total land areas that is a part of a larger common plan of development or sale if the larger common plan will ultimately disturb five acres or more. Large construction activity does not include routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the facility.

"Layout" means a conceptual drawing sufficient to provide for the specified stormwater management facilities required at the time of approval.

"Linear development project" means a land-disturbing activity that is linear in nature such as, but not limited to, (i) the construction of electric and telephone utility lines, and natural gas pipelines; (ii) construction of tracks, rights-of-way, bridges, communication facilities and other related structures of a railroad company; (iii) highway construction projects; (iv) construction of stormwater channels and stream restoration activities; and (v) water and sewer lines. Private subdivision roads or streets shall not be considered linear development projects.

"Major municipal separate storm sewer outfall" or "major outfall" means a municipal separate storm sewer outfall that discharges from a single pipe with an inside diameter of 36 inches or more or its equivalent (discharge from a single conveyance other than circular pipe which is associated with a drainage areas of more than 50 acres); or for municipal separate storm sewers that receive stormwater from lands zoned for industrial activity (based on comprehensive zoning plans or the equivalent), with an outfall that discharges from a single pipe with an inside diameter of 12 inches or more or from its equivalent (discharge from other than a circular pipe associated with a drainage areas of two acres or more).

"Minor modification" means an amendment to an existing general permit before its expiration not requiring extensive review and evaluation including, but not limited to, changes in EPA promulgated test protocols,

increased monitoring frequency requirements, changes in sampling locations, and changes to compliance dates within the overall compliance schedules. A minor general permit modification or amendment does not substantially alter general permit conditions, substantially increase or decrease the amount of surface water impacts, increase the size of the operation, or reduce the capacity of the facility to protect human health or the environment.

"Natural channel design concepts" means the utilization of engineering analysis based on fluvial geomorphic processes to create, rehabilitate, restore, or stabilize an open conveyance system for the purpose of creating or recreating a stream that conveys its bankfull storm event within its banks and allows larger flows to access its floodplain.

"Natural stream" means a tidal or nontidal watercourse that is part of the natural topography. It usually maintains a continuous or seasonal flow during the year and is characterized as being irregular in cross-section with a meandering course. Constructed channels such as drainage ditches or swales shall not be considered natural streams; however, channels designed utilizing natural channel design concepts may be considered natural steams.

"Nonpoint source pollution" means pollution such as sediment, nitrogen, phosphorous, hydrocarbons, heavy metals, and toxics whose sources cannot be pinpointed but rather are washed from the land surface in a diffuse manner by stormwater runoff.

"Operator" means the owner or operator of any facility or activity subject to the Act and this chapter. In the context of stormwater associated with a large or small construction activity or Chesapeake Bay Preservation Act land-disturbing activity, operator means any person associated with a construction project that meets either of the following two criteria: (i) the person has direct operation control over construction plans and specifications, including the ability to make modifications to those plans and specifications or (ii) the person has day-to-day operational control of those activities at a project that are necessary to ensure compliance with a stormwater pollution prevention plan for the site or other state permit or VSMP authority permit conditions (i.e., they are authorized to direct workers at a site to carry out activities required by the stormwater pollution prevention plan or comply with other permit conditions). In the context of stormwater discharges from Municipal Separate Storm Sewer Systems (MS4s), operator means the operator of the regulated MS4 system.

"Outfall" means, when used in reference to municipal separate storm sewers, a point source at the point where a municipal separate storm sewer discharges to surface waters and does not include open conveyances connecting two municipal separate storm sewers, or pipes, tunnels or other conveyances with connected segments of the same stream or other surface waters and are used to convey surface waters.

"Owner" means the Commonwealth or any of its political subdivisions including, but not limited to, sanitation district commissions and authorities, and any public or private institution, corporation, association, firm or company organized or existing under the laws of this or any other state or country, or any officer or agency of the United States, or any person or group of persons acting individually or as a group that owns, operates, charters, rents, or otherwise exercises control over or is responsible for any actual or potential discharge of sewage, industrial wastes, or other wastes or pollutants to state waters, or any facility or operation that has the capability to alter the physical, chemical, or biological properties of state waters in contravention of § 62.14-44.5 of the Code of Virginia, the Act and this chapter.

"Peak flow rate" means the maximum instantaneous flow from a prescribed design storm at a particular location.

"Percent impervious" means the impervious area within the site divided by the area of the site multiplied by 100.

"Permit" or *"VSMP Authority Permit"* means an approval to conduct a land-disturbing activity issued by the Administrator for the initiation of a land-disturbing activity, in accordance with this Ordinance, and which may only be issued after evidence of general permit coverage has been provided by the Department, if required.

827
828 *"Permittee"* means the person to whom the VSMP Authority Permit is issued.
829
830 *"Person"* means any individual, corporation, partnership, association, state, municipality, commission, or
831 political subdivision of a state, governmental body, including federal, state, or local entity as applicable, any
832 interstate body or any other legal entity.
833
834 *"Point of discharge"* means a location at which concentrated stormwater runoff is released.
835
836 *"Pollutant discharge"* means the average amount of a particular pollutant measured in pounds per year or
837 other standard reportable unit as appropriate, delivered by stormwater runoff.
838
839 *"Pollution"* means such alteration of a physical, chemical or biological properties of any state waters as
840 will or is likely to create a nuisance or render such waters (a) harmful or detrimental or injurious to the public
841 health, safety or welfare, or to the health of animals, fish or aquatic life; (b) unsuitable with reasonable treatment
842 for use as present or possible future sources of public water supply; or (c) unsuitable for recreational, commercial,
843 industrial, agricultural, or other reasonable uses, provided that (i) an alteration of the physical, chemical, or
844 biological property of state waters, or a discharge or deposit of sewage, industrial wastes or other wastes to state
845 waters by any owner which by itself is not sufficient to cause pollution, but which in combination with such
846 alteration of or discharge or deposit to state waters by other owners, is sufficient to cause pollution; (ii) the
847 discharge of untreated sewage by any owner into state waters; and (iii) contributing to the contravention of
848 standards of water quality duly established by the State Water Control Board, are "pollution" for the terms and
849 purposes of this chapter.
850
851 *"Postdevelopment"* refers to conditions that reasonably may be expected or anticipated to exist after
852 completion of the land development activity on a specific site.
853
854 *"Predevelopment"* refers to the conditions that exist at the time that plans for the land development of a
855 tract of land are submitted to the VSMP authority. Where phased development or plan approval occurs
856 (preliminary grading, demolition of existing structures, roads and utilities, etc.), the existing conditions at the time
857 prior to the first item being submitted shall establish predevelopment conditions.
858
859 *"Prior developed lands"* means land that has been previously utilized for residential, commercial,
860 industrial, institutional, recreation, transportation or utility facilities or structures, and that will have the
861 impervious area associated with those uses altered during a land-disturbing activity.
862
863 *"Qualified personnel"* means a person knowledgeable in the principles and practices of erosion and
864 sediment and stormwater management controls who possesses the skills to assess conditions at the construction
865 site for the operator that could impact stormwater quality and quantity and to assess the effectiveness of any
866 sediment and erosion control measures or stormwater management facilities selected to control the quality and
867 quantity of stormwater discharges from the construction activity. For VSMP authorities this requires the use of a
868 person who holds a certificate of competency from the board in the area of project inspection for ESC and project
869 inspection for SWM or combined administrator for ESC and combined administrator for SWM as defined in
870 9VAC25-850-10 or a combination of ESC and SWM qualifications from these two area.
871
872 "*Regulations*" means the Virginia Stormwater Management Program (VSMP) Regulations, 9VAC25-870, as
873 amended.
874
875 *"Runoff coefficient"* means the fraction of total rainfall that will appear at a conveyance as runoff.
876
877 *"Runoff" or "stormwater runoff"* means that portion of precipitation that is discharged across the land
878 surface or through conveyances to one or more waterways.
879
880 *"Runoff characteristics"* include maximum velocity, peak flow rate, volume, and flow duration.
881

"Runoff volume" means the volume of water that runs off the site from a prescribed design storm.

"Schedule of compliance" means a schedule of remedial measures included in a state permit, including an enforceable sequence of interim requirements (for example, actions, operations, or milestone events) leading to compliance with the Act, the CWA and regulations.

"Site" means the land or water area where any facility or land-disturbing activity is physically located or conducted, including adjacent land used or preserved in connection with the facility or land-disturbing activity. Areas channelward of mean low water shall not be considered part of a site.

"Site hydrology" means the movement of water on, across, through and off the site as determined by parameters including, but not limited to, soil types, soil permeability, vegetative cover, seasonal water tables, slopes, land cover, and impervious cover.

"Small construction activity" means

1. Construction activities including clearing, grading, and excavating that results in land disturbance of equal to or greater than one acre, and less than five acres. Small construction activity also includes the disturbance of less than one acre of total land area that is part of a larger common plan of development of sale if the larger common plan will ultimately disturb equal to or greater than one and less than five acres. Small construction activity does not include routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the facility. The board may waive the otherwise applicable requirements in a general permit for a stormwater discharge from construction activities that disturb less than five acres where stormwater controls are not needed based on a "total maximum daily load" (TMDL) that addresses the pollutant(s) of concern or, for nonimpaired waters that do not require TMDLs, an equivalent analysis that determines allocations for small construction sites for the pollutant(s) of concern or that determines that such allocations are not needed to protect water quality based on consideration of existing in-stream concentrations, expected growth in pollutant contributions from all sources, and a margin of safety. For the purpose of this subdivision, the pollutant(s) of concern include sediment or a parameter that addresses sediment (such as total suspended solids, turbidity or siltation) and any other pollutant that has been identified as a cause of impairment of any water body that will receive a discharge from the construction activity. The operator must certify to the board that the construction activity will take place and stormwater discharges will occur, within the drainage area addressed by the TMDL or equivalent analysis.

2. Any other construction activity designated by the either board or the EPA regional administrator, based on the potential for contribution to a violation of a water quality standard or for significant contribution of pollutants to surface waters.

"Special Flood Hazard Area" means the land in the floodplain subject to a one (1) percent or greater chance of being flooded in any given year as set forth in the Floodplain Ordinance (Appendix K).

"State" means the Commonwealth of Virginia.

"State Board" means the State Water Control Board.

"State permit" means an approval to conduct a land-disturbing activity issued by the State Board in the form of a state stormwater individual permit or coverage issued under a state general permit or an approval issued by the State Board for stormwater discharges from an MS4. Under these state permits, the Commonwealth imposes and enforces requirements pursuant to the federal Clean Water Act and regulations, the Virginia Stormwater Management Act and the Regulations.

"State Water Control Law" means Chapter 3.1 (§62.1-44.2 *et seq.*) of Title 62.1 of the Code of Virginia.

"State waters" means all water, on the surface and under the ground, wholly or partially within or bordering the Commonwealth or within its jurisdiction, including wetlands.

"Stormwater" means precipitation that is discharged across the land surface or through conveyances to one or more waterways and that may include stormwater runoff, snow melt runoff, and surface runoff and drainage.

"Stormwater Appeals Board" is the appeal authority designated by City Council to hear appeals from any permit applicant or permittee, or person subject to Ordinance requirements, aggrieved by any action of the City taken in regard to the Ordinance without a formal hearing. The Board shall be appointed by City Council and shall consist of six (6) members, one (1) from the Department of Planning, one (1) from the Department of Public Works, one (1) from the Department of Public Utilities and three (3) citizen members. The city attorney or his designee shall serve as legal counsel to the Stormwater Appeals Board.

"Stormwater conveyance system" means a combination of drainage components that are used to convey stormwater discharge, either within or downstream of the land-disturbing activity. This includes:

1. "Manmade stormwater conveyance system" means a pipe, ditch, vegetated swale, or other stormwater conveyance system constructed by man except for restored stormwater conveyance systems;

2. "Natural stormwater conveyance system" means the main channel of a natural stream and the flood-prone area adjacent to the main channel; or

3. "Restored stormwater conveyance system" means a stormwater conveyance system that has been designed and constructed using natural channel design concepts. Restored stormwater conveyance systems include the main channel and the flood-prone area adjacent to the main channel.

"Stormwater discharge associated with construction activity" means a discharge of stormwater runoff from areas where land-disturbing activities (e.g., clearing, grading, or excavation); construction materials or equipment storage or maintenance (e.g., fill piles, borrow area, concrete truck washout, fueling); or other industrial stormwater directly related to the construction process (e.g., concrete or asphalt batch plants) are located.

"Stormwater management facility" means a control measure that controls stormwater runoff and changes the characteristics of that runoff including, but not limited to, the quantity and quality, the period of release or the velocity of flow.

"Stormwater management plan" means a document(s) containing material describing methods for complying with the requirements of Section 1-6 of this Ordinance.

"Stormwater Pollution Prevention Plan" or "*SWPPP*" means a document that is prepared in accordance with good engineering practices and that identifies potential sources of pollutants that may reasonably be expected to affect the quality of stormwater discharges from the construction site, and otherwise meets the requirements of this Ordinance. In addition the document shall identify and require the implementation of control measures, and shall include, but not be limited to the inclusion of or the incorporation by reference of, an approved erosion and sediment control plan, an approved stormwater management plan, and a pollution prevention plan.

"Subdivision" means the same as defined in Section 1.4 of the Subdivision Regulations of the City of Virginia Beach [Appendix B].

"Total maximum daily load" or *"TMDL"* means the sum of the individual wasteload allocations for point sources, load allocations for nonpoint sources, natural background loading and a margin of safety. TMDLs can be

991 expressed in terms of either mass per time, toxicity, or other appropriate measure. The TMDL process provides for
992 point versus nonpoint source trade-offs.
993
994 *"Virginia Stormwater BMP Clearinghouse Website"* means a website that contains detailed design
995 standards and specifications for control measures that may be used in Virginia to comply with the requirements of
996 the Virginia Stormwater Management Act and associated regulations.
997
998 *"Virginia Stormwater Management Act"* or *"Act"* means Article 2.3 (§62.1-44.15:24 *et seq*.) of Chapter 3.1
999 of Title 62.1 of the Code of Virginia.
1000
1001 *"Virginia Stormwater Management Handbook"* means a collection of pertinent information that provides
1002 general guidance for compliance with the Act and associated regulations and is developed by the department with
1003 advice from a stakeholder advisory committee.
1004
1005 *"Virginia Stormwater Management Program" or "VSMP"* means a program approved by the State Board
1006 after September 13, 2011, that has been established by a locality to manage the quality and quantity of runoff
1007 resulting from land-disturbing activities and shall include such items as local ordinances, rules, permit
1008 requirements, annual standards and specifications, policies and guidelines, technical materials, and requirements
1009 for plan review, inspection, enforcement, where authorized in this article, and evaluation consistent with the
1010 requirements of this article and associated regulations.
1011
1012 *"Virginia Stormwater Management Program authority"* or *"VSMP authority"* means an authority approved
1013 by the State Board after September 13, 2011, to operate a Virginia Stormwater Management Program.
1014
1015 **Sec. 1-4. Stormwater applicability and exemptions.**
1016
1017 A. Except as provided herein, no person may engage in any land-disturbing activity until a VSMP
1018 authority permit or an executed agreement in lieu of a stormwater plan has been issued by the
1019 Administrator in accordance with the provisions of this Ordinance.
1020
1021 B. When a VSMP permit is not required pursuant to an exemption listed below, all land disturbing
1022 activities that disturb 2,500 square feet or more of land must obtain a Land Disturbing Permit in
1023 accordance with the provisions of the City of Virginia Beach Erosion and Sediment Control Ordinance
1024 (Chapter 30).
1025
1026 C. A Chesapeake Bay Preservation Act Land-Disturbing Activity shall not be required to obtain a
1027 general Permit, but will be required to obtain a Land Disturbing Permit and be subject to an erosion and
1028 sediment control plan consistent with the requirements of the Erosion and Sediment Control
1029 Ordinance, a stormwater management plan as outlined under Section 1-6, the technical criteria and
1030 administrative requirements for land-disturbing activities outlined in Sections 1-10 through 1-19 and 1-
1031 22 through 1-27, the variance procedures of Section 1-21 and the requirements for control measures
1032 and long-term maintenance outlined under Section 1-28.
1033
1034 D. Single-family residences separately built and disturbing less than one (1) acre and that are part of
1035 a larger common plan of development or sale, and not located in the Chesapeake Bay Preservation
1036 Area, shall operate in accordance with the general permit and required SWPPP, but shall not be
1037 required to complete a registration statement.
1038
1039 E. Notwithstanding any other provisions of this Ordinance, the following activities are exempt,
1040 unless otherwise required by federal law:
1041
1042 1. Permitted surface or deep mining operations and projects, or oil and gas operations and projects
1043 conducted under the provisions of Title 45.1 of the Code of Virginia;
1044

2. Clearing of lands specifically for agricultural purposes and the management, tilling, planting, or harvesting of agricultural, horticultural, or forest crops, livestock feedlot operations, or as additionally set forth by the State Board in regulations, including engineering operations as follows: construction of terraces, terrace outlets, check dams, desilting basins, dikes, ponds, ditches, strip cropping, lister furrowing, contour cultivating, contour furrowing, land drainage, and land irrigation; however, this exception shall not apply to harvesting of forest crops unless the area on which harvesting occurs is reforested artificially or naturally in accordance with the provisions of Chapter 11 (§ 10.1-1100 et seq.) of Title 10.1 of the Code of Virginia or is converted to bona fide agricultural or improved pasture use as described in Subsection B of § 10.1-1163 of Article 9 of Chapter 11 of Title 10.1 of the Code of Virginia;

3. Single-family residences separately built and disturbing less than one acre and not part of a larger common plan of development or sale, including additions or modifications to existing single-family detached residential structures, unless the land disturbance is located in the Chesapeake Bay watershed. In the Chesapeake Bay watershed, single-family residences separately built and disturbing less than 2500 square feet are exempt;

4. Land disturbing activities that disturb less than one acre of land area, and not part of a larger common plan of development or sale, except in areas designated by the City as subject to the Chesapeake Bay Preservation Area Designation and Management Regulations, where land disturbing activities less than 2500 square feet are exempt;

5. Discharges to a sanitary sewer;

6. Activities under a State or federal reclamation program to return an abandoned property to an agricultural or open land use;

7. Routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original construction of the project. The paving of an existing road with a compacted or impervious surface and reestablishment of existing associated ditches and shoulders shall be deemed routine maintenance if performed in accordance with this Subsection; and

8. Conducting land-disturbing activities in response to a public emergency where the related work requires immediate authorization to avoid imminent endangerment to human health or the environment. In such situations, the Administrator shall be advised of the disturbance within seven days of commencing the land-disturbing activity and compliance with the administrative requirements of subsection A. is required within 30 days of commencing the land-disturbing activity.

Sec. 1-5. Submission and approval of plans.

A. No VSMP authority permit shall be issued by the Administrator, until the following items have been submitted to and approved by the Administrator as prescribed herein:

1. A plan review package that includes a general permit registration statement, if required. Registration statements are not required for detached single-family home construction, within or outside of a common plan of development or sale; however the such construction must adhere to the requirements of the general permit;

2. An erosion and sediment control plan approved in accordance with the City of Virginia Beach Erosion and Sediment Control Ordinance (Chapter 30);

3. A stormwater management plan that meets the requirements of Section 1-6 of this Ordinance or an executed agreement in lieu of a stormwater management plan; and

4. When the development of property is proposed, a site plan or subdivision construction plan incorporating all applicable requirements of the Subdivision Regulations (Appendix B) and Site Plan Ordinance (Appendix C).

B. No VSMP authority permit shall be issued until evidence of general permit coverage is obtained, if required.

C. No VSMP authority permit shall be issued until the fees required to be paid pursuant to Section 1-33, are received, and a reasonable performance bond required pursuant to Section 1-34 of this Ordinance has been accepted.

D. No VSMP authority permit shall be issued until the Stormwater Management Facility Maintenance Agreement is submitted and approved pursuant to Section 1-28 of this Ordinance.

E. No VSMP authority permit shall be issued unless and until the permit application and attendant materials and supporting documentation demonstrate that all land clearing, construction, disturbance, land development and drainage will be done according to the approved plan.

F. No grading, building or other local permit shall be issued for a property unless a VSMP authority permit has been issued by the Administrator, unless such activity is exempt.

G. No VSMP authority permit shall be issued until an Agreement in Lieu of a Stormwater Plan, if required, has been executed, submitted and approved.

Sec. 1-6. Stormwater management plan; content of plan.

A. The Stormwater Management Plan, required in Section 1-4 of this Ordinance, must apply the stormwater management technical criteria set forth in Sections 1-10 through 1-19 and 1-22 through 1-27 of this Ordinance to the entire site or common plan of development or sale where applicable, consider all sources of surface runoff and all sources of surface and groundwater flows converted to surface runoff. Individual lots in new residential, commercial or industrial developments shall not be considered separate land-disturbing activities. Approved stormwater management plans for residential, commercial or industrial subdivisions govern the individual parcels within that plan throughout the development life of the lots even with subsequent owners.

The Stormwater Management Plan shall include the following information:

1. Information on the type and location of stormwater discharges; information on the features to which stormwater is being discharged including surface waters and the predevelopment and postdevelopment drainage areas;

2. Contact information including the name, address, and telephone number of the owner, and the applicant if not the owner, and the GPIN and parcel number of the property or properties affected;

3. A narrative that includes a description of current site conditions and final site conditions;

4. A general description of the proposed stormwater management facilities and the mechanism through which the facilities will be operated and maintained after construction is complete;

5. Information on the proposed stormwater management facilities, including:

   i. The type of facilities;
   ii. Location, including geographic coordinates expressed in U.S. Survey Feet and based on the Virginia State Plane Coordinate System, South Zone, NAD 1983/1993 (High Accuracy Reference Network) (HARN) or Latitude and Longitude;

iii. Area treated, measured in square feet and acreage; and
iv. The surface waters into which the facility will discharge.

6. Hydrologic and hydraulic computations, including runoff characteristics;

7. Documentation and calculations verifying compliance with the water quality and quantity requirements of Sections 1-10 through 1-19 or 1-22 through 1-27 of this Ordinance.

8. A map or maps of the site that depicts the topography of the site and includes:

i. All contributing drainage areas;
ii. Existing streams, ponds, culverts, ditches, wetlands, other water bodies, and floodplains;
iii. Soil types, forest cover, and other vegetative areas;
iv. Current land use including existing structures, roads, and locations of known utilities and easements;
v. Sufficient information on adjoining parcels to assess the impacts of stormwater from the site on these parcels;
vi. The limits of clearing and grading, and the proposed drainage patterns on the site;
vii. Proposed buildings, roads, parking areas, utilities, and stormwater management facilities;
viii. Proposed land use with tabulation of the percentage of surface area to be adapted to various uses, including but not limited to planned locations of utilities, roads, and easements;
ix. All Chesapeake Bay Preservation Area designations of Resource Protection Areas, including variable width buffers;
x. All Southern Watershed buffers and nontidal wetlands, pursuant to Appendix G of the Virginia Beach City Code; and
xi. Any other information reasonably necessary for an evaluation of the development activity.

B. If an operator intends to meet the water quality or quantity requirements set forth in Sections 1-10 through 1-19 and 1-22 through 1-27 of this Ordinance through the use of off-site compliance options, where applicable, then a letter of availability from the off-site provider must be included. Approved off-site options must achieve the necessary nutrient reductions prior to the commencement of the applicant's land-disturbing activity except as otherwise allowed by § 62.1-44.15:35 of the Code of Virginia.

C. If an operator intends to meet the water quality and quantity requirements available in an existing off-site regional or locally shared stormwater management facility, pursuant to a previously approved plan, documentation shall be required indicating that the facility meets the quality and quantity technical criteria set forth in Sections 1-10 through 1-19 and 1-22 through 1-27 of this Ordinance and that a Stormwater Management Facilities Maintenance Agreement acceptable to the City has been recorded and that all necessary easements are in place to access and utilize the Stormwater Management Facility.

D. Elements of the stormwater management plans that include activities regulated under Chapter 4 (§54.1-400 et seq.) of Title 54.1 of the Code of Virginia shall be appropriately sealed and signed by a professional registered in the Commonwealth of Virginia pursuant to Article 1 (§ 54.1-400 et seq.) of Chapter 4 of Title 54.1 of the Code of Virginia.

E. A maintenance agreement and adequate easements, executed and recorded to ensure responsibility for the maintenance of any stormwater management facilities constructed under the requirements of this ordinance, unless exempted from this requirement under section 1-28, and to ensure appropriate access to such facilities for maintenance, inspection and corrective action.

Sec. 1-7. Review of stormwater management plans.

A. The Administrator shall review stormwater management plans and shall approve or disapprove a stormwater management plan according to the following:

1. The Administrator shall determine the completeness of a plan submittal package in accordance with Section 1-6 of this Ordinance, and shall notify the applicant, in writing, of such determination, within 15 calendar days of receipt. If the plan is deemed to be incomplete, the above written notification shall contain the reasons the plan submittal package is deemed incomplete.

2. The Administrator shall have an additional 60 calendar days from the date of the communication of completeness to review the plan, except that if a determination of completeness is not made within the time prescribed in subdivision 1., then the plan shall be deemed complete and the Administrator shall have 60 calendar days from the date of submission to review the plan.

3. The Administrator shall review any plan that has been previously disapproved, within 45 calendar days of the date of resubmission.

4. During the review period, the plan shall be approved or disapproved and the decision communicated in writing to the person responsible for the land-disturbing activity or his designated agent. If the plan is not approved, the reasons for not approving the plan shall be provided in writing. Approval or denial shall be based on the plan's compliance with the requirements of this Ordinance.

5. If a plan meeting all requirements of this Ordinance is submitted and no action is taken within the time provided above in subdivision 2. for review, the plan shall be deemed approved.

6. All written correspondence shall be by email or facsimile unless requested otherwise in writing by the applicant.

B. Approved stormwater plans may be modified as follows:

1. Modifications to an approved stormwater management plan shall be allowed only after review and written approval by the Administrator. The Administrator shall have 60 calendar days to respond in writing either approving or disapproving such request.

2. The Administrator may require that an approved stormwater management plan be amended, within a time prescribed by the Administrator, to address any deficiencies noted during inspection.

C. The Administrator shall require the submission of a construction record drawing for permanent stormwater management facilities. The Administrator may elect not to require construction record drawings for stormwater management facilities for which recorded maintenance agreements are not required pursuant to Section 1-28. Prior to the release of the surety and final approval of the facility by the City a construction record drawing for permanent stormwater management facilities shall be submitted, inspected and approved by the Administrator. The construction record drawing shall be appropriately sealed and signed by a professional registered in the Commonwealth of Virginia, certifying that the stormwater management facilities have been constructed in accordance with the approved plan.

Sec. 1-8. Stormwater pollution prevention plan; content of plan.

A. The Stormwater Pollution Prevention Plan (SWPPP) is not required to be submitted for review and approval, however, it is a requirement of the VSMP and general permit and will be reviewed during inspections. Specific components of the SWPPP, as required by Section 1-6 will be reviewed.

B. The Stormwater Pollution Prevention Plan (SWPPP) shall include the content specified by Section 9VAC25-870-54, but not limited to, an approved erosion and sediment control plan, an approved stormwater management plan, a pollution prevention plan for regulated land disturbing activities and a description of any additional control measures necessary to address a TMDL if required.

C. The SWPPP must also comply with the requirements and general information set forth in Section 9VAC25-880-70, Section II [stormwater pollution prevention plan] of the general permit.

D. The SWPPP shall be amended by the operator whenever there is a change in design, construction, operation, or maintenance that has a significant effect on the discharge of pollutants to state waters which is not addressed by the existing SWPPP.

E. The SWPPP must be maintained by the operator at a central location onsite. If an onsite location is unavailable, notice of the SWPPP's location must be posted near the main entrance at the construction site. Operators shall make the SWPPP available for public review in accordance with Section II of the general permit, either electronically or in hard copy.

Sec. 1-9. Pollution prevention plan; content of plan.

A. A Pollution Prevention Plan, required by 9VAC25-870-56, shall be developed, implemented, and updated as necessary and must detail the design, installation, implementation, and maintenance of effective pollution prevention measures to minimize the discharge of pollutants. At a minimum, such measures must be designed, installed, implemented, and maintained to:

1. Minimize the discharge of pollutants from equipment and vehicle washing, wheel wash water, and other wash waters. Wash waters must be treated in a sediment basin or alternative control that provides equivalent or better treatment prior to discharge;

2. Minimize the exposure of building materials, building products, construction wastes, trash, landscape materials, fertilizers, pesticides, herbicides, detergents, sanitary waste, and other materials present on the site to precipitation and to stormwater; and

3. Minimize the discharge of pollutants from spills and leaks and implement chemical spill and leak prevention and response procedures.

B. The pollution prevention plan shall include effective best management practices to prohibit the following discharges:

1. Wastewater from washout of concrete, unless managed by an appropriate control;

2. Wastewater from washout and cleanout of stucco, paint, form release oils, curing compounds, and other construction materials;

3. Fuels, oils, or other pollutants used in vehicle and equipment operation and maintenance; and

4. Soaps or solvents used in vehicle and equipment washing.

C. Discharges from dewatering activities, including discharges from dewatering of trenches and excavations, are prohibited unless managed by appropriate controls.

Sec. 1-10. Applicability of technical criteria for regulated land disturbing activities.

Except as grandfathered in accordance with the provisions of Section 1-20, Sections 1-10 through 1-19 establish the minimum technical criteria for regulated land-disturbing activities that shall be employed to protect the quality and quantity of state water from the potential harm of unmanaged stormwater runoff resulting from land-disturbing activities.

Sec. 1-11. Water quality design criteria requirements.

A. In order to protect the quality of state waters and to control the discharge of stormwater pollutants from regulated activities, the following minimum design criteria and statewide standards for stormwater management shall be applied to the site.

1. New development. The total phosphorus load of new development projects shall not exceed 0.41 pounds per acre per year, as calculated pursuant to Section 1-12.

2. Development on prior developed lands.

a. For land-disturbing activities disturbing greater than or equal to one acre that results in no net increase in impervious cover from the predevelopment condition, the total phosphorus load shall be reduced at least 20% below the predevelopment total phosphorus load.
b. For regulated land-disturbing activities disturbing less than one acre that result in no net increase in impervious cover from the predevelopment condition, the total phosphorus load shall be reduced at least 10% below the predevelopment total phosphorus load.
c. For land-disturbing activities that result in a net increase in impervious cover over the predevelopment condition, the design criteria for new development shall be applied to the increased impervious area. Depending on the area of disturbance, the criteria of subdivisions a or b above, shall be applied to the remainder of the site.
d. In lieu of subdivision c, the total phosphorus load of a linear development project occurring on prior developed lands shall be reduced 20% below the predevelopment total phosphorus load.
e. The total phosphorus load shall not be required to be reduced to below the applicable standard for new development unless a more stringent standard has been established by the City.

B. Compliance with subsection A of this section shall be determined in accordance with Section 1-12.

Sec. 1-12. Water quality compliance.

A. Compliance with the water quality design criteria set out in Sections A1 and A2 of Section 1-11 shall be determined by utilizing the Virginia Runoff Reduction Method or another equivalent methodology that is approved by the State Water Control Board.

B. The BMPs listed in 9VAC25-870-65.B are approved for use as necessary to effectively reduce the phosphorus load and runoff volume in accordance with the Virginia Runoff Reduction Method. Other approved BMPs found on the Virginia Stormwater BMP Clearinghouse Website may also be utilized. Design specifications and the pollutant removal efficiencies for all approved BMPs are found on the Virginia Stormwater BMP Clearinghouse Website.

C. However, where a site drains to more than one HUC, the pollutant load reduction requirements shall be applied independently within each HUC unless reductions are achieved in accordance with a comprehensive watershed stormwater management plan in accordance with Section 1-19.

D. Offsite alternatives where allowed in accordance with Section 1-14 may be utilized to meet the design criteria of subsection A of Section 1-11.

Sec. 1-13. Water quantity.

A. Channel protection and flood protection shall be addressed in accordance with the minimum standards set out in this section.

B. Channel protection. Concentrated stormwater flow shall be released into a stormwater conveyance system and shall meet the criteria in subdivision 1, 2, or 3 of this subsection, where

applicable, from the point of discharge to a point to the limits of analysis in subdivision 4 of this subsection.

1. Manmade stormwater conveyance systems. When stormwater from a development is discharged to a manmade stormwater conveyance system, following the land-disturbing activity, either:

    a. The manmade stormwater conveyance system shall convey the postdevelopment peak flow rate from the two-year 24-hour storm event without causing erosion of the system. Detention of stormwater or downstream improvements may be incorporated into the approved land-disturbing activity to meet this criterion, at the discretion of the VSMP authority; or
    b. The peak discharge requirements for concentrated stormwater flow to natural stormwater conveyance systems in subdivision 3 of this subsection shall be met.

2. Restored stormwater conveyance systems. When stormwater from a development is discharged to a restored stormwater conveyance system that has been restored using natural design concepts, following the land-disturbing activity, either:

    a. The development shall be consistent, in combination with other stormwater runoff, with the design parameters of the restored stormwater conveyance system that is functioning in accordance with the design objectives; or
    b. The peak discharge requirements for concentrated stormwater flow to natural stormwater conveyance systems in subdivision 3 of this subsection shall be met.

3. Natural stormwater conveyance systems. When stormwater from a development is discharged to a natural stormwater conveyance system, the maximum peak flow rate from the one-year 24-hour storm following the land-disturbing activity shall be calculated either:

    a. In accordance with the following methodology:
    $Q_{Developed} \leq I.F. *(Q_{Pre\text{-}Developed} * RV_{Pre\text{-}Developed})/RV_{Developed}$
    Under no condition shall $Q_{Developed}$ be greater than $Q_{Pre\text{-}Developed}$ nor shall $Q_{Developed}$ be required to be less than that calculated in the equation $(Q_{Forest} * RV_{Forest})/RV_{Developed}$; where
    I.F. (Improvement Factor) equals 0.8 for sites > 1 acre or 0.9 for sites ≤ 1 acre.
    $Q_{Developed}$ = The allowable peak flow rate of runoff from the developed site.
    $RV_{Developed}$ = The volume of runoff from the site in the developed condition.
    $Q_{Pre\text{-}Developed}$ = The peak flow rate of runoff from the site in the pre-developed condition.
    $RV_{Pre\text{-}Developed}$ = The volume of runoff from the site in pre-developed condition.
    Q_{Forest} = The peak flow rate of runoff from the site in a forested condition.
    RV_{Forest} = the volume of runoff from the site in a forested condition; or
    b. In accordance with another methodology that is demonstrated by the City to achieve equivalent results and is approved by the State Water Control Board.

4. Limits of analysis. Unless subdivision 3 of this subsection is utilized to show compliance with the channel protection criteria, stormwater conveyance systems shall be analyzed for compliance with channel protection criteria to a point where either:

    a. Based on land area, the site's contributing drainage area is less than or equal to 1.0% of the total watershed area; or
    b. Based on peak flow rate, the site's peak flow rate from the one-year 24-hour storm is less than or equal to 1.0% of the existing peak flow rate from the one-year 24-hour storm prior to the implementation of any stormwater quantity control measures.

C. Flood protection. Concentrated stormwater flow shall be released into a stormwater conveyance system and shall meet one of the following criteria as demonstrated by use of acceptable hydrologic and hydraulic methodologies:

1. Concentrated stormwater flow to stormwater conveyance systems that currently do not experience localized flooding during the 10-year 24-hour storm event: The point of discharge releases stormwater into a stormwater conveyance system that, following the land-disturbing activity, confines the postdevelopment peak flow rate from the 10-year 24-hour storm event within the stormwater conveyance system. Detention of stormwater or downstream improvements may be incorporated into the approved land-disturbing activity to meet this criterion, at the discretion of the VSMP authority.

2. Concentrated stormwater flow to stormwater conveyance systems that currently experience localized flooding during the 10-year 24-hour storm event. The point of discharge either:

   a. Confines the postdevelopment peak flow rate from the 10-year 24-hour storm event within the stormwater conveyance system to avoid the localized flooding. Detention of stormwater or downstream improvements may be incorporated into the approved land-disturbing activity to meet this criterion, at the discretion of the VSMP authority; or
   b. Releases a postdevelopment peak flow rate for the 10-year 24-hour storm event that is less than the predevelopment peak flow rate from the 10-year 24-hour storm event. Downstream stormwater conveyance systems do not require any additional analysis to show compliance with flood protection criteria if this option is utilized.

3. Limits of analysis. Unless subdivision 2 b of this subsection is utilized to comply with the flood protection criteria, stormwater conveyance systems shall be analyzed from compliance with flood protection criteria to a point where:

   a. The site's contributing drainage area is less than or equal to 1.0% of the total watershed area draining to a point of analysis in the downstream stormwater conveyance system;
   b. Based on peak flow rate, the site's peak flow rate from the 10-year 24-hour storm event is less than or equal to 1.0% of the existing peak flow rate from the 10-year 24-hour storm event prior to the implementation of any stormwater quantity control measures; or
   c. The stormwater conveyance system enters a mapped floodplain or other flood-prone area, adopted by ordinance, of any locality.

D. Increased volumes of sheet flow resulting from pervious or disconnected impervious areas, or from physical spreading of concentrated flow through level spreaders, must be identified and evaluated for potential impacts on down-gradient properties or resources. Increased volumes of sheet flow that will cause or contribute to erosion, sedimentation, or flooding of down gradient properties or resources shall be diverted to a stormwater management facility or a stormwater conveyance system that conveys the runoff without causing down-gradient erosion, sedimentation, or flooding. If all runoff from the site is sheet flow and the conditions of this subsection are met, no further water quantity controls are required.

E. For purposes of computing predevelopment runoff, all pervious lands on the site shall be assumed to be in good hydrologic condition in accordance with the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) standards, regardless of conditions existing at the time of computation. Predevelopment runoff calculations utilizing other hydrologic conditions may be utilized provided that it is demonstrated to and approved by the VSMP authority that actual site conditions warrant such considerations.

F. Predevelopment and postdevelopment runoff characteristics and site hydrology shall be verified by site inspections, topographic surveys, available soil mapping or studies, and calculations consistent with good engineering practices. Guidance provided in the Virginia Stormwater Management Handbook and on the Virginia Stormwater BMP Clearinghouse website shall be considered appropriate practices.

Sec. 1-14. Offsite compliance options.

A. Offsite compliance options that the City may allow an operator to use to meet required phosphorus nutrient reductions include the following:

1. Offsite controls utilized in accordance with a comprehensive stormwater management plan adopted pursuant to Section 1-19 for the local watershed within which a project is located;

2. A locality pollutant loading pro rata share program established pursuant to § 15.2-2243 of the Code of Virginia or similar local funding mechanism;

3. The nonpoint nutrient offset program established pursuant to § 62.1-44.15:35 of the Code of Virginia;

4. Any other offsite options approved by an applicable state agency or state board; and

5. When an operator has additional properties available within the same HUC or upstream HUC that the land-disturbing activity directly discharges to or within the same watershed as determined by the City, offsite stormwater management facilities on those properties may be utilized to meet the required phosphorus nutrient reductions from the land-disturbing activity.

B. Notwithstanding subsection A of this section, and pursuant to § 62.1-44.15:35 of the Code of Virginia, operators shall be allowed to utilize offsite options identified in subsection A of this section under any of the following conditions:

1. Less than five acres of land will be disturbed;

2. The postconstruction phosphorus control requirement is less than 10 pounds per year; or

3. At least 75% of the required phosphorus nutrient reductions are achieved on-site. If at least 75% of the required phosphorus nutrient reductions cannot be met on-site, and the operator can demonstrate to the satisfaction of the City that (i) alternative site designs have been considered that may accommodate on-site best management practices, (ii) on-site best management practices have been considered in alternative site designs to the maximum extent practicable, (iii) appropriate on-site best management practices will be implemented, and (iv) full compliance with postdevelopment nonpoint nutrient runoff compliance requirements cannot practicably be met on-site, then the required phosphorus nutrient reductions may be achieved, in whole or in part, through the use of off-site compliance options.

C. Notwithstanding subsections A and B of this section, offsite options shall not be allowed:

1. Unless the selected offsite option achieves the necessary nutrient reductions prior to the commencement of the operator's land-disturbing activity. In the case of a phased project, the operator may acquire or achieve offsite nutrient reductions prior to the commencement of each phase of land-disturbing activity in an amount sufficient for each phase.

2. In contravention of local water quality-based limitations at the point of discharge that are (i) consistent with the determinations made pursuant to subsection B of § 62.1-44.19:7 of the Code of Virginia, (ii) contained in a municipal separate storm sewer system (MS4) program plan accepted by DEQ, or (iii) as otherwise may be established or approved by the board.

D. In order to meet the requirements of Section 1-13 described in subdivisions 1 and 2 of subsection A of this section may be utilized.

E. In accordance with § 62.1-44.15:35F of the Code of Virginia, nutrient credits used pursuant to subsection A shall be generated in the same or adjacent eight-digit hydrologic unit code as defined by the United States Geological Survey as the permitted site except as otherwise limited in subsection C.

Nutrient credits outside the same or adjacent eight-digit hydrologic unit code may only be used if it is determined by the Director that no credits are available within the same or adjacent eight-digit hydrologic unit code when the Director accepts the final site design. In such cases, and subject to other limitations imposed in this section, credits available within the same tributary may be used. In no case shall credits from another tributary be used.

Sec. 1-15. Design storms and hydrologic methods.

A. Unless otherwise specified, the prescribed design storms are the one-year, two-year, and 10-year 24-hour storms using the site-specific rainfall precipitation frequency data recommended by the U.S. National Oceanic and Atmospheric Administration (NOAA) Atlas 14. Partial duration time series shall be used for the precipitation data.

B. Unless otherwise specified, all hydrologic analyses shall be based on the existing watershed characteristics and how the ultimate development condition of the subject project will be addressed.

C. The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) synthetic 24-hour rainfall distribution and models, including, but not limited to TR-55 and TR-20; hydrologic and hydraulic methods developed by the U.S. Army Corps of Engineers; or other standard hydrologic and hydraulic methods, shall be used to conduct the analyses described in this part.

D. For drainage areas of 200 acres or less, the City may allow for the use of the Rational Method for evaluating peak discharges.

E. For drainage areas of 200 acres or less, the city may allow for the use of the Modified Rational Method for evaluating volumetric flows to stormwater conveyances.

Sec. 1-16. Stormwater harvesting.

In accordance with § 62.1-44.15:28 of the Code of Virginia, stormwater harvesting is encouraged for the purposes of landscape irrigation systems, fire protection systems, flushing water closets and urinals, and other water handling systems to the extent such systems are consistent with federal, state and City regulations.

Sec. 1-17. Linear development projects.

Linear development projects shall control postdevelopment stormwater runoff in accordance with a site-specific stormwater management plan or a comprehensive watershed stormwater management plan developed in accordance with these technical criteria.

Sec. 1-18. Stormwater management impoundment structures or facilities.

Stormwater management wet ponds and extended detention ponds that are not covered by the Impounding Structure Regulations (4VAC50-20) shall, at a minimum, be engineered for structural integrity for the 100-year storm event.

Sec. 1-19. Comprehensive stormwater management plans.

The City may develop comprehensive stormwater management plans to be approved by DEQ that meet the water quality objectives, quantity objectives, or both of this chapter:

1. Such plans shall ensure that offsite reductions equal to or greater than those that would be required on each contributing site are achieved within the same HUC or within another locally designated watershed. Pertaining to water quantity objectives, the plan may provide for implementation of a combination of channel improvement, stormwater detention, or other measures that are satisfactory to the locality's VSMP authority to prevent downstream erosion and flooding.

2. If the land use assumptions upon which the plan was based change or if any other amendments are deemed necessary by the locality's VSMP authority, such authority shall provide plan amendments to the department for review and approval.

3. During the plan's implementation, the locality's VSMP authority shall document nutrient reductions accredited to the BMPs specified in the plan.

4. State and federal agencies may develop comprehensive stormwater management plans, and may participate in locality-developed comprehensive stormwater management plans where practicable and permitted by the locality's VSMP authority.

Sec. 1-20. Grandfather provisions.

A. Any land-disturbing activity shall be considered grandfathered by the Administrator and shall not be subject to the technical criteria of Sections 1-10 through 1-19 of this Ordinance, but shall be subject to the technical criteria of Sections 1-22 through 1-27 of this Ordinance provided:

1. A proffered or conditional zoning plan, zoning with a plan of development, preliminary or final subdivision plat or a preliminary or final site plan or any document determined by the City to be equivalent thereto was (i) approved by the City prior to July 1, 2012, (ii) provided a layout as defined in 9VAC25-870-10, (iii) will comply with Sections 1-22 through 1-27 of this Ordinance, and (iv) has not been subsequently modified or amended in a manner resulting in an increase in the amount of phosphorus leaving each point of discharge, and such that there is no increase in the volume or rate of runoff; and

2. A state permit has not been issued prior to July 1, 2014; and

3. Land disturbance did not commence prior to July 1, 2014.

B. Local, state and federal projects shall be considered grandfathered and shall be subject to the technical criteria of Sections 1-22 through 1-27 of this Ordinance provided:

1. There has been an obligation of local, state or federal funding, in whole or in part, prior to July 1, 2012, or the department has approved a stormwater management plan prior to July 1, 2012; and

2. A state permit has not been issued prior to July 1, 2014; and

3. Land disturbance did not commence prior to July 1, 2014.

C. Land-disturbing activities grandfathered under this Subsection shall remain subject to the criteria of Section 1-22 through 1-27 for one additional state permit cycle. After such time, portions of the project not under construction shall become subject to the technical requirements of Sections 1-10 through 1-19 and any new technical criteria adopted by the board.

D. In cases where governmental bonding or public debt financing has been issued for a project prior to July 1, 2012, such project shall become subject to the technical requirements of Sections 1-22 through 1-27 of this Ordinance.

E. Land-disturbing activities that obtain an initial state permit or commence land disturbance prior to July 1, 2014 shall be conducted in accordance with the technical criteria found in Sections 1-22 through 1-27 of this Ordinance. Such projects shall remain subject to these technical criteria for two additional state permit cycles. After such time, portions of the project not under construction shall become subject to any new technical criteria adopted by the board.

F. Land-disturbing activities that obtain an initial state permit on or after July 1, 2014 shall be conducted in accordance with the technical criteria found in Sections 1-10 through 1-19 of this Ordinance, except as provided for above. Such projects shall remain subject to these technical criteria for two additional state permit cycles. After such time, portions of the project not under construction shall become subject to any new technical criteria adopted by the board.

Sec. 1-21. Variances.

A. The Administrator may grant variances to the technical requirements of Sections 1-10 through 1-19 and 1-22 through 1-27 , provided that:

1. the variance is the minimum necessary to afford relief;
2. reasonable and appropriate conditions are imposed so that the intent of the Act, the Regulations, and this Ordinance are preserved;
3. granting the variance will not confer any special privileges that are denied in other similar circumstances;
4. variance requests are not based upon conditions or circumstances that are self-imposed or self-created;
5. the variance will not substantially increase the flow rate of stormwater runoff;
6. the variance will not have an adverse impact on a wetland, channel, water body or upstream or downstream of a receiving body of water;
7. the variance will not contribute to the degradation of water quality; and
8. will not be of substantial detriment to adjacent property or adversely affect the character of adjoining neighborhoods.
9. Economic hardship alone is not sufficient reason to grant a variance from the requirements of this Ordinance.
10. No variance to the requirement that the land-disturbing activity obtain required VSMP authority permit shall be given by the Administrator, nor shall the Administrator approve the use of a BMP not found on the Virginia Stormwater BMP Clearinghouse Website, or any other control measure not duly approved by the Department of Environmental Quality.
11. No variance to requirements for phosphorus reductions shall be allowed unless offsite options otherwise permitted pursuant to 9VAC25-870-69 have been considered and found not available.

B. The Administrator may grant variances to the City requirements of this Ordinance, provided that:

1. The variance does not involve any requirements imposed under the State Code or Regulations; and
2. Reasonable and appropriate conditions may be imposed so that the intent of the Act, the Regulations and this Ordinance are preserved.

C. Nothing in this Section shall preclude an operator from constructing to a more stringent standard at their discretion.

Sec. 1-22. Applicability.

The following sections 1-22 through 1-27 specify the technical criteria for regulated land-disturbing activities that are not subject to the technical criteria of sections 1-10 through 1-19.

Sec. 1-23. General.

A. Determination of flooding and channel erosion impacts to receiving streams due to land-disturbing activities shall be measured at each point of discharge from the land disturbance and such determination shall include any runoff from the balance of the watershed that also contributes to that point of discharge.

B. The specified design storms shall be defined as either a 24-hour storm using the rainfall distribution recommended by the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) when using NRCS methods or as the storm of critical duration that produces the greatest required storage volume at the site when using a design method such as the Modified Rational Method.

C. For purposes of computing runoff, all pervious lands in the site shall be assumed prior to development to be in good condition (if the lands are pastures, lawns, or parks), with good cover (if the lands are woods), or with conservation treatment (if the lands are cultivated); regardless of conditions existing at the time of computation.

D. Construction of stormwater management facilities or modifications to channels shall comply with all applicable laws, regulations, and ordinances. Evidence of approval of all necessary permits shall be presented.

E. Impounding structures that are not covered by the Impounding Structure Regulations (4VAC50-20) shall be engineered for structural integrity during the 100-year storm event.

F. Predevelopment and postdevelopment runoff rates shall be verified by calculations that are consistent with good engineering practices.

G. Outflows from a stormwater management facility or stormwater conveyance system shall be discharged to an adequate channel.

H. Proposed residential, commercial or industrial subdivisions shall apply these stormwater management criteria to the land disturbance as a whole. Individual lots in new subdivisions shall not be considered separate land-disturbing activities, but rather the entire subdivision shall be considered a single land development project. Hydrologic parameters shall reflect the ultimate land disturbance shall be used in all engineering calculations.

I. All stormwater management facilities shall have an inspection and maintenance plan that identifies the owner and the responsible party for carrying out the inspection and maintenance plan.

J. Construction of stormwater management impoundment structures within a Federal Emergency Management Agency (FEMA) designated 100-year floodplain shall be avoided to the extent possible. When this is unavoidable, all stormwater management facility construction shall be in compliance with all applicable regulations under the National Flood Insurance Program, 44CFR Part 59.

K. Natural channel characteristics shall be preserved to the maximum extent practicable.

L. Land-disturbing activities shall comply with the Virginia Erosion and Sediment Control Law and attendant regulations.

M. Flood control and stormwater management facilities that drain or treat water from multiple development projects or from a significant portion of a watershed may be allowed in resource protection areas defined in the Chesapeake Bay Preservation Act provided such facilities are allowed and constructed in accordance with the Stormwater Management Act and this chapter, and provided that (i) the local government has conclusively established that the location of the facility within the resource protection area is the optimum location; (ii) the size of the facility is the minimum necessary to provide necessary

flood control, stormwater treatment, or both; (iii) the facility must be consistent with a comprehensive stormwater management plan developed and approved in accordance with Section 1-19 or with a VSMP that has been approved prior to July 1, 2012, by the board, the Chesapeake Bay Local Assistance Board prior to its abolishment on July 1, 2012, or the Board of Conservation and Recreation; (iv) all applicable permits for construction in state or federal waters must be obtained from the appropriate state and federal agencies, such as the U.S. Army Corps of Engineers, the Virginia Department of Environmental Quality, and the Virginia Marine Resources Commission; (v) approval must be received from the local government prior to construction; and (vi) routine maintenance is allowed to be performed on such facilities to assure that they continue to function as designed. It is not the intent of this subdivision to allow a best management practice that collects and treats runoff from only an individual lot or some portion of the lot to be located within a resource protection area.

Sec. 1-24. Water quality.

A. Compliance with the water criteria may be achieved by applying the performance-based criteria or the technology-based criteria to either the site or a planning area.

B. Performance-based criteria. For land-disturbing activities, the calculated postdevelopment nonpoint source pollutant runoff load shall be compared to the calculated predevelopment load based upon the average land cover condition or the existing site condition. A BMP shall be located, designed, and maintained to achieve the target pollutant removal efficiencies specified in Table 1 of this section to effectively reduce the pollutant load to the required level based upon the following four applicable land development situations for which the performance criteria apply:

1. Situation 1 consists of land-disturbing activities where the existing percent impervious cover is less than or equal to the average land cover condition and the proposed improvements will create a total percent impervious cover that is less than the average land cover condition.
   Requirement: No reduction in the after disturbance pollutant discharge is required.

2. Situation 2 consists of land-disturbing activities where the existing percent impervious cover is less than or equal to the average land cover condition and the proposed improvements will create a total percent impervious cover that is greater than the average land cover condition.
   Requirement: The pollutant discharge after disturbance shall not exceed the existing pollutant discharge based on the average land cover condition.

3. Situation 3 consists of land-disturbing activities where the existing percent impervious cover is greater than the average land cover condition.
   Requirement: The pollutant discharge after disturbance shall not exceed (i) the pollutant discharge based on existing conditions less 10% or (ii) the pollutant discharge based on the average land cover condition, whichever is greater.

4. Situation 4 consists of land-disturbing activities where the existing percent impervious cover is served by an existing stormwater management BMP that addresses water quality.
   Requirement: The pollutant discharge after disturbance shall not exceed the existing pollutant discharge based on the existing percent impervious cover while served by the existing BMP. The existing BMP shall be shown to have been designed and constructed in accordance with proper design standards and specifications, and to be in proper functioning condition.

C. Technology-based criteria. For land-disturbing activities, the postdeveloped stormwater runoff from the impervious cover shall be treated by an appropriate BMP as required by the postdeveloped condition percent impervious cover as specified in Table 1 of this section. The selected BMP shall be located, designed, and maintained to perform at the target pollutant removal efficiency specified in Table 1 or those found in Section 1-12. Design standards and specifications for the BMPs in Table 1 that meet the required target pollutant removal efficiency are available in the 1999 Virginia Stormwater Management

Handbook. Other approved BMPs available on the Virginia Stormwater BMP Clearinghouse Website may also be utilized.

Table 1*

Water Quality BMP	Target Phosphorus Removal Efficiency	Percent Impervious Cover
Vegetated filter strip Grassed Swale	10% 15%	16-21%
Constructed wetlands Extended detention (2 x WQ Vol) Retention basin I (3 x WQ Vol)	20% 35% 40%	22-37%
Bioretention basin Bioretention filter Extended detention-enhanced Retention basin II (4 x WQ Vol) Infiltration (1 x WQ Vol)	50% 50% 50% 50% 50%	38-66%
Sand filter Infiltration (2 x WQ Vol) Retention basin III (4 x WQ Vol with aquatic bench)	65% 65% 65%	67-100%
*Innovative or alternate BMPs not included in this table may be allowed at the discretion of local program administrator or the department.		
Innovative or alternate BMPs not included in this table that target appropriate nonpoint source pollution other than phosphorous may be allowed at the discretion of the local program administrator or the department.		

Sec. 1-25. Stream channel erosion.

A. Properties and receiving waterways downstream of any land-disturbing activity shall be protected from erosion and damage due to changes in runoff rate of flow and hydrologic characteristics, including, but not limited to, changes in volume, velocity, frequency, duration, and peak flow rate of stormwater runoff in accordance with the minimum design standards set out in this section.

B. The VSMP authority shall require compliance with subdivision 19 of 9VAC25-840-40 of the Erosion and Sediment Control Regulations, promulgated pursuant to the Erosion and Sediment Control Law.

C. The VSMP authority may determine that some watersheds or receiving stream systems require enhanced criteria in order to address the

increased frequency of bankfull flow conditions (top of bank) brought on by land-disturbing activities or where more stringent requirements are necessary to address total maximum daily load requirements or to protect exceptional waters. Therefore, in lieu of the reduction of the two-year postdeveloped peak rate of runoff as required in subsection B of this section, the land development project being considered shall provide 24-hour extended detention of the runoff generated by the one-year, 24-hour duration storm.

D. In addition to subsection B and C of this section, the VSMP authority by local ordinance may in accordance with § 62.1-44.15:33 of the Code of Virginia, or the board by state regulation may, adopt more stringent channel analysis criteria or design standards to ensure that the natural level of channel erosion, to the maximum extent practicable, will not increase due to the land-disturbing activities. These criteria may include, but are not limited to, the following:

1. Criteria and procedures for channel analysis and classification.

2. Procedures for channel data collection.

3. Criteria and procedures for the determination of the magnitude and frequency of natural sediment transport loads.

4. Criteria for the selection of proposed natural or manmade channel linings.

Sec. 1-26. Flooding.

A. Downstream properties and waterways shall be protected from damages from localized flooding due to changes in runoff rate of flow and hydrologic characteristics, including, but not limited to, changes in volume, velocity, frequency, duration, and peak flow rate of stormwater runoff in accordance with the minimum design standards set out in this section.

B. The 10-year postdeveloped peak rate of runoff from the development site shall not exceed the 10-year predeveloped peak rate of runoff.

C. In lieu of subsection B of this section, the City may, by ordinance in accordance with § 62.1-44.15:33 of the Code of Virginia, adopt alternate design criteria based upon geographic, land use, topographic, geologic factors, or other downstream conveyance factors as appropriate.

D. Linear development projects shall not be required to control postdeveloped stormwater runoff for flooding, except in accordance with a watershed or regional stormwater management plan.

Sec. 1-27. Regional (watershed-wide) stormwater management plans.

Water quality requirements and where allowed, water quantity requirements, may be achieved in accordance with section 1-14 and 1-19.

Sec. 1-28. Long-term maintenance of permanent stormwater facilities.

A. The Administrator shall require the provision of long-term responsibility for and maintenance of stormwater management facilities and other techniques specified to manage the quality and quantity of runoff. Such requirements shall be set forth in a Stormwater Management Facilities Maintenance Agreement recorded in the local land records of the Virginia Beach Circuit Court, prior to issuance of a VSMP permit and shall:

1. Be submitted to the Administrator for review, approval and recordation prior to the issuance of the VSMP permit;

2. Be stated to run with the land;

3. Provide for all necessary access to the property for purposes of maintenance and regulatory inspections;

4. Provide for inspections and maintenance and the submission of inspection and maintenance reports to the Administrator;

5. Be enforceable by all appropriate governmental parties; and

6. Be approved for legal sufficiency by the City Attorney.

B. At the discretion of the Administrator, such recorded instruments need not be required for stormwater management facilities designed to treat stormwater runoff primarily from an individual residential lot on which they are located, provided it is demonstrated to the satisfaction of the Administrator that future maintenance of such facilities will be addressed through an enforceable mechanism.

C. If a recorded instrument is not required pursuant to the subsection above, the Administrator shall develop a strategy for addressing maintenance of stormwater management facilities designed to treat stormwater runoff primarily from an individual residential lot on which they are located. Such a strategy may include periodic homeowner inspections, homeowner outreach and education, or other method targeted at promoting the long-term maintenance of such facilities. Such facilities shall not be subject to the requirement for an inspection to be conducted by the Administrator.

Sec. 1-29. Monitoring and inspections.

A. The Administrator shall inspect the land-disturbing activity during construction for:

1. Compliance with the approved erosion and sediment control plan;

2. Compliance with the approved stormwater management plan;

3. Development, updating, and implementation of a pollution prevention plan; and

4. Development and implementation of any additional control measures necessary to address a TMDL.

B. The Administrator may, at reasonable times and under reasonable circumstances, enter any establishment or upon any property, public or private, for the purpose of obtaining information or conducting surveys or investigations necessary in the enforcement of the provisions of this Ordinance.

C. In accordance with a performance bond with surety, cash escrow, letter of credit, any combination thereof, or such other legal arrangement or instrument, the Administrator may also enter any establishment or upon any property, public or private, for the purpose of initiating or maintaining appropriate actions which are required by the permit conditions associated with a land-disturbing activity when a permittee, after proper notice, has failed to take acceptable action within the time specified.

D. Pursuant to § 62.1-44.15:40 of the Code of Virginia, the Administrator may require every VSMP authority permit applicant or permittee, or any such person subject to VSMP authority permit requirements under this Ordinance, to furnish when requested such application materials, plans, specifications, and other pertinent information as may be necessary to determine the effect of his discharge on the quality of state waters, or such other information as may be necessary to accomplish the purposes of this Ordinance.

E. Post-construction inspections of stormwater management facilities required by the provisions of this Ordinance shall be conducted by the Administrator pursuant to the City's adopted and State Board approved inspection program, and shall occur, at minimum, at least once every five (5) years.

Sec. 1-30. Hearings.

A. Any permit applicant or permittee, or person subject to Ordinance requirements, aggrieved by any action of the City taken in regard to the Ordinance without a formal hearing, may demand in writing a formal hearing by the Stormwater Appeals Board, who is designated by the City Council as its appeals body, provided a petition requesting such hearing is filed with the Administrator within 30 days after notice of such action is given by the Administrator.

B. The hearings held under this Section shall be conducted by the Stormwater Appeals at any time and place authorized by the Stormwater Appeals Board.

C. A verbatim record of the proceedings of such hearings shall be taken and filed with the Stormwater Appeals Board. Depositions may be taken and read as in actions at law.

D. The Stormwater Appeals Board, shall have power to issue subpoenas and subpoenas duces tecum, and at the request of any party shall issue such subpoenas. The failure of a witness without legal excuse to appear or to testify or to produce documents shall be acted upon by the Stormwater Appeals Board, whose action may include the procurement of an order of enforcement from the circuit court. Witnesses who are subpoenaed shall receive the same fees and reimbursement for mileage as in civil actions.

Sec. 1-31. Appeals.

Within thirty days of the decision of the Stormwater Appeals Board a decision entered pursuant to Section 1-30 may be appealed to the Circuit Court of the City of Virginia Beach. The petition for appeal shall be filed in writing within thirty (30) days of the date of the decision, determination or action, shall state clearly the grounds on which the appeal is based.

Sec. 1-32. Enforcement.

A. If the Administrator determines that there is a failure to comply with the VSMP authority permit conditions or determines there is an unauthorized discharge, notice shall be served upon the permittee or person responsible for carrying out the permit conditions by any of the following: verbal warnings and inspection reports, notices of corrective action, consent special orders, and notices to comply. Written notices shall be served by registered or certified mail to the address specified in the permit application or by delivery at the site of the development activities to the agent or employee supervising such activities.

1. The notice shall specify the measures needed to comply with the permit conditions and shall specify the time within which such measures shall be completed. Upon failure to comply within the time specified, a stop work order may be issued in accordance with subsection B. or the permit may be revoked by the Administrator.

2. If a permittee fails to comply with a notice issued in accordance with this section within the time specified, the Administrator may issue an order requiring the owner, permittee, person responsible for carrying out an approved plan, or the person conducting the land-disturbing activities without an approved plan or required permit to cease all land-disturbing activities until the violation of the permit has ceased, or an approved plan and required permits are obtained, and specified corrective measures have been completed.

Such orders shall become effective upon service on the person by certified mail, return receipt requested, sent to his address specified in the land records of the locality, or by personal delivery by

an agent of the Administrator. However, if the Administrator finds that any such violation is grossly affecting or presents an imminent and substantial danger of causing harmful erosion of lands or sediment deposition in waters within the watersheds of the Commonwealth or otherwise substantially impacting water quality, it may issue, without advance notice or hearing, an emergency order directing such person to cease immediately all land-disturbing activities on the site and shall provide an opportunity for a hearing, after reasonable notice as to the time and place thereof, to such person, to affirm, modify, amend, or cancel such emergency order. If a person who has been issued an order is not complying with the terms thereof, the Administrator may institute a proceeding for an injunction, mandamus, or other appropriate remedy in accordance with this section.

B. In addition to any other remedy provided by this Ordinance, if the Administrator or his designee determines that there is a failure to comply with the provisions of this Ordinance, they may initiate such informal or formal administrative enforcement procedures in a manner that is consistent with the provisions of this Ordinance, State law and regulations.

C. Any person violating or failing, neglecting, or refusing to obey any rule, regulation, ordinance, order, approved standard or specification, or any permit condition issued by the Administrator may be compelled in a proceeding instituted in the Circuit Court of the City of Virginia Beach by the City to obey same and to comply therewith by injunction, mandamus or other appropriate remedy.

D. Any person who violates any provision of this Ordinance or who fails, neglects, or refuses to comply with any order of the Administrator, shall be subject to a civil penalty, ordered by the Circuit Court, not to exceed $32,500 for each violation within the discretion of the court. Each day of violation of each requirement shall constitute a separate offense.

1. Violations for which a penalty may be imposed under this Subsection shall include but not be limited to the following:
   - i. No state permit registration;
   - ii. No SWPPP;
   - iii. Incomplete SWPPP;
   - iv. SWPPP not available for review;
   - v. No approved erosion and sediment control plan;
   - vi. Failure to install stormwater BMPs or erosion and sediment controls;
   - vii. Stormwater BMPs or erosion and sediment controls improperly installed or maintained;
   - viii. Operational deficiencies;
   - ix. Failure to conduct required inspections;
   - x. Incomplete, improper, or missed inspections; and
   - xi. Discharges not in compliance with the requirements of Section 9VAC 25-870-1170 of the general permit.

2. The Administrator may institute proceedings for collection of the civil penalty and the action may be prosecuted in the appropriate court.

3. In imposing a civil penalty pursuant to this Subsection, the court may consider the degree of harm caused by the violation and also the economic benefit to the violator from noncompliance.

4. Any civil penalties assessed by a court as a result of a summons issued by the City shall be paid into a segregated account into the treasury of the City of Virginia Beach to be used for the purpose of minimizing, preventing, managing, or mitigating pollution of the waters of the locality and abating environmental pollution therein.

5. Notwithstanding any other civil or equitable remedy provided by this Section or by law, any person who willfully or negligently violates any provision of this Ordinance, any order of the Administrator,

2041 any condition of a permit, or any order of a court shall, be guilty of a misdemeanor punishable by
2042 confinement in jail for not more than 12 months or a fine of not less than $2,500 or both.
2043
2044 **Sec. 1-33. Fees.**
2045
2046 A. Fees to cover costs associated with implementation of a VSMP related to land disturbing
2047 activities and issuance of general permit coverage and VSMP authority permits shall be imposed in
2048 accordance with the fees in Table 1. When a site or sites has been purchased for development within a
2049 previously permitted common plan of development or sale, the Applicant shall be subject to fees in
2050 accordance with the disturbed acreage of their site or sites according to Table 1.
2051
2052 **Table 1: Fees for stormwater plan review**
2053

Fee type	City Stormwater Plan Review Fee	Fee paid directly to the Commonwealth
Chesapeake Bay Preservation Act Land-Disturbing Activity (not subject to General Permit coverage; sites within designated areas of Chesapeake Bay Act localities with land-disturbance acreage equal to or greater than 2,500 square feet and less than 1 acre)	Single family: $205 Duplex: $205 All others: $600	$0
General / Stormwater Management - Small Construction Activity/Land Clearing (Areas within common plans of development or sale with land disturbance acreage less than 1 acre.)	Single family: $205 Duplex: $205 All others: $600	$81 Single family: $0
General / Stormwater Management - Small Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 1 acre and less than 5 Acres)	Single family: $205 Duplex: $205 All others: $1944	$756 Single family: $0
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 5 acres and less than 10 acres)	$2,448	$952
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 10 acres and less than 50 acres)	$3,240	$1,260
General / Stormwater Management – Large Construction Activity/Land Clearing (with land disturbance acreage equal to or greater than 50 acres and less than 100 acres)	$4,392	$1,708
General / Stormwater Management – Large Construction Activity/Land Clearing (with land disturbance acreage equal to or greater than 100 acres)	$6,912	$2,688

2054 * If the project is completely administered by the Department such as may be the case for a state or
2055 federal project or projects covered by individual permits, the entire applicant fee shall be paid to the
2056 Commonwealth.
2057
2058 B. Fees for the modification or transfer of registration statements from the general permit issued by
2059 the State Board shall be imposed in accordance with Table 2. If the general permit modifications result in
2060 changes to stormwater management plans that require additional review by the City of Virginia Beach,
2061 such reviews shall be subject to the fees set out in Table 2. The fee assessed shall be based on the total
2062 disturbed acreage of the site. In addition to the general permit modification fee, modifications resulting
2063 in an increase in total disturbed acreage shall pay the difference in the initial permit fee paid and the
2064 permit fee that would have applied for the total disturbed acreage in Table 1.
2065
2066 **Table 2: Fees for the modification or transfer of registration statements for the General Permit for Discharges of**
2067 **Stormwater from Construction Activities**
2068

Type of Permit	Fee Amount
General / Stormwater Management – Small Construction Activity/Land Clearing (Areas within common plans of development or sale with land disturbance acreage less than 1 acre)	$20
General / Stormwater Management – Small Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 1 and less than 5 acres)	$200
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 5 acres and less than 10 acres)	$250
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 10 acres and less than 50 acres)	$300
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 50 acres and less than 100 acres)	$450
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 100 acres)	$700

C. The following annual permit maintenance shall be imposed in accordance with Table 3, including fees imposed on expired permits that have been administratively continued. With respect to the general permit, these fees shall apply until the permit coverage is terminated.

Table 3: Permit Maintenance Fees

Type of Permit	Fee Amount
Chesapeake Bay Preservation Act Land-Disturbing Activity (not subject to General Permit coverage; sites within designated areas of Chesapeake Bay Act localities with land-disturbance acreage equal to or greater than 2,500 square feet and less than 1 acre)	$50
General / Stormwater Management – Small Construction Activity/Land Clearing (Areas within common plans of development or sale with land disturbance acreage less than 1 acre)	$50
General / Stormwater Management – Small Construction Activity/Land Clearing (Sites with land disturbance equal to or greater than 1 acre and less than 5 acres)	$400
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 5 acres and less than 10 acres)	$500
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 10 acres and less than 50 acres)	$650
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater than 50 acres and less than 100 acres)	$900
General / Stormwater Management – Large Construction Activity/Land Clearing (Sites with land disturbance acreage equal to or greater 100 acres)	$1,400

General permit coverage maintenance fees shall be paid annually to the City of Virginia Beach, by the anniversary date of general permit coverage. No permit will be reissued or automatically continued without payment of the required fee. General permit coverage maintenance fees shall be applied until a Notice of Termination is effective.

D. The fees set forth in Subsections A. through C. above, shall apply to:

1. All persons seeking coverage under the general permit, if required.

2. All permittees who request modifications to or transfers of their existing registration statement for coverage under a general permit.

3. Persons whose coverage under the general permit has been revoked shall apply to the Department for an Individual Permit for Discharges of Stormwater From Construction Activities.

4. Permit and permit coverage maintenance fees outlined under Section 1-33 C. may apply to each general permit holder.

E. No general permit application fees will be assessed to:

1. Permittees who request minor modifications to general permits as defined in section 1-3 of this Ordinance. Permit modifications at the request of the permittee resulting in changes to stormwater management plans that require additional review by the Administrator shall not be exempt pursuant to this Section.

2. Permittees whose general permits are modified or amended at the initiative of the Department, excluding errors in the registration statement identified by the Administrator or errors related to the acreage of the site.

F. All incomplete payments will be deemed as nonpayments, and the applicant shall be notified of any incomplete payments. Interest may be charged for late payments at the underpayment rate set forth in §58.1-15 of the Code of Virginia and is calculated on a monthly basis at the applicable periodic rate. A 10% late payment fee shall be charged to any delinquent (over 90 days past due) account. The City of Virginia Beach shall be entitled to all remedies available under the Code of Virginia in collecting any past due amount.

Sec. 1-34. Performance bond.

Prior to issuance of any permit, the Applicant may be required to submit a reasonable performance bond with surety, cash escrow, letter of credit, any combination thereof, or such other legal arrangement acceptable to the City Attorney, to ensure that measures could be taken by the City at the Applicant's expense should he fail, after proper notice, within the time specified to initiate or maintain appropriate actions which may be required of him by the permit conditions as a result of his land disturbing activity. If the City takes such action upon such failure by the Applicant, the City may collect from the Applicant for the difference should the amount of the reasonable cost of such action exceed the amount of the security held, if any. Within 60 days of the completion of the requirements of the permit conditions, such bond, cash escrow, letter of credit or other legal arrangement, or the unexpended or unobligated portion thereof, shall be refunded to the Applicant or terminated.

Sec. 1-35. Public works specifications and standards.

The Public Works Specifications and Standards, including all future amendments thereto is hereby adopted and incorporated by reference into this ordinance. However, whenever the Public Works Specifications and Standards and the State regulations, including the BMP Clearinghouse conflict, the State regulations and the BMP Clearinghouse shall control, unless the more stringent provision of the Specification and Standards was applicable prior to January 1, 2013.

Sec. 1-36. Severability.

Each separate provision of this ordinance is deemed independent of all other provisions herein so that if any provision or provisions of this ordinance be declared invalid, all other provisions thereof shall remain valid and enforceable.

Sec. 1-37. Effective date.

2140
2141 This ordinance shall become effective on July 1, 2014.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 22nd day of April, 2014.

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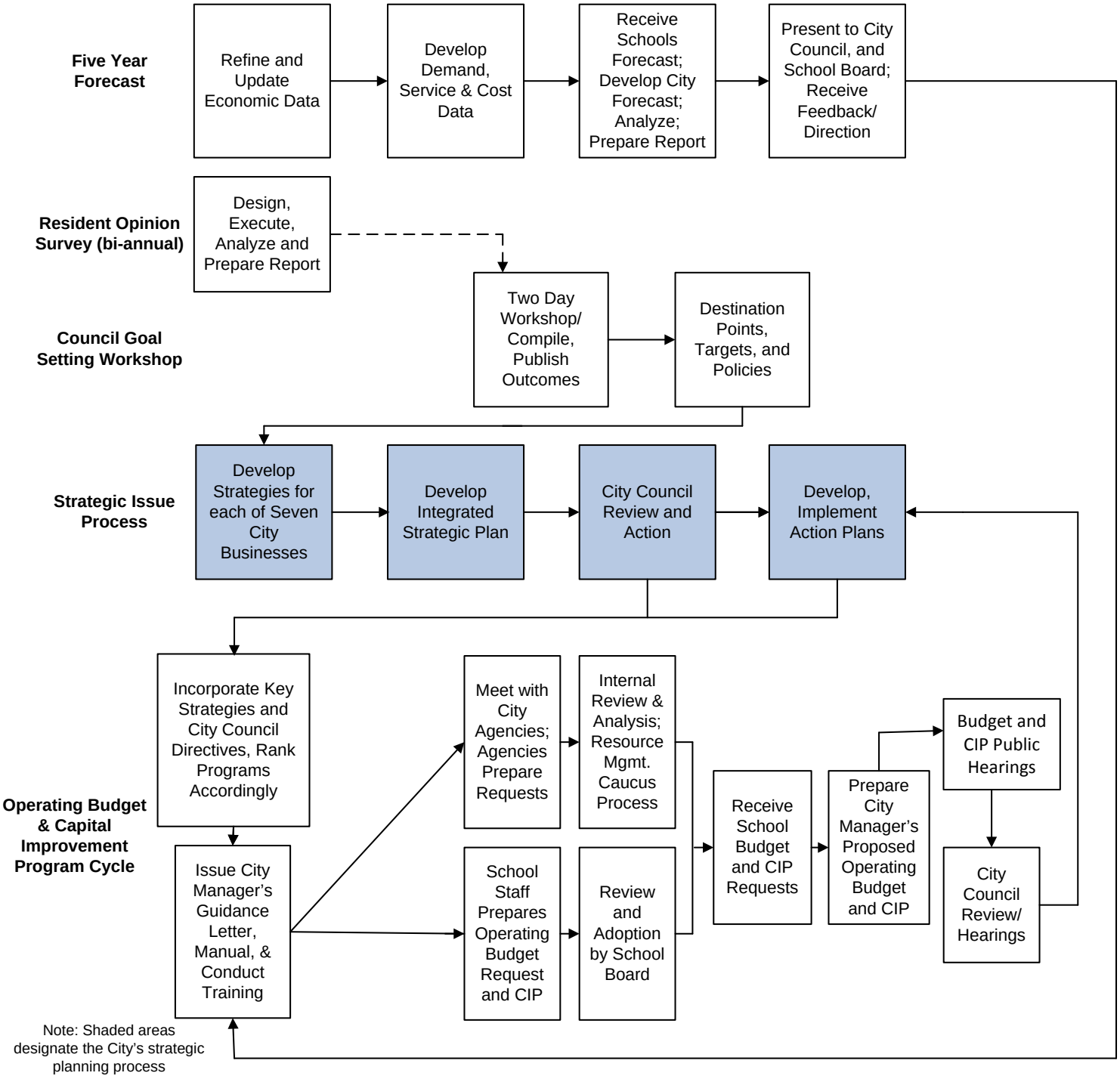
Resource Management Process Overview

The chart below provides a graphic view of the City's strategic planning and resource allocation process:



Legal Framework

Submission of the Budget - The City Manager shall submit to the City Council a budget and a budget message at least 90 days prior to the beginning of each fiscal year.

Balancing of the Budget - As required by Section 5.04 of the Virginia Beach Charter, the budget recommendation by the City Manager must be balanced with revenues equal to expenditures. If expenditures exceed the receipts estimated, the City Manager shall either recommend an increase in the tax rates on real estate, tangible property, or other new or existing items, or recommend a reduction in expenditures. If estimated receipts exceed estimated expenditures, the City Manager may recommend revisions in the tax and license ordinances to bring the budget into balance.

School Budget - The City Council appropriates funding to the Schools by major category (Instruction, Administration, Health, and Attendance, Pupil Transportation, Operations and Maintenance, Technology, and Debt Service) in the School Operating Fund and by fund for each of the Schools remaining funds. How this funding is spent within these categories and funds is solely at the discretion of the School Board.

Base Level Budget Ordinance - The City Council adopts the operating budget ordinance, which requires the operating budget to be presented with real estate tax revenue grown only by new construction. All other revenues of the government are allowed to reflect their normal growth. The anticipated growth in real estate tax revenue, which results from the growth in assessments, is held off at the base level of the budget. Then, in priority order, programs which would require the use of the growth are added back. This is shown as a table in the Executive Summary.

Public Hearings on the Budget - Section 5.07 of the Virginia Beach Charter requires City Council to hold a public hearing on the budget as submitted. Notice of the public hearing is published not less than seven days prior to the date of the hearing. As a practice, the City Council holds two such hearings each year. The City Council also holds several workshops to discuss the budget and to seek answers to questions concerning the proposed budget.

Adoption of the Budget - After the public hearing, City Council may make changes in the budget as it may determine. Following its revisions, the City Council then adopts the budget at one reading. To meet State requirements, the City must adopt a budget by May 15. If the City Council does not adopt a budget by 30 days prior to the start of the fiscal year, the City Charter requires that the City Manager's proposed budget take effect on July 1.

Amending the Adopted Budget - The City Council may amend the budget from time to time during the fiscal year. The City Manager may transfer funding in amounts in accordance with the operating budget ordinance. Section 2-187.1 of the Virginia Beach City Code states that supplemental appropriations which exceed 1% of the total revenue shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and public hearing seven days prior to the meeting date.

Amending the Adopted Capital Improvement Program - The Capital Improvement Program and the Capital Budget are governed by City Code Section 2-195 which parallels the requirements of the City's operating budget.

Budget Administration - The legally appropriated funding level determines the spending limits for municipal operations. The City Manager establishes additional controls to assist in managing departmental operations within the amounts and intent approved by City Council. Departments/Agencies are allowed, during the fiscal year, to make adjustments within their appropriation limits through the transfer process; the City Manager may transfer up to $100,000 on his signature; and the City Council must approve transfers over $100,000.

Resident Opinion Survey - A bi-annual citizen's survey is conducted to assist in evaluating City services and identifying areas in need of attention. One purpose of the survey is to provide City Council and departments with statistically valid citizen usage rates and perceptions regarding City services.

Council Goal Setting Workshop - An annual two-day City Council workshop is held to review the City's progress, assess its direction, and identify and discuss issues and priorities. The results of this workshop include a Policy Agenda which identifies 1) long-term priorities for a five-year period and 2) shorter-term targets for action. These goals and targets then become a part of management's planning, action, and monitoring process. They are incorporated in the Operating Budget and CIP preparation guidelines and review.

Strategic Issues Process - In order to develop implementation plans for attaining the City Council goal areas, the City Manager and Management Leadership Team (MLT) established a series of Director level teams. Each Strategic Issue Team (SIT), comprised of members from other departments, was charged with a specific goal area or sub-goal area (see discussion of each team's mission included in the City Council Goal). The teams examine the root causes, key factors, and

driving forces of the issue defined. They work to examine viable alternatives and define potential strategic actions. This process does not automatically assume the need for additional funds, but often the need to redirect existing funds to higher priority areas.

Five-Year Forecast - Each year an updated five-year forecast of revenues and expenditures for school and city programs is prepared and presented to City Council and the School Board. The forecast is designed to provide long-range financial and program information to the City Council and the School Board and to serve as a forum policy review.

Operating Budget Process - The traditional process includes the following: departments requesting funds for their existing and proposed programs; the budget office reviewing those requests and making a recommendation to the departments on resource levels; the departments then appealing their concerns over those recommendations to the City Manager, who referees between the competing needs; and then the City Council reviewing and ultimately approving a package of resources, programs, and services for the upcoming fiscal year.

A more collaborative process replaced the traditional process years ago and pulled the participants of the budget process together to jointly make decisions. Department Directors along with, the Management Leadership Team, and the Department of Budget and Management Services staff, set priorities and provide advice on the package of services and programs to be recommended to the City Manager. The following describes the process used to develop the operating budget.

- The departments prepare their resource requests in accordance with the program needs and issues and in response to the Council's goals and the Strategic Plan.

- A description of the department, its mission, objectives, and performance indicators.

- Funding requests necessary to maintain the same levels of effort/service delivery as provided during the current fiscal year.

- Funding requests necessary to meet known increases in demand for existing services.

- Requests for expansion of services or new programs are submitted through the use of budget issues in order to present a systems view of the programs being proposed.

The requests are submitted to the Department of Budget and Management Services where they are analyzed for accuracy, completeness, and policy consistency.

- The Department of Budget and Management Services is responsible for all the revenue estimates.

- The Department of Budget and Management Services coordinates budget hearings between the departments and the Management Leadership Team, and summarizes the funding issues that will receive further consideration.

- Summaries of each department's unfunded requests and information on revenues are provided to the Management Leadership Team and City Manager for information and review. These summaries illustrate any gap between service needs and revenues.

- The Management Leadership Team, through a series of meetings with the leadership of the Department of Budget and Management Services works through the issues and develops funding priorities based on strategic considerations. The City Manager finalizes funding decisions to be included in the upcoming operating budget.

- The City Council receives the Operating Budget and Capital Improvement Program, no later than April 1, for their consideration. As part of their review process, the City Council holds workshops with the department directors to discuss issues and concerns. In addition, City Council holds two public hearings to receive public input for the proposed plan. Final action on the operating budget must occur no later than May 15.

Performance Measurement Process - The operating budget emphasizes selected indicators of departmental program performance in terms of impact on the community; internal processes; learning and growth; and, financial management. City wide indicators assess outcomes at the city wide and/or community levels within each of the major business areas of the city. In addition, the city regularly benchmarks programs against regional cities and best practices.

Capital Improvement Process - The development of the six-year Capital Improvement Program (CIP), from the distribution of forms to adoption by the City Council, requires approximately 160 days. The process begins with the allocation of target funding levels based on prior years' CIPs and expected availability of financing. The development of the program requires coordination and cooperation from many departments. The following have major responsibilities in producing the CIP:

- Department of Planning and Community Development prepares the Comprehensive Plan regarding land use development. The departments of Planning, Public Works, Parks and Recreation and Strategic Growth Area collaborate on comprehensive transportation project planning.

- Department of Budget and Management Services coordinates the overall process, determines funding and budget plans, provides technical assistance to departments, and makes recommendations. The CIP Focus Group consists of members from each department that manages/administers the CIP and submits project requests and financing. The purpose of this group is to foster communication and coordination regarding the City's capital projects.

- Departments responsible for submission of Capital Improvement project requests are:

    - Schools Division: schools and educational facilities;

    - Public Works: buildings (new City buildings, renovation, site work, or expansion), coastal, roadways (in cooperation with Public Utilities), and storm water projects;

    - Strategic Growth Area Office: economic and tourism development projects (in cooperation with Public Works);

    - Communications and Information Technology: communication and information technology projects;

    - Parks and Recreation: parks and recreational facilities; and

    - Public Utilities: water and sewer lines, mains, pumps, and related facilities.

The Department of Budget and Management Services analyzes departmental submissions for cost and benefit and to ensure that the CIP meets City Council priorities and overall debt limits.

There is a CIP Caucus comprised of department directors from the City agencies that manage/administer the CIP, Strategic Issue Team leaders, and the Management Leadership Team. The CIP Caucus reviews non-school project requests that are above the basic/target level of funding to determine priorities. Thereafter, the Management Leadership Team meets with the leadership of Budget and Management Services to work through project and funding issues and makes funding decisions.

The CIP is submitted to City Council along with the Operating Budget and they are reviewed together.

Public Information - Citizens have the opportunity to attend two public hearings held to allow the public to make comments before City Council formally votes to adopt the Resource Management Plan for the next fiscal year. The Proposed Resource Management Plan is available to citizens in the public libraries, City Hall, and on the City's website at www.vbgov.com. Public notices, which present highlights of the Plan, are published in the local newspaper.

Resource Management Plan Calendar

August/September
08/01/13 - 09/30/13 – Budget and Management Services staff members start planning for the upcoming Operating Budget and CIP. They develop the initial revenue forecast and funding targets.

October
10/03/13 - Operating Budget Caucus is held to disseminate information to departments on revenue estimates, state budget outlook, the economy, budget process overview and changes, and funding targets.

10/04/13 - 11/26/13 - Departments, with assistance as needed from their assigned analysts from Budget and Management Services, spend the next two months developing individual program resource requests, capital project requests, program priority rankings, and entering the data into the Budget and CIP database.

November
11/08/13 - CIP requests are due to the Department of Budget and Management Services.

11/19/13 - Five-Year Forecast is presented to City Council, detailing the city's financial position over the next five years and other economic trends affecting the city.

11/26/13 - Departmental budget requests are due to the Department of Budget and Management Services.

January
01/08/14 - 02/07/14 - Departmental budget hearings are held in which Departments, Budget and Management Services, and the Management Leadership Team discuss the departments' budget requests and reach consensus on which items will receive further consideration for funding.

01/27/14 - The CIP Caucus members meet to listen to presentations by the managing agencies of the CIP outlining the highlights and funding needs for the various sections of the CIP including: roadways, buildings, communication and information technology projects, parks and recreation, water, sewer, storm water, coastal, and economic and tourism development projects.

01/31/14 - CIP Caucus meets to prioritize funding requests of capital project needs.

February
02/04/14 - School Superintendent submits Estimate of Needs for FY 2014-15 to the School Board.

March
03/04/14 - Adoption of Schools Operating Budget and Capital Improvement Program by the School Board.
03/25/14 - Proposed Resource Management Plan is presented to the City Council.

April
04/01/14 - City Council Workshop on the Proposed Resource Management Plan.
04/08/14 - City Council Workshop on the Proposed Resource Management Plan.
04/15/14 - City Council Workshop on the Proposed Resource Management Plan.
04/22/14 - Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.
04/30/14 - City Council Workshop on the Proposed Resource Management Plan.
05/01/14 - Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

May
05/06/14 - City Council Reconciliation Workshop on the Proposed Resource Management Plan. *05/13/14* - Vote on the Resource Management Plan.

Accounting and Budgeting Basis

The accounting, budgeting and financial reporting treatment applied to a fund is determined by its measurement focus and the modified accrual basis of accounting. All governmental funds are budgeted and accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The term "available" is limited to collection within forty-five days of the fiscal year end. The City considers property taxes as available if they are collected within 45 days after year end. Expenditures are recorded when the related fund liability is incurred, if measurable (except for un-matured interest on general long-term debt which is recognized when due and paid). Interest on general long-term debt is recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The following is a list of the major revenue sources, which meet the "susceptible to accrual" criteria:

- General Property Taxes
- Interest on Deposits
- General Sales Taxes
- Revenue from the Commonwealth
- Revenue from the Federal Government
- Utility Taxes
- Amusement Taxes
- Hotel Taxes
- Restaurant Taxes

All Proprietary Funds are budgeted and accounted for on a flow of economic resources measurement and the accrual basis of accounting. With this measurement, revenues are recognized when earned and expenses are recorded when a liability is incurred. All assets and liabilities associated with the operation of these funds are included on the statement of net assets.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" (Statement No. 20, Proprietary Fund types follow all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) pronouncements and predecessor Accounting Principles Board Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989). Under paragraph 7 of Statement No. 20, the City has elected not to apply FASB pronouncements issued after November 30, 1989.

The City reports deferred revenue in the fund financial statements. Deferred revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the fund balance sheet and revenue is recognized.

Unbilled Water and Sewer and Storm Water Enterprise Funds accounts receivable for services provide through June 30 are included in the financial statements.

Summary of City Positions by Department

	Adopted Budget FY 2012-13 FTE	Adopted Budget FY 2013-14 FTE	Adjusted Budget FY 2013-14 FTE	Adopted Budget FY 2014-15 FTE	Change in FTEs from Adjusted FY 2013-14 to FY 2014-15	Change in FTEs from FY 2012-13 to FY 2014-15
Agriculture	12.00	12.00	12.00	12.00	0.00	0.00
Budget and Management Services	15.00	14.00	14.00	15.00	1.00	0.00
Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00
City Attorney	39.61	39.61	39.61	39.61	0.00	0.00
City Auditor	6.00	6.00	6.00	6.00	0.00	0.00
City Clerk	6.00	6.00	6.00	6.00	0.00	0.00
City Manager	19.50	19.50	19.50	20.50	1.00	1.00
City Real Estate Assessor	36.30	34.30	34.30	34.29	(0.01)	(2.01)
City Treasurer	71.83	70.83	75.83	76.83	1.00	5.00
Commissioner of the Revenue	60.93	62.93	63.93	64.93	1.00	4.00
Commonwealth's Attorney	85.25	86.25	86.25	86.70	0.45	1.45
Communications and Information Technology	178.50	180.50	180.50	183.50	3.00	5.00
Convention and Visitors Bureau	113.52	110.52	110.52	106.71	(3.81)	(6.81)
Courts and Courts' Support	75.00	75.00	75.00	75.00	0.00	0.00
Cultural Affairs	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
Economic Development	16.00	18.00	18.00	18.00	0.00	2.00
Emergency Communications and Citizen Services	122.75	127.75	127.75	131.75	4.00	9.00
Emergency Medical Services	65.30	69.30	69.30	73.30	4.00	8.00
Finance	56.00	56.00	57.00	57.00	0.00	1.00
Fire	478.71	479.71	479.71	485.71	6.00	7.00
Future C.I.P. Commitments	0.00	0.00	0.00	0.00	0.00	0.00
General Registrar	12.03	12.03	12.03	11.86	(0.17)	(0.17)
Health	9.13	9.13	9.13	9.08	(0.05)	(0.05)
Housing and Neighborhood Preservation	64.00	63.00	63.00	62.00	(1.00)	(2.00)
Human Resources	47.00	47.00	47.00	47.00	0.00	0.00
Human Services	1,061.40	1,081.41	1,081.41	1,103.16	21.75	41.76
Library	265.50	260.00	260.00	255.00	(5.00)	(10.50)
Municipal Council	11.00	11.00	11.00	11.00	0.00	0.00
Museums	155.47	155.85	155.85	160.97	5.12	5.50
Non-Departmental	0.00	0.00	0.00	0.00	0.00	0.00
Parks and Recreation	846.89	843.93	843.93	838.06	(5.87)	(8.83)
Planning	108.00	108.00	109.00	116.00	7.00	8.00
Police	1,007.36	1,009.36	1,009.36	1,015.76	6.40	8.40
Public Education	10,326.02	10,190.92	10,190.92	10,209.02	18.10	(117.00)
Public Utilities	411.00	412.00	412.00	415.00	3.00	4.00
Public Works	890.38	890.38	890.38	893.88	3.50	3.50
Reserve for Contingencies	0.00	0.00	0.00	0.00	0.00	0.00
Sheriff and Corrections	516.44	524.44	525.44	525.44	0.00	9.00
Strategic Growth Area	17.00	17.00	17.00	18.00	1.00	1.00
Total	**17,209.82**	**17,106.65**	**17,115.65**	**17,187.06**	**71.41**	**(22.76)**

City Council and School Board Policy

Title: City/School Revenue Sharing Policy Alternative Version		Index Number:
Date of Adoption: October 23, 2012	Date of Revision: 12/10/2013	Page: 1 of 6

1. Purpose:

1.1. This policy ("Policy") is to establish a procedure for allocating to the City and to the Public School System revenues estimated to be available in any given fiscal year. It is the intent of this Policy to provide sufficient funding to maintain Virginia Beach City Public Schools' academic success as well as the City's strategic goals.

1.2. This Policy is designed to accomplish these goals by providing better planning for school funding by clearly and predictably sharing local revenues. It provides a balance between the funding requirements for School and City programming. This Policy seeks to provide a diverse stream of revenues that mitigates dramatic changes in the economy by relying upon all local tax revenues that are under the City Council's control rather than a subset of those revenues. It also recognizes decisions by the City Council to dedicate some of these same revenues to City and School priorities outside of the formula discussed herein. This Policy seeks to rectify some of the concerns with the past formula by linking City funding to the School directly to the State Standards of Quality ("SOQ") which periodically takes into account changes in student enrollment, true property value, adjusted gross income, taxable retail sales, and population.

2. Definitions:

2.1. "City" refers to the City of Virginia Beach exclusive of the Virginia Beach City Public Schools.

2.2. "Schools" refer to the Virginia Beach City Public Schools.

"Local Tax Revenues" refers to all General Fund revenues generated by non-dedicated local taxes: real estate (less dedications such as the FY 2013 dedication for Schools and road construction, the Outdoor Initiative, the Agricultural Reserve Program, and the Recreation Centers); Personal Property; General Sales; Utility; Utility-Consumption; Virginia Telecommunications; Business License (BPOL); Cable Franchise; Cigarette (less dedication for Economic Development Incentive Program (EDIP); Hotel Room; Restaurant Meals; Automobile License; Bank Net Capital; City Tax on Deeds; and City Tax on Wills.

2.3 "Dedicated Local Tax" refers to taxes that have been previously obligated by the City Council or State law to support specific projects or programs. Examples of dedicated local taxes that are excluded from this Policy include, but are not limited to: Tax Increment Financing District Revenues; Special Services Districts Revenues; the FY 2013 dedications to Schools (4 cents of the real estate tax) and Transportation (2 cents of the real estate tax); taxes that represent "net-new revenues" and are required to be redirected or are the basis for the calculation of an incentive payment as part of a public-private partnership approved by City Council; taxes established to support Open Space; Agricultural Reserve Program; Recreation Centers; Outdoor Initiative; Economic Development Incentive Program; Tourism Advertising Program; Tourism Investment Program; referendum related taxes; and taxes used to support the BRAC project. A more complete discussion of such dedications is found at page 60 of the Executive Summary in the FY 2013 Budget and pages 1-39 and 1-40 of the FY 2013 Operating Budget.

2.4. "Net -new Revenues" as used in Section 2 .4 means public-private partnership revenues generated by a project (or property) that exceed the Local Tax Revenues prior to the public-private partnership.

2.5. "Revenue Sharing Formula" refers to the method of sharing Local Tax Revenues between the City and the Schools.

2.6. "Budgeted Local Tax Revenues" refers to the appropriation of revenues by City Council in May each year for the upcoming fiscal year beginning July 1.

2.7. "Actual Local Tax Revenues" refers to the actual collected revenues reflected in the Comprehensive Annual Financial Report (CAFR).

2.8. "School Reversion Funds" refers to unused expenditure appropriations and end of the year adjustments to the Revenue Sharing Formula revenues based on actual collections.

2.9. "Discretionary Local Match" refers to the funding level set by the Revenue Sharing Formula and the FY 2013 real estate tax dedication.

2.10. "Required Local Match" refers to the City funding required by the SOQ.

3. Procedure to Calculate the Revenue Sharing Formula:

3.1. Initial Estimate

3.1.1 In October, Management Services will provide an estimate of local tax revenue for the upcoming fiscal year.

3.1.2. The Required Local Match calculation - Using the SOQ for each of the State Biennial years, Management Services will deduct this amount from the projection of Local Tax Revenues and set it aside as the first step.

3.1.3. Discretionary Local Match calculation – The Discretionary Local Match has two components: the formula component and the FY 2013 four cent real estate dedication.

3.1.3.1. formula component: Management Services will then allocate to Schools 32.37% of the remaining Local Tax Revenues.

3.1.3.2. FY 2013 dedication component: In FY 2013 Operating Budget the City Council increased the real estate tax rate by four cents and dedicated it to the Schools' Operating Budget. This dedication amount will be added back to the Discretionary Local Match. This dedication shall exist until such time as the State restores funding for education to the average level provided from FY 2006 to FY 2012 of $350 million (net of School facility funds) The City Council has directed the City Manager to recommend, as a part of the City's Proposed Operating Budget, reductions in whole or in part to the four cents real estate dedication in an amount roughly equal to the increased State funding above $350 million (per annum) as reflected by a decrease in the local composite index below the current FY 2013 level of 0.4110.

3.1.4. The combination of the required local match and the discretionary local match shall comprise the funding for Schools pursuant to this Policy.

3.2. Final Estimate

3.2.1. In February, Management Services will provide a final estimate of the Local Tax Revenues. This will be the estimate included in the City's Proposed Operating Budget.

3.2.2. Required Local Match calculation - By February the final SOQ required local match should be known from the Virginia Department of Education and this figure will be used to set aside the first allocation of revenues.

3.2.3. Discretionary Local Match calculation - Management Services will then allocate to Schools the formula component (32.37% of the remaining estimated Local Tax Revenues) plus the FY 2013 dedication component (four cents of the real estate tax provided no adjustments are required).

3.2.4. The combination of the Required Local Match and the Discretionary Local Match shall comprise the total local funding of the Schools under the Revenue Sharing Formula.

3.2.5. Estimates of the revenues contained in the Revenue Sharing Formula shall be clearly presented in the City's Operating Budget.

4. Procedure to Request an Increase in the Discretionary Local Funding Match:

4.1. After receiving the Superintendent's Estimate of Needs, the School Board will notify the City Council by resolution that it has determined additional local funding is required to maintain the current level of operations or to provide for additional initiatives. The School Board's resolution will provide the following: 1) that additional funding is required; 2) the amount of additional funding requested; 3) the purpose for the additional funding; and 4) that the School Board supports an increase in the real estate tax (or other local tax) should the City Council determine that such a tax increase is necessary.

4.2. If the City Council determines that additional funding is warranted to maintain the current level of City and Schools operations or to provide for additional initiatives, the City Council shall determine appropriate action. This action may include consideration of existing dedications or alternate sources of revenue or tax increases. If, after deliberation and appropriate public involvement, the City Council determines that additional tax revenues are required, City Council may adopt a tax rate increase to any revenue stream within this formula to generate additional local tax revenue.

4.3. Should the City Council dedicate such increase in local taxes, that dedication will be treated in the same manner as other Dedicated Local Tax. If the City Council does not dedicate the increased taxes, this revenue will be part of the Local Tax Revenues for purposes of this Policy.

5. Actual Revenue Collections deviate from Budget Local Tax Revenues:

5.1. If, at the end of the fiscal year, the actual Local Tax Revenues exceed the budgeted amount, the amount of excess revenue will be allocated in the same manner as similar revenues were apportioned in the recently ended fiscal year. However, such excess revenues are subject to the City Council's General Fund Balance Reserve Policy. If such funds are not required for the General Fund Balance Reserve Policy, the School Board may request that such funds be appropriated at the same time as the appropriation of reversion funds, discussed in Section 6.3, below.

5.2. If, the City, through the Manager or his designee, anticipates at any time during the fiscal year that actual revenues will fall below budgeted revenues, the School Board, upon notification by the City Manager or his designee of such an anticipated shortfall, will be expected to take necessary actions to reduce expenditures in an amount equal to the School's portion of the shortfall.

6. Reversion of Formula Revenues:

6.1. All other sources of funding shall be expended by the Schools prior to the use of Local Tax Revenues.

6.2. All balances of Local Tax Revenues held by the Schools at the close of business for each fiscal year ending on June 30th (to include the accrual period) lapse into the fund balance of the City's General

Fund. The reversion described in the preceding sentence is specific to Local Tax Revenues, and while the appropriation to spend funds may lapse, the reversion process is not applicable to moneys in a fund, such as the Athletic Fund, that are attributable to user fees or gate admissions.

6.3. Reversion Appropriation Process: The School Board may request, by resolution, the reappropriation and appropriation of funds resulting from the end of the fiscal year. This request should consider the following:

6.3.1. The use of funds whose appropriation has lapsed because of the end of the fiscal year and reverted to the fund balance of the City's General Fund. See Section 6.2.

6.3.2. The use of excess funds discussed in Section 5.1.

6.3.3. The calculation of actual debt payments for the fiscal year recently closed as compared to the estimated debt payments upon which the fiscal year's budget was appropriated. If the actual debt payment exceeds estimated debt payments, the amount of Schools reversion funds will be reduced by this difference. If actual debt is less than estimated debt payments, the amount of Schools reversion funds will be increased by this difference.

6.3.4. The Schools' Budget Office will confer with Management Services to verify that there is sufficient fund balance in the General Fund to meet the City Council Fund Balance Policy. If there is insufficient fund balance according to the Fund Balance Policy, the City Manager shall notify the Superintendent of this condition.

6.3.5. The School Board resolution may request the use of excess or reversion funds for one-time purchases or to be retained according to applicable policy on the Schools Reserve Fund (Fund 098), including School Board Policy #3-28, and City Council Ordinance # 2789F, adopted November 4, 2003.

6.3.5.1. Upon receipt of the resolution, Management Services shall prepare an ordinance for City Council's consideration of the School Board's request at the earliest available City Council meeting.

6.3.5.2. Following City Council's action Management Services shall notify the Schools of the City Council's decision and shall adjust the accounting records accordingly.

7. <u>Revision to the City/School Revenue Sharing Policy:</u>

7.1. The Superintendent, City Manager, School Chief Financial Officer, and the City's Director of Management Services shall meet annually to discuss changes in State and Federal revenues that support Schools operations, any use of "one-time" revenues, and any adjustments made to existing

revenues affecting this formula. If they determine that an adjustment is needed, the City Manager and Superintendent will brief the City Council and School Board respectively.

7.2. City Council may revise this Policy in its discretion after consultation with the School Board.

7.3. If no other action is taken by the City Council and School Board, this Policy shall remain effective until June 30th 2015 at which time it will be reviewed and considered for reauthorization.

Approved:

As to Content:	Dr. Sheila Magula Interim School Superintendent	12/17/13 Date
	James K. Spore City Manager	12/17/13 Date
As to Legal Sufficiency:	Mark D. Stiles City Attorney	12/17/13 Date
Approved by School Board:	Daniel D. Edwards School Board Chairman	12/17/13 Date
APPROVED BY CITY COUNCIL:	William D. Sessoms, Jr. Mayor	12/17/13 Date

Local Funding To Schools

Total General Fund, Non-Dedicated Local Taxes:	Adopted FY 2013-14 Budget	Adopted FY 2014-15 Budget
Real Estate	427,074,330	443,222,611
Less: Schools & Transportation Dedication	(28,745,448)	(29,829,018)
Less: Outdoor Initiative Dedication	(2,251,727)	(2,336,606)
Personal Property	140,088,695	137,161,976
Less: Public Safety Dedication		(4,917,500)
General Sales	57,987,462	60,016,191
Utility Tax	23,679,428	23,605,425
Utility Tax - Consumption	1,444,539	1,545,573
Virginia Telecommunications	19,694,924	19,744,161
Business License	42,791,543	47,600,886
Cable Franchise	7,031,293	7,400,000
Cigarette - General Fund Only	11,184,969	12,148,649
Less: EDIP Dedication	(2,236,994)	(2,990,437)
Hotel Room	6,066,374	6,017,443
Restaurant Meals	36,890,590	38,003,613
Automobile License	9,419,062	9,627,331
Bank Net Capital	2,600,000	2,378,252
City Tax on Deeds	7,294,639	7,759,009
City Tax on Wills	80,000	80,000
Total Non-dedicated Local Taxes	760,093,679	776,237,559
Less: Required SOQ Match	163,645,698	170,996,249
Remaining Non-dedicated Local Taxes	596,447,981	605,241,310
Formula %	**32.37%**	**32.37%**
Discretionary Local Match	193,070,212	195,916,612
Subtotal School Revenue Sharing Formula	356,715,910	366,912,861
Dedicated 4 Cents of Real Estate Tax to Schools	19,163,632	19,886,012
Additional City Council Funding to Offset Tax Rate Reduction to 93 Cents	3,101,633	3,218,551
School Board Decision to move Sandbridge Surplus to Budget	3,116,978	2,000,000
Total Local Contribution	**382,098,153**	**392,017,424**

City Council Policy

Title: Maintenance and Repair of Aging City Infrastructure		Index Number: 45416
Date of Adoption: 9/7/99	Date of Revision:	Page: 1 of 2

1.0 Purpose

1.1 Aging infrastructure is a growing nationwide problem which demands increased attention. Currently, the estimated cost to maintain and repair the nation's infrastructure is at least $853 billion.

1.2 Virginia Beach is a relatively young city, established in 1963, which has now become a mature urban area with a population of approximately 430,000. Over the years, a large public investment has been made in building the City's infrastructure. The estimated replacement value of the City's investment is currently $5.38 billion. A large portion of that infrastructure, such as public buildings, roads, water and sewer lines, and schools, was constructed during the 1970s and earlier, and these facilities are now reaching ages where major maintenance and repair, if not full replacement, should be planned.

1.3 For the last several years, City Council, the School Board, and the City and Schools staffs have recognized the need for this increased commitment to repair, renovate and replace the City's older infrastructure. Council has addressed this issue by including additional funds in the Capital Improvement Program (CIP) for maintenance and repair projects.

1.4 Competition for City resources is keen while the City's infrastructure maintenance and repair needs are growing. Since it is in the public interest to plan now for the future maintenance and repair of this substantial public investment, City Council desires to establish a policy on infrastructure maintenance and repair to focus attention on the unseen but growing infrastructure issue and to prevent large and costly replacements in the future.

2.0 Council Policy

2.1 It is the policy of City Council to support the planned maintenance and repair of the City's infrastructure in a manner which provides the best facilities at the least cost and maintains the value of the City's investment.

2.2 It is the policy of City Council to treat infrastructure maintenance and repair costs as fixed costs for new projects.

2.3 It is the long-term goal of City Council to achieve maintenance and repair levels which insure that the City's infrastructure is functional and maintained in good condition by allocating the resources required by condition assessment surveys or generally accepted industry funding standards.

2.4 It is the policy of City Council to seek the expansion of resource capacity of these purposes.

3.0 Procedure(s) to Accomplish Policy

3.1 Staff will continue its planned infrastructure inventory and assessment until a complete and accurate inventory and assessment of the City's infrastructure is complete. The inventory and assessment will be maintained thereafter so funding requirements can be identified.

3.2 The City Manager shall, in the annual budget document, report the amount of the City's resources being applied to infrastructure maintenance and repair, and its relationship to replacement plant valve.

3.3 The City Manager shall, in concert with regional efforts, pursue increased resources for infrastructure maintenance and repair with emphasis on increases in State allocations for the maintenance and repair of roads, schools, and other infrastructure.

4.0 Responsibility and Authority

4.1 The City Manager shall, be responsible for submitting a budget which adequately funds the maintenance and repair of City infrastructure, and for reporting progress toward achieving Council's goals.

5.0 Definitions

5.1 "Maintenance" is defined as the recurrent, day-to-day, periodic, or scheduled work required to preserve real property in such condition that it may be used for its designated purpose.

5.2 "Repair" is defined as the restoration or in-kind replacement of real property to such condition that it may be used for its designated purpose. This would include projects like the replacement of Cooke Elementary School or the Social Services building.

5.3 "Expansion" or "new construction" is defined as the installation or assembly of a new facility, or the addition, extension, alteration, or conversion of an existing facility for a new or expanded use.

Approved as to Content:	Clarence Warnstaff	08/17/99
	Director/Administrator	Date
Approved as to Legal Sufficiency:	Leslie L. Lilley	08/27/99
	City Attorney	Date
Reviewed by:	James K. Spore	09/01/99
	City Manager	Date
Item Number: #45416	Ruth Hodges-Smith	09/07/99
	City Clerk	Date

City Council Policy

Title: Not Supplanting State, Federal, and Private Funds with Local Funds		Index Number: 47714
Date of Adoption: 2/06/01	Date of Revision:	Page: 1 of 2

1.0 Purpose and Need

The citizens of Virginia Beach receive important, beneficial services from a wide variety of State, Federal, and private agencies, as well as from City programs which rely on funding from these agencies. These agencies are critical partners with the City and the School system in the provision of programs to our community. When these agencies terminate programming, reduce services, or curtail funding, it cannot be assumed that the City of Virginia Beach will maintain these programs. The City's ability to assume the financial responsibility for these services without significantly impacting other service areas which are solely the responsibility of the City, or without having to raise taxes, is limited.

The purpose of this policy is to formally adopt the City's long-standing practice of not automatically supplanting funds from State, Federal, or private agencies with local funds when those agencies reduce or eliminate funding to City or School programs.

2.0 Policy

It is the policy of City Council to prevent, to the extent possible, the shifting of financial responsibility for State, Federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to the various community programs that rely on that funding.

3.0 Procedure to Accomplish Administrative Directive

3.1 The Department of Management Services will provide information to the City Manager on a periodic basis that reports any reductions in funding from State, Federal, or private sources that are expected to adversely affect services to the citizens of Virginia Beach. When services are severely affected by such reductions, the City Manager and the Department of Management Services will determine what actions, if any, may be necessary to mitigate the impact on local services.

3.2 The City Manager will report to City Council any instances where reductions in State, Federal, or private funding will have a severe enough effect on services that Council action is necessary.

4.0 Responsibility and Authority

The Department of Management Services is responsible for reporting to the City Manager any reductions in State, Federal, or private funding that could have an effect on services provided to the citizens of Virginia Beach.

5.0 Definitions

Supplanting: For purposes of this policy, the substituting of local funds for reductions in State, Federal, or private funding.

State, Federal, and private agencies: Agencies of either the State or Federal governments, or non-governmental agencies, that either provide funds to the City of Virginia Beach for the provision of local services or offer those services themselves directly to the citizens.

Approved as to Content:	Catheryn R. Whitesell	02/05/01
	Director/Administrator	Date
Approved as to Legal Sufficiency:	R.M. Blow	02/21/01
	City Attorney	Date
Approved:	Steven T. Thompson	02/26/01
	Chief Financial Officer	Date
Approved:	James K. Spore	02/26/01
	City Manager	Date
Approved:	Meyera E. Oberndorf	02/26/01
	Mayor	Date

ALTERNATE VERSION

REQUESTED BY COUNCILMEMBERS DIEZEL AND WOOD

A RESOLUTION TO ADDRESS PUBLIC SAFETY PAY COMPRESSION DISPARITIES

WHEREAS, the safety of Virginia Beach's citizens is greatly enhanced by the City retaining its experienced public safety employees; and

WHEREAS, pay compression has led many experienced public safety employees to leave the City workforce to pursue positions with other employers, including the federal government and the private sector.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City Manager is hereby directed to incorporate into the budget process the following considerations, across the public safety pay and classification ranges, utilizing the current City pay plans:

(1) To prevent future pay compression in the public safety pay and classification plans, pay adjustments shall be applied to all employees and ranges;

(2) For both fiscal year 06-07 and fiscal year 07-08, adjustments based on years of service and years in grade shall be made to the current public safety pay and classification plans, at a maximum cost of $4.5 million per fiscal year;

(3) A revised step plan shall be submitted to Council for review and discussion so it may be considered as part of the fiscal year 08-09 budget;

(4) Even if the above steps fail to alleviate supervisory pay compression, such compression shall be alleviated within three years of identification;

(5) Future market salary surveys shall be restricted initially to Hampton Roads communities; and

(6) Proposed budgets shall include an annual summary of entry-level public safety salaries in surrounding Hampton Roads communities.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 7th day of February, 2006.

APPROVED AS TO LEGAL SUFFICIENCY

Roderick Ingram
City Attorney's Office

Entry Level Police, Fire and Sheriff Salary Survey
As of February 2014

	Police Officer Recruit				Police Officer			
Locality	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	39,457	48,335	57,213	Police Officer Recruit	41,455	50,783	60,110	Police Officer
Chesapeake	37,494	48,831	60,167	Police Officer Trainee	39,182	51,029	62,876	Police Officer
Hampton	38,325	41,632	44,939	Police Public Safety Recruit	40,478	53,923	67,368	Police Patrol Officer
Newport News	38,325	39,325	40,325	Police Officer Recruit	43,044	57,196	71,348	Police Officer
Norfolk	37,975	37,975	37,975	Police Officer Recruit	40,981	50,905	60,828	Police Officer
Portsmouth	36,347			Police Officer Trainee	38,260	49,900	61,539	Police Officer
Suffolk	35,083	45,006	54,929	Police Officer I	36,722	47,108	57,494	Police Officer II

Note: Hampton has only one non-supervisory level of Police Officer. Virginia Beach has a Master Police Officer level.

	Firefighter Recruit				Firefighter			
Locality	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	39,457	48,335	57,213	Firefighter Recruit	41,455	50,783	60,110	Firefighter
Chesapeake	37,494	48,831	60,167	Firefighter Trainee	39,182	51,029	62,876	Firefighter/EMT
Hampton	38,325	41,632	44,939	Firefighter Recruit		0		No Match*
Newport News	38,325	39,280	40,235	Firefighter/Medic Recruit		0		No Match*
Norfolk	36,617	36,617	36,617	Firefighter Recruit	38,228	48,199	58,170	Firefighter/EMT - Enhanced
Portsmouth	36,347			Firefighter Trainee	38,260	49,900	61,539	Firefighter
Suffolk	35,083	43,854	52,625	Firefighter I	36,722	45,903	55,083	Firefighter II

Note: Hampton and Newport News Fire Academy graduates are required to attain EMT-Intermediate certification. Virginia Beach and Norfolk Fire Academy graduates are required to attain EMT-Enhanced. EMT-Enhanced is a lower level than Intermediate. Virginia Beach compensates Fire employees with EMT-Intermediate certification two pay ranges above the Firefighter level (Firefighter/Medic).

	Deputy Sheriff Recruit				First Level Deputy Sheriff			
Locality	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	38,495			Deputy Sheriff	38,495	47,157	55,818	Deputy Sheriff
Chesapeake	37,494	48,831	60,167	Deputy Sheriff Trainee	39,182	51,029	62,876	Deputy Sheriff
Hampton	34,167			Deputy Sheriff	37,242			Deputy Sheriff (minimum reflects 9% increase to base salary after 13 months)
Newport News	34,067			Deputy I	35,645	48,933	62,220	Deputy II
Norfolk				No Recruit Level	33,637	43,232	52,827	Deputy Sheriff
Portsmouth	29,081			Deputy Sheriff	31,252	40,603	54,562	Deputy Sheriff (minimum reflects $2,171 supplement at the end of first year and completion of the academy)
Suffolk				No Recruit Level	35,083	45,006	54,929	Deputy Sheriff

Note: Chesapeake and Newport News are the only jurisdictions that reported a separate trainee or recruit title for deputies while in training. Chesapeake's trainee is assigned to a pay range, though they are promoted to Deputy Sheriff before they reach the pay range maximum (similar to our Police Officer Recruit). Newport News has a flat salary for the Deputy I that is used for deputies in training. Virginia Beach, Hampton, and Portsmouth do not have a separate trainee title. However, these cities provide a specific percentage pay increase upon completion of training, and use this percentage increase as the reported minimum for the Deputy Sheriff upon completion of training. The midpoint shown for the First Level Deputy is based on the minimum and maximum assigned to the title.

Administrative Directive

Title: Grant Management		Index Number: AD 1.05
Date of Adoption: 09/06/94	Date of Revision: 06/30/2006	Page: 1 of 8

1.0 Purpose and Need

Grant funds from state, federal, or other agencies and organizations are an important revenue source that can aid the City in providing quality services to citizens and customers while keeping our taxes as low as possible. The growing increase in the number of grants awarded to the City has necessitated a higher level of coordination to ensure that grant funds are being used to achieve the City's Strategic Plan and derive the greatest benefit.

Departments are urged to solicit grants - especially where a grant will help achieve the City's Strategic Plan, enhance or support the City's basic services, or address any other City priority - while trying not to incur a high level of overhead on small grants that do not greatly influence the City's strategy.

Prior to seeking grant funding, a department should consider the following:

- Will the grant be used to address a City strategy or other priority?
- Would the grant funding be used for a previously identified need of the City for which no other source of funding is available?
- If the program being funded by the grant is needed to accomplish a City priority or achieve the department's mission, should it be supported instead by City funds to ensure that adequate resources are made available?
- Will the grant provide only short-term financing for a long-term commitment on the part of the City?

This Directive provides guidance on the process to be used by City departments in pursuing grants, and establishes a centralized means of identifying which grants are being sought, thereby promoting a systems approach to the use of grant funds.

2.0 Administrative Directive

No part of this Directive should be construed as superceding any portion of the adopted annual operating budget ordinance or Capital Improvement Program ordinance. In the event of a conflict between this Directive and either ordinance, the ordinance shall control.

All grant applications must be signed by the City Manager or appropriate designee prior to submission to the granting agency. All grants must be appropriated through the budgetary process, through the Council Agenda Process, or where applicable, through the use of the grant reserve (which is appropriated annually as part of the budget).

All grants must comply with all City policies and procedures, including the purchasing and technology improvement policies, and the City Attorney's Contract Preparation/Review Guidelines. Any grant that includes personnel costs must comply with all City personnel policies. The agenda request and ordinance shall include language indicating that the position is authorized only for the duration of the grant period, unless continued employment is required

by the grantor and approved by the City Manager prior to accepting the grant funding. The employee will be notified in writing upon hire that the position is subject to the continuation of grant funding and expiration of the grant will result in elimination of the position.

3.0 Procedure to Accomplish Administrative Directive

A. Grant Application Phase

The procedure for completing and submitting grant applications is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1**: Department identifies a need for services, equipment or programs.
- **Step 2**: Department seeks grant programs that support services related to the identified need.
- **Step 3**: Department informs Management Services staff (assigned budget analyst) of intent to apply for grant funding.
- **Step 4**: Management Services notifies department to proceed with application development; if there is a concern regarding the request, Management Services forwards the request to the responsible Chief who will make the determination whether to proceed with the application phase.
- **Step 5**: Department prepares grant application (with the Director's endorsement), routes it to other affected departments (including ComIT for those with technology components), and forwards it to Management Services, accompanied by the required grant forms (available on the Management Services BEACHnet site).
- **Step 6**: Management Services evaluates grant and forwards the application and recommendation to responsible Chief. In some instances, the City Manager's signature may be required.
- **Step 7**: Once application is approved and signed, department submits grant to grantor agency.

B. Grant Management Phase

The procedure for appropriating and managing grants is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1**: Department notifies Management Services that grant was approved and drafts an agenda request to accept the grant and appropriate funding. If additional paperwork, such as a formal acceptance is required, the department will forward this to Management Services to obtain signature from the responsible Chief and/or City Manager. Department notifies City Manager's Office to place grant on Council agenda.
- **Step 2**: Management Services drafts the ordinance and forwards it to the City Attorney.
- **Step 3**: Department representative attends the agenda meeting (Wednesday prior to Council date).
- **Step 4**: Once Council appropriates the grant, Management Services assigns a grant number and enters the related budget journal in ViBES. In the event that City Council declines the grant, the submitting department is responsible for notifying the grantor in writing that the City will not be accepting the grant.

- **Step 5**: Department begins managing the grant in accordance with the grant application and guidelines. Department must coordinate with Finance to determine responsibility for financial reporting. If the department submits financial reports, copies of each must be forwarded to the Comptroller's Office of the Finance Department. The department managing the grant is responsible for maintaining all grant-related records and ensuring reporting requirements are met.

- **Step 6**: When the grant period is completed, the department shall contact Finance to coordinate closing the grant in ViBES.

Grant Review and Authorization:

- The specific process required for grant review is outlined on the Management Services intranet site (on BEACHnet) under the "Grant Management" link. This link includes the "City of Virginia Beach Grant Management Process" flow chart and written procedures. These documents outline the specific process that should be followed, list all forms that are required to be completed, and provide a list of resources for departments applying for grants. All applicable forms are also available from this link.
- No grant application shall be submitted to a granting agency without prior review by the Department of Management Services and signature of approval by a member of the Management Leadership Team.
- Any City department or agency that intends to apply for a grant shall provide a copy of the full grant application and all required forms to the Department of Management Services at least ten (10) business days prior to the date the grant application is due to the granting agency.
  - It is necessary to allow Management Services ten (10) business days for review to ensure that it is adequately reviewed by Management Services staff and allow routing and review by the appropriate member(s) of the Management Leadership Team.
  - Management Services staff will work with departments on a case-by-case basis, where the granting agency has not provided ample notice to provide the required ten (10) business days for review; however, this does not exempt any grant from review by Management Services.

Requirements for Completing and Submitting Online Grants:

- If a grant is completed in an online database, a hard copy should be provided to Management Services to complete the required review and to maintain for central filing.
- The signature can be obtained on the grant routing form or on the cover letter from Management Services.
- A "Designee Authorization Form" should be completed and signed as well (available on the Management Services BEACHnet website).
- Please note that many online databases require authorization of the applicant prior to submission that may require several days to complete. Departments should plan their grant development accordingly.

Requirements for Legislative Approval:

- While all grants are subject to review by Management Services and require authorization by the City Manager, some grants may not require independent Council action. Certain grants can be appropriated through the use of grant reserve accounts, which are appropriated annually as part of the budget.
- Grants meeting the following criteria do not require City Council action, provided there is ample funding in the grant reserve accounts to accommodate the appropriation.

  - The grant does not establish new and/or ongoing services to the community.
  - The grant in total is $10,000 or less (amount from grantor, plus any associated match).
  - The grant does not authorize additional full-time or part-time FTEs.
  - Grantor requirements do not mandate acceptance by legislative body (i.e., City Council).
- Management Services will work with departments when there are special circumstances for other small grant programs, such as compressed timelines, that do not easily facilitate Council approval.

Requirements for Grants with Technology Components:

- The submitting department is responsible for routing grants that have technology components associated with them to ComIT during the application phase. The department is responsible for coordinating all technology equipment and infrastructure needs with ComIT staff after submission of the grant.

Inclusion of Grants in the Operating or Capital Budget:

- Guidelines for including grants in the annual operating budget include: the grant is on-going, non-competitive and/or allocated on a formula basis such that the revenue can be reasonably estimated based on the historical amount received.
- A department can include a grant in the operating budget request; however, the grant should be included in the appropriate grant fund and necessitates assignment of a grant number by Management Services.
- The CIP may also include grant funding that is of a one-time or ongoing nature.
- Grants that are appropriated as part of the annual operating or capital budgets will be reviewed in conjunction with departmental budget requests; however, Management Services will still review applicable paperwork for grants that are budgeted. The grant application and/or acceptance paperwork must still be approved and signed by the City Manager or appropriate Chief prior to submission to the granting agency for budgeted grants.
- It is still necessary for the requesting department to forward any documentation to Management Services for signature by an appropriate member of the MLT and inclusion in central filing.
- The department must notify Management Services of differences between the estimated and actual amount of all grants so that adjustments to appropriations may be made.
- An award letter is required for any new grant before it can be included in either the operating budget or CIP.

Financial Controls Applied to Grants (Source: June 20, 2005 memo to departments from Finance and Management Services)**:**

- The ViBES controls that are applied to operating budget appropriation units also apply to grants. However, grants are also controlled at the budget unit level. In general (exceptions are outlined below), the grant controls apply first to the grant number, then the budget unit number and then the object code. A grant number designates the overall appropriation unit; appropriations in one grant within a fund cannot offset appropriations within another grant in that same fund. Grants are also controlled at the budget unit level, which affects multi-departmental grants that have multiple budget units under the same grant number. Every single budget unit must balance within that grant.
- Grants also have the same controlled accounts applied, except at the budget unit level: Reserve for Contingencies (600s), Personal Services (601s and 602s combined), Operating Expenses (603s to 606s combined), Leases and Rentals (608s), Land Structures and Improvements (609s), and Debt Service (610s). These categories cannot exceed appropriations for those accounts. Part-time salaries and capital outlay are controlled at the line item level in ViBES; however, for budgetary and purchasing

- purposes, it is necessary to have adequate appropriations for each capital item (not the line item in total).
- Grants involving FEMA-Team deployments and certain housing grants that are subject to special circumstances are the exceptions to the application of the above ViBES controls. The requirements of these grants would render the application of these financial controls impractical.

Supplanting:

- Special focus is needed in the evaluation of grants regarding supplanting. Supplanting involves replacing one source of funding for another.
- The City Council adopted a policy in 2001 which states, "It is the policy of the City Council to prevent, to the extent possible, the shifting of financial responsibility for state, federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to various community programs that rely on that funding."
- In addition, many grants are requiring that the City certify that the funding will not supplant any funding already being used for the same purpose. For example, a Police Department grant may require that the grant funding not supplant any funding allocated for law enforcement uses, thus using vacancy funding from police officers to match the grant would not be allowable under the grant. In meeting non-supplanting requirements, the City considers the redirection of appropriated funding supplanting. This would not apply to funding that is programmed or planned in future years.

4.0 <u>Responsibility and Authority</u>

Department Directors shall be responsible for reviewing and providing a written endorsement of all grant applications submitted by their department, either in paper form or electronically. All grant applications shall be reviewed by Management Services and approved with signature by the responsible Chief and/or the City Manager prior to submission to the granting agencies. Before a grant can be submitted electronically, the individual that is preparing the application must be authorized by the City Manager to submit the grant. A "Designee Authorization Form" is located on the Management Services BEACHnet site under "Grant Management."

A. City departments are responsible for the following:

1. Seeking grant funding for identified needs that are not otherwise funded.
2. Obtaining all required signatures pertaining to the grant application and grant acceptance (recommended to be coordinated through Management Services after grant review).
3. Completing applications for identified grants in accordance with guidelines prescribed by the granting agency.
4. Collaborating with other departments as needed to ensure that grant funding provides the greatest possible benefit.
5. Submitting the full grant application package and completed grant forms to the Department of Management Services, ten (10) business days prior to the grantor's due date.
6. Initiating the agenda request process to acquire City Council acceptance of the grant and appropriation of grant funds once written approval notice is received from the grantor agency, if applicable.
7. Developing agenda requests for resolutions as required by granting agencies.
8. Administering the grant-funded program and ensuring that all City policies are followed and all grant requirements are met.
9. Ensuring that grant expenditures are within the awarded grant funding.

10. Coordinating with the City's Finance Department to ensure that grant funding is requested and received in a timely manner, and providing the Finance Department with a copy of the grant agreement and fiscal procedures.
11. Submitting all reports as required by the granting agency, including coordinating financial reporting with the City's Finance Department.
12. Notifying Human Resources at least one (1) pay period prior to any grant position no longer being funded.
13. Maintaining all documentation for grants for a minimum of three (3) years, unless the grantor specifies a longer duration.
14. Notifying Audit Services of any contact from the granting agency or other external agency concerning an audit or review.
15. Notifying Audit Services of concerns about violations of federal, state and/or local laws and regulations or suspected improprieties related to the grant program.

B. The Department of Management Services is responsible for the following:

1. Functioning as process owner of the grant management process and a resource for agencies, with regard to the grant process and grant development.
2. Assisting departments in identifying sources of grant funding and reviewing grant proposals.
3. Providing a timely review of grant applications prepared by departments.
4. Assisting departments in the preparation of agenda items seeking City Council acceptance of a grant and appropriation of grant funding.
5. Maintaining the following information on file as part of the department's role in resource management:

    a. A copy of the grant application.
    b. The department's grant analysis review.
    c. A copy of the agenda package, including the signed appropriation ordinance, and the associated journal voucher.
    d. A copy of the signed grant acceptance form, where applicable.
    e. A copy of the award letter.

6. Communicating with other City agencies and departments after acceptance and appropriation of the grant.
7. Providing copies of all grant-related budget information to the Comptroller's Office of the Finance Department, and to the Payroll Division of the Finance Department and Human Resources when a grant involves changes to part-time or full-time personnel.
8. Ensuring that City departments are familiar with the grant management process and providing grant training about the City's process on an annual basis.
9. Ensuring that Council ordinances include wording that indicates that grant-funded positions will be terminated when grant funding is no longer available.
10. Assigning revenue codes and grant numbers to awarded grants, and notifying Finance of awarded grants through a copy of the completed budget journal.
11. Coordinating multi-departmental grants to ensure a Citywide focus.

C. The Department of Finance is responsible for the following:

1. Functioning as process owner of grant reporting and accounting.
2. Serving as fiscal agent, when required by the grant.

3. Reviewing each grant periodically to ensure that grant funding is requested and received in a timely manner, including tracking all revenues received and expenditures made.
4. Ensuring that ended grants are properly closed out.
5. When necessary, submitting required financial reports to the granting agency.
6. Ensuring that grant controls are set in ViBES.
7. Providing grant training on grant reporting and accounting on an annual basis.
8. Obtaining copies of all funding requests and financial reports that are not completed by the Finance Department.

D. The Department of Human Resources is responsible for the following:

1. Indicating on the Personnel Transaction Form (P-3) of any employee hired with grant funding that the position is funded under a grant.
2. Ensuring that grant-funded personnel are aware upon hire that their positions are authorized for a set time frame or certain amount of grant funding and ensuring that grant-funded personnel sign paperwork to that effect.
3. Processing a grant-funded position out of the system after receiving notification that the grant has been discontinued.
4. Assigning position control numbers to full-time grant positions.

E. The Department of Audit Services is responsible for the following:

1. Providing technical and/or advisory services to the department or program managers regarding program operations and compliance.
2. Providing advice and guidance on audit related matters.

5.0 Definitions

Grant: Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets the following requirements:

- The funding supports a public purpose.
- The funding is for a specified period of time.
- An application process is required to obtain the funds.
- Acquiring the funds is generally the result of a competitive process or funds are distributed on a formulary basis.
- Periodic reports are required to be submitted to the granting agency.
- The grant is subject to audit by the granting agency.

Annual Grant: A grant that is awarded annually, regardless of the specific grant period (e.g., City fiscal year, federal fiscal year, or calendar year).

Multi-Year Grant: A grant that affects the appropriation of funding beyond one (1) fiscal year.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for grant programs can be included in and approved by City Council in the Adopted Operating Budget and Adopted Capital Improvement Program or may require subsequent action by City Council outside of the budgetary process.

Legislative Approval: Refers to (1) the need for City Council to accept and appropriate a grant to provide departments the authority to spend grant funding; or (2) the requirement by the grantor that City Council formally endorse or accept a grant, whether before the application is submitted or after the grant is awarded. Guidance for when legislative approval is not required to provide spending authority is provided on page 3 of this Directive.

Agenda Request*:* A formal request to be placed on the City Council agenda. The agenda request is required to allow the Council to vote to appropriate the grant funding. Grant funding that has not been appropriated may not be spent.

Ordinance*:* An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. Before grant funding can be spent it must be appropriated. Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate ordinance. The ordinance appropriates grant funds for the department to spend.

Resolution: A resolution is a formal type of Council legislation. Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the City Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Supplanting**:** Substituting one source of funding to augment reductions in funding by another agency. The City's policy of not supplanting federal, state or private funding reductions with local funding applies to grants. Match requirements for grants are not considered supplanting. Grants are increasingly requiring that the City certify that federal, state or private funding are not supplanting local funds intended for the same purpose as well.

6.0 Specific Requirements

Subject to any other provision of the law, all agencies and departments shall administer all grants in accordance with this Directive and related supporting documents.

Approved as to Content:	Catheryn R. Whitesell Director of Management Services	08/25/06 Date
Approved as to Legal Sufficiency:	Leslie L. Lilley City Attorney	08/30/06 Date
Approved:	David L. Hansen Chief Financial and Technology Officer	08/31/06 Date
Approved:	James K. Spore City Manager	08/31/06 Date

Administrative Directive

Title: Resource Administration Directive		Index Number: AD 7.01
Date of Adoption: 07/01/92	Date of Revision: 01/31/03	Page: 1 of 8

1.0 **Purpose and Need**

The Annual Operating Budget Appropriation Ordinance authorizes the City Manager or the Director of Management Services to establish and administer budgeting within appropriation units, consistent with best management practices, reporting requirements, and programs and services adopted by the City Council.

The Resource Administration Directive has been established to:

1. Maintain the requirements of the City Charter, the City Code, the Annual Operating Budget Appropriation Ordinance and the Capital Improvement Program Appropriation Ordinance.

2. Ensure the financial integrity of the City through the establishment of policies which provide that the appropriation authority granted by the Annual Operating Budget and the Capital Improvement Program Appropriation Ordinances is not exceeded, without prior approval of Council.

3. Provide a framework for responsible expenditure decisions.

4. Maximize the flexibility and accountability of Department Directors in responding to the demands of their departments' missions and in fulfilling their program objectives, while adhering to legal and administrative policies.

2.0 **Administrative Directive**

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

3.0 **Procedure to Accomplish Administrative Directive**

The Department of Management Services is responsible for coordinating the City's Resource Management Plan and making recommendations to the City Manager. Management Services shall act as the City Manager's designee in the approval of appropriation transfer requests. Management Services will coordinate annual fiscal management training with Finance, Human Resources, Audit Services, and other interested departments. Budget unit managers are strongly encouraged to attend.

All related forms are available on the Department of Management Services intranet page. Detailed instructions and overviews of procedures are also described on the site. Forms can be submitted electronically; however, a signed hard copy must also be submitted to Management Services. Only employees whose signatures are on file with Management Services are authorized to sign transfers.

Any modifications to appropriations within controlled accounts will require submission of a Transfer of Appropriations form or Redefinition of Funds Letter to be approved by Management Services. The departments

3.0 **Procedure to Accomplish Administrative Directive** (continued)

should send these requests directly to Management Services. Management Services will notify Council of approved transfers between $25,000 to $100,000 on a monthly basis.

City Council approval is required for any transfer that 1) exceeds $100,000, 2) significantly expands an existing program, 3) initiates a program that has not previously been requested in the budget, 4) increases permanent positions, or 5) appropriates new funds. Departments must follow the Agenda Process for these requests.

All requests for new programs, program enhancements, or expansions of programs will be reviewed by Management Services, with recommendations made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. In general, only program additions or enhancements that were requested but not funded during the budget process are eligible for consideration. Exceptions may be made in cases where the department could not reasonably foresee the need for the request (example: new mandate, change in technology, etc). Programs that involve redirection of existing funds that are available within the requesting department's fiscal year appropriation and do not require additional funding in future years or involve additional permanent FTEs may not necessitate Council action.

Internal Service Funds will also be required to submit requests for new programs, program enhancements, or expansions of programs, which will be reviewed by Management Services. Recommendations will be made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. The same evaluation criteria apply to requests from Internal Service Funds. Additionally, the only use of retained earnings by Internal Service Funds that does not require Council action is increasing the cost of goods sold.

Department Directors may appeal the disapproval of funding requests by Management Services staff to the Director of Management Services. All information related to the request, including the reason(s) for denial, will be forwarded for review and reconsideration. Should the Director of Management Services also disapprove the request, Department Directors may appeal the decision to the Management Leadership Team. All information related to the request, including the reason(s) for denial, will be forwarded to the Management Leadership Team for review and reconsideration. Decisions of the Management Leadership Team are final.

4.0 **Responsibility and Authority**

1. Department Directors

   Department Directors have a responsibility to ensure that:

   a. The expenditures and encumbrances do not expand, enhance or create programs which will be an on-going commitment or will create a future liability of the City, beyond the current fiscal year, without the approval of the City Manager and City Council.

   b. The appropriation units remain balanced so that the aggregate total of expenditures and encumbrances does not exceed the aggregate total of the adjusted appropriations in each appropriation unit.

   c. The estimated revenues which support each program are or will be realized by the City, and that Special Revenue and Enterprise Funds do not expend more than the realized revenues.

4.0 **Responsibility and Authority** (continued)

d. The balance of each appropriation unit is maintained within each fund. Should an appropriation unit contain appropriations from different funds, the balance of each fund must be maintained separately and exclusively from the other funds within that appropriation unit.

e. The expenditures and encumbrances conform to City Council's policies and other expenditure restrictions. Department Directors should be aware of unique policies or restrictions relating to their own programs. (In general, copies of all policies established by the administrative departments are forwarded to operating departments, who are responsible for retaining them.)

f. Departments conform to the policies and procedures of the City's Grant Management Process, as described in Administrative Directive 1.05.

g. The total expenditures for Personal Services (601s and 602s), Capital Purchases (607s), and Land Structures and Improvements (609s), do not exceed appropriations for those accounts.

   Note: Part-time salaries line item is the exception to balancing at the account category level for the above controlled accounts. This line must balance alone at the appropriation unit level to ensure that the aggregate amount expended for part-time salaries does not exceed the amount appropriated for that purpose because overspending in this account may result in exceeding the number of authorized positions within the appropriation unit. Appropriations in this line may offset other Personal Services expenditures, but other appropriations in Personal Services expenditures cannot offset part-time salaries.

h. The aggregate total of expenditures and encumbrances for non-controlled accounts (603s, 604s, 605s, and 606s) does not exceed the aggregate total appropriated for those accounts for the appropriation unit.

i. Budget Unit Managers are encouraged to attend annual training provided jointly by Management Services, Finance, Human Resources, Audit Services, and other interested departments to maintain accurate and effective budget management.

Department Directors are authorized to perform the following:

j. Make spending adjustments within non-controlled accounts that do not exceed the scope or intent of the department's approved budget (i.e., there should be no new or expanded programs). It is not necessary for individual line items to balance; the non-controlled accounts for the appropriation unit must balance in total. See definition in section 5.0. All other requests will be evaluated and approved by Management Services in the form of Transfers of Appropriations and City Council Agenda Requests.

k. Request a personnel transaction (i.e., promotion or reclassification) provided that existing budgetary funds are available in the salary and fringe benefit accounts within the budget unit to offset any increase in expenditures.

   Prior to making a personnel request, the department must certify to the Department of Human Resources that adequate appropriations are available within the personnel accounts to offset increased costs. If the funds are not available, the department must request a transfer to the appropriate budget unit. The transfer must be approved prior to the effective date of the promotion/reclassification.

l. Prepare a Transfer of Appropriations Request or prepare a City Council Agenda Request, where applicable. (See City Manager and City Council sections for requirements of these requests.)

4.0 **Responsibility and Authority** (continued)

m. Request a redefinition of Capital Outlay appropriations via submission of a letter to Management Services indicating the justification for the request and the reason that there is available funding to be redefined.

2. The City Manager, or his designee, is authorized to transfer funding in accordance with the Annual Operating Budget Appropriation Ordinance, Capital Improvement Program Appropriation Ordinance, and Section 2-187.1 of the City Code.

Authorization is required from the City Manager, or his designee, to:

a. Transfer appropriations of up to $100,000, to or from controlled accounts, between appropriation units, from Reserves for Contingencies accounts, or between capital projects. Management Services provides a monthly report to City Council of transfers between $25,000 and $100,000.

i. Transfers to and from controlled accounts (especially personnel accounts) will be evaluated on a case-by-case basis to determine the emergency nature of the request. Criteria for consideration include: 1) the request is mission critical, 2) there is an adequate justification of the emergency nature, 3) the benefits of the request exceed the costs and the impact of not immediately implementing the request would disrupt service delivery (i.e., why the request cannot wait until the next budget process), and 4) the item was requested by the department during the budget process and was ranked favorably by the Caucus.

ii. Evaluation criteria for Transfers of Appropriations include: 1) the expenditure could not be reasonably anticipated during the budget process, 2) the request results from a mandate, or 3) the request constitutes a change in operating policies and procedures as a result of direction from the City Manager or City Council.

iii. Requests for transfers from Reserves for Contingencies will not be considered unless Management Services determines with the department that the appropriation unit cannot absorb the cost first, within the department's non-controlled accounts and second, within controlled accounts that are anticipated to have excess funding.

iv. Transfers within Internal Service Funds exceeding $100,000 must be approved by City Council if it is outside the scope of the approved budget. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

b. Transfer positions between budget units, divisions, and departments, subject to the $100,000 limit on transfers. (Operating Budget Ordinance).

c. Approve and redefine the use of appropriations for specific Capital Outlay items (607s).

d. Increase the number of part-time FTEs within the current fiscal year, subject to the $100,000 limit on transfers, provided that the aggregate amount expended for such positions does not exceed the respective appropriations. (Operating Budget Ordinance).

e. Transmit items to City Council for adoption.

f. Decrease estimated revenues and corresponding appropriations to reflect expected revenue collections. City Council must be notified of reductions greater than $100,000.

4.0 **Responsibility and Authority** (continued)

g. Transfer excess appropriations to Reserves for Contingencies, after all anticipated expenditures for which those funds were appropriated have been included.

h. Transfer appropriated funds and existing positions as necessary to implement organizational adjustments that have been authorized by the City Council. The City Manager shall report to the City Council regarding the status and progress of any such organizational adjustments on an annual basis.

i. Carry forward appropriations which were authorized but not completed prior to the end of the fiscal year. These requests are reviewed for appropriateness and to ensure that there is sufficient fund balance to meet City Council policies. Salary funds are not eligible to be carried forward (Operating Budget Ordinance). Criteria for Carry-forward appropriations are: 1) the funds shall remain in the same fund, budget unit, and account code; 2) the item was specifically appropriated for the purpose identified in the request; 3) the legal appropriation unit or department has an unencumbered balance greater than the amount requested; 4) the fund balance of the affected fund has sufficient funding available at the close of the books to fund the continuation of the appropriation and is compliant with all prescribed policies; and, 5) the item to be carried forward must be critical to the mission of a program or service offered by the City. Carry-forwards are not to be used to re-appropriate "surplus" funds or to be used as an alternative source of funding from the current fiscal year to the subsequent fiscal year that is not in alignment with its original intended use.

j. Adjust the financing sources for various capital projects to reflect effective utilization of financing sources. The City Manager or his designee may also reduce appropriations to any capital project to reflect reductions in financing sources. However, prior notice to City Council is required for any reductions to total appropriations greater than $100,000.

k. Transfer from dedicated Reserves for Contingencies that have funding for a specific purpose.

l. Make corrections to the budget where movement of funds does not change the intent of the original appropriation, but allows for proper accounting of the funds.

3. City Council is authorized to amend the Operating Budget during the fiscal year. City Council approval is required for all of the following actions prior to the utilization of funds:

a. Amend original appropriations through supplemental appropriations of additional revenue, fund balance or retained earnings.

b. Amend the Operating Budget and Capital Budget through the transfer of appropriations that exceed $100,000.

c. Increase the total number of permanent positions.

d. Implement new, significant expansions or enhancements to programs or services, which will be an ongoing commitment or a future liability for the City beyond the current fiscal year. Any request that was not considered during the budget process will constitute a new program and will require City Council action. Any request deemed to exceed the scope of authority and intent reflected in the Resource Management Plan by the City Manager or his designee will require City Council action.

e. Initiate a new capital project.

5.0 **Definitions**

Terms are defined as they relate to the Operating and Capital Budget administration and provide a general explanation of technical concepts.

Account Categories: Line item expenditure account codes are grouped and numbered according to general uses. They are identified by the first three digits: 60X, where the 6 signifies that it is an expenditure. Following is a list and brief description of account codes.

- 601s – Personal Services: Compensation of direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- 602s – Fringe Benefits: Job-related benefits provided for employees as part of their total compensation.
- 603s – Contractual Services: Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- 604s – Internal Services: Charges to departments for intra-governmentally provided support services such as microcomputer support, automotive services, internal telecommunications, print shop and risk management.
- 605s and 606s – Other Charges: Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- 607s – Capital Outlay: Expenditures resulting in the acquisition of, or addition to, fixed assets which cost $5,000 or more.
- 608s – Leases and Rentals: Leases not capitalized and rental of land, structures and equipment.
- 609s – Land Structures and Improvements: Major capital facilities, with a total cost less than $50,000, that are constructed or acquired, such as land or buildings, and alterations to existing properties. Any project over $50,000 may be a Capital Project and is addressed through the Capital Improvement Program.

Agenda Request: Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Adopted Capital Improvement Program.

Appropriation Amendment: Adjustments made to the Annual Operating Budget during the fiscal year.

Appropriation Ordinance: Formal legislative enactment by Council. Means through which the Resource Management Plan is enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent Council actions. It is also the mechanism used to amend the Operating and Capital Improvement Budgets.

Appropriation Unit: The legal level at which the Operating Budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the Operating Budget and Capital Budget. In general, an appropriation unit is equivalent to a department, within a single fund.

5.0 **Definitions** (continued)

Controlled Accounts: Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Estimated Revenues: The amount of revenue estimated to support appropriations.

Full-Time Equivalent (FTE): Equivalent to the actual hours worked by a full-time position (greater than or equal to 1950 hours annually), employed a minimum of 37.5 hours per week for 52 weeks per year.

Fund: Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance: Referred to as retained earnings in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. It must be authorized for expenditure (appropriated) by Council prior to spending. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

Management Leadership Team: Decision-making body comprised of the City Manager, the Chief Operating Officer, the Chief of Staff, the Chief Financial Officer and the Chief Information Officer.

Non-Controlled Accounts: Accounts over which the City Manager does not exercise control. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Part-Time Employee: A City employee who is scheduled to actually work less than 37.5 hours per consecutive week, or an employee who is scheduled to actually work 37.5 hours per consecutive week for less than 52 consecutive weeks.

Redefinition: Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Resource Management Plan: Document that outlines the expenditures, personnel and revenues needed for financing the annual operations, services and programs of the City government. It is comprised of the Annual Operating Budget and the Capital Improvement Program.

Retained Earnings: See Fund Balance.

6.0 **Specific Requirements**

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

Approved as to Content:	Catheryn R. Whitesell Director, Department of Management Services	01/17/03 Date
Approved as to Legal Sufficiency:	Leslie L. Lilley City Attorney	02/09/03 Date
Approved:	Steven T. Thompson Chief Financial Officer	02/12/03 Date
Approved:	James K. Spore City Manager	02/17/03 Date

Glossary of Terms

Definitions of terms used in the Operating Budget document are given below:

Account Categories - Line item expenditure account codes are grouped and numbered according to general uses. The following is a list with a brief description of account categories.

- Personal Services - Compensation of direct labor of persons in the employment of the city; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.

- Fringe Benefits - Job-related benefits provided for employees as part of their total compensation.

- Contractual Services - Services acquired on a fee basis or a fixed-time contract basis from outside sources.

- Internal Services - Charges to departments for intra-governmentally provided support services such as automotive services, schools landscaping, internal telecommunications, and risk management.

- Other Charges - Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.

- Capital Outlay - Expenditures resulting in the acquisition of, or addition to, fixed assets which cost $5,000 or more.

- Leases and Rentals - Leases not capitalized and rental of land, structures and equipment.

- Land Structures and Improvements - Major capital facilities included in the CIP, with a total cost of $250,000 or greater that are constructed or acquired, such as land or buildings, and alterations to existing properties.

Accrual Basis of Accounting - Where revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. This is the accounting basis that generally is required to be used in order to conform to generally accepted accounting principles (GAAP) in preparing financial statements for external users.

Agenda Request - Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Agricultural Reserve Program (ARP) - A program aimed at preserving agricultural land and identity and reduce urban sprawl in Virginia Beach. Through this program, the city will acquire development rights via preservation easements to farm land.

Annual Grant - A grant that is awarded annually, regardless of the specific grant period (e.g. city fiscal year, federal fiscal year, or calendar year).

Appropriation - Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the city. Appropriations for each program area are outlined and approved by City Council each fiscal year in the adopted operating budget and adopted capital improvement program, and are also used in conjunction with the appropriation of estimated revenues.

Appropriation Amendment - Adjustments made to the annual operating budget during the fiscal year.

Appropriation Ordinance - Formal legislative enactment by City Council. This ordinance is the means through which the Resource Management Plan is enacted into law. The ordinance establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent City Council actions. It is also the mechanism used to amend the operating and capital improvement budgets.

Appropriation Unit - The legal level at which the operating budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the operating budget and capital improvement budget. In general, an appropriation unit is equivalent to a department, within a single fund.

Bad Debt Expense - Incurred when the buyer of a good or service fails to pay for the item. Used primarily by the enterprise funds.

Base Realignment and Closure Commission (BRAC) - A federally appointed task force whose mission is to review military installations for possible closure; and/or consolidation and realignment of existing missions, programs, personnel and facilities.

Budget Issue - The process for requesting funding for new and expanded programs, and/or identifying existing programs for continuation of funding, given limited resources.

Budget Unit/Organization Code - A compilation of all the costs associated with a particular program.

Capital Improvement Program (CIP) - A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to City Council policies, plans, and goals.

Capital Outlay - Outlays resulting in the acquisition of, or addition to, fixed assets which cost $5,000 or more and have an expected service life of more than one year. Exceptions to this are major capital facilities with costs greater that $250,000, which are constructed or acquired - such as land and buildings. These are funded in the Capital Improvement Program (CIP).

Capital Projects Internal Service Fund - Provides for the costs of capital project management staff in the departments of Finance, Communications and Information Technology, Economic Development, Parks and Recreation, and Public Works for the various road, economic development, and technology projects. Funding for these expenses is derived from charges to the CIP projects receiving this additional staff support.

Carry Forwards - Funds that are designated for specific needs (e.g., equipment, contracts, etc.) that were approved within the current fiscal year, but were unexpended by year-end are re-appropriated forward into the subsequent fiscal year.

Charges for Services - Fees the city charges users of government services, such as recreation fees, court costs, library fines, and admissions to the Virginia Aquarium and Marine Science Center.

Charter Bonds - The City Council is authorized by the Virginia Beach City Charter to "… issue bonds or other obligations in any calendar year for any proper purpose in such amounts as shall not increase the total indebtedness of the City … by more than ten million dollars above the amount of such indebtedness at the beginning of such calendar year …" without the approval of the qualified voters of the city.

Class - A grouping of jobs having similar duties and responsibilities, requiring similar knowledge, skills and abilities, and demanding similar qualifications so that the jobs may be appropriately titled and described, and the employees performing such jobs may be equally compensated.

Commonwealth, Revenue from the - Funds provided by the Commonwealth of Virginia in support of joint operations and programs.

Contractual Services - Services acquired on a fee basis or a fixed time contract basis from outside sources.

Controlled Accounts - Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Current Services - Provision of the existing programs and services by city departments without new position requests or additional capital outlay.

Debt Service - The annual principal and interest payments for the debt incurred by the city in the process of acquiring capital outlay or constructing capital facilities.

Depreciation - Used to record de-valuable capital investment of buildings, vehicles, and equipment, and to record anticipated uncollectible accounts. Generally this account is not used in the operating budget.

Economic Development Investment Program Fund (EDIP) - This program is a proactive and creative initiative, which enables the city to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These funds are leveraged by business for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).

Encumbrances - Commitments related to unperformed contracts for goods or services.

Estimated Revenues - The amount of revenue projected to support appropriations.

Expenditures - Decreases in net financial resources.

Federal Government, Revenue from the - Funds provided by the federal government to compensate the locality for federal program impact, for programs jointly funded by the locality and the federal government, and outright grants such as Library Grants and Sand Replenishment.

Fines and Forfeitures - A broad range of fines and forfeitures for violations of local government ordinances. Examples include fines remitted to the city by the courts for violation of city ordinances, or fines collected by the City Treasurer for violations of city parking regulations.

Fleet Assets - Vehicles and equipment managed by the department of Public Works Automotive Services division. These assets may or may not be included on the rolling stock replacement inventory.

Fringe Benefits - Job-related benefits provided for employees as part of their total compensation, such as employer's portion of FICA, FICA-Medicare, retirement, insurance (health, life, and dental), and employees allowances (e.g. car allowance, clothing allowance, cell phone stipends, etc.).

Full-Time Equivalents (FTE) - Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full-time employee.

Full-Time Position - A position employed 40 hours per week for 52 weeks.

Fund - Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance (Specific Fund Reserves) - Referred to as net assets in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. In all funds, local sources are the last dollars in, with all other sources of revenue being fully expended first to support program expenditures. Any use of fund balance or net assets must be approved by City Council.

GASB 45 - Beginning July 1, 2007, the Governmental Accounting Standards Board required governments to fully reflect the actuarial costs of "Other Post Employment Benefits" (OPEB) in their accounting records. For the City, retiree health insurance represents OPEB's.

GASB 54 - Beginning July 1, 2010, this requirement from the Governmental Accounting Standards Board completely changed the reporting requirements for Special Revenue Funds (Agricultural Reserve Program, Tourism Investment Program, etc.) making revenues the determining factor in the budgeting of these funds. Under GASB 54, Special Revenue Funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues, and the actual source of the revenue must be shown.

General Property Taxes - Taxes on real and personal properties, both tangible and intangible, such as vehicles, real estate, and business equipment. Interest and penalties on delinquent taxes are also included in this category.

GovMax - The City's budget system, which is an internet-based application the City leases from Sarasota County, Florida, and incorporates both an operating and capital budget system, and a performance measurement module.

Grants - Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets certain requirements for use and reporting.

Health Insurance Portability and Accountability Act (HIPAA) - The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted on August 21, 1996 and is enforced by the U.S. Department of Health and Human Services Office of Civil Rights. HIPAA provides for: (1) standardization of electronic formats for transmission of nine specific transactions including claims, electronic remittance advice, eligibility, authorization, pharmacy, enrollment, coordination of benefits, attachments and first notice of claim; (2) security of electronic health information and electronic signatures; and (3) privacy of such patient identifiable information. Covered entities include health plans, health care clearinghouses (public or private entities that process standard transactions) and health care providers. It is important to note that the regulations extend to business and trade partners of covered entities.

Internal Services - Charges to department for intra-governmentally provided support services such as computer support, schools landscaping, automotive services, print shop, and risk management.

Lake Gaston - Capital project, which constructed an approximately 84-mile pipeline from Lake Gaston to Norfolk's raw water transmission system to secure a long-term permanent drinking water supply for Virginia Beach. Lake Gaston is a hydroelectric reservoir 35 miles long covering over 20,000 acres, with 350 miles of shoreline and is located in the North Carolina counties of Halifax, Northampton, and Warren, as well as in the Virginia counties of Brunswick and Mecklenburg.

Land Structures - Major capital facilities constructed or acquired, such as land and buildings, alterations and additions to such major capital facilities, street and dike systems, and water and sewer taps and mains. Total cost of these projects is greater than $250,000.

Lease-Purchase - A means of financing whereby the city borrows the funds from a financial institution to pay for the acquisition of major pieces of equipment or computer software.

Leases and Rentals - Leases not capitalized and rental of land, structures, and equipment.

Legislative Approval - The need for City Council to approve a grant, as identified in the guidelines of the grant for which funding is being sought. Such approval would typically be required either before the application is submitted or after the grant is awarded. Not all grants include this requirement.

Management Leadership Team (MLT) - Comprised of the City Manager and Deputy City Managers to promote and influence alignment of the organization and manage the interfaces of the tasks, processes, and environment by identifying and addressing critical issues and needs, and to communicate with the organization's customers and members.

Merit Increase - A salary increase within the pay range of the class to which the employee is assigned that is awarded based on job performance in accordance with the City's performance appraisal program.

Miscellaneous Revenue - Donations and contributions made to the city.

Mission - A broad statement of the reason for an agency's existence, its purposes and functions as related or aligned with City Council goals and vision.

Modified Accrual Basis of Accounting - A mixture of the cash and accrual basis. The modified accrual basis should be used for governmental funds. To be recognized as a revenue or expenditure, the actual receipt or disbursal of cash must occur soon enough after a transaction or event has occurred to have an impact on current spendable resources. In other words, revenues must be both measurable and available to pay for the current period's liabilities. Revenues are considered available when collectible either during the current period or after the end of the current period, but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

Money and Property, Revenue from the Use of - Revenue generated through the investment of funds in money market accounts, or through the lease or rental of City property and concessions, such as Convention Center or Munden Point Park rentals, vending machine concessions, and use of city copy machines and boat ramps.

Multi-Year Grant - A grant that affects the appropriation of funding beyond one fiscal year.

Net Assets - Denotes fund balance in internal service funds and enterprise funds. Formerly retained earnings in internal service funds.

Non-Appropriated Budget - Funding available to an agency to support its programs, which is provided primarily by the Commonwealth of Virginia or the federal government. This amount is not appropriated by the city and is shown to provide the total cost of a program.

Non-Controlled Accounts - Accounts are controlled in total but not by line-item. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Non-Revenue Receipts - The reimbursement of an expense incurred on behalf of other organizations, or the receipt for financing capital outlay or capital projects.

Objectives - Quantifiable statements of the actual and desired level of service or the outcome of policy or activities. These are focused on the mission of the department.

Ordinance - An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. For example, before a department can spend grant funding, the funding must be appropriated. Because the budget is a legal document, any expenditure that is not included in the budget document must be ratified by Council as a separate ordinance.

Other Charges - Expenditures for such purposes as utilities service, telecommunications, delivery services, insurance, office supplies, food and food service supplies, agricultural supplies, medical and laboratory supplies, housekeeping and janitorial supplies, office furnishings, vehicle and powered equipment supplies, uniforms and wearing apparel, books, subscriptions and educational supplies, recreational supplies, shop supplies, construction and maintenance materials and supplies, merchandise for resale, shop tools, professional improvement and certifications, travel, contributions, dues and memberships, and claims and bounties.

Other Local Taxes - Taxes which the Commonwealth enables the localities to use and set within the State Code. Examples are the local share of the sales tax, business licenses, local vehicle registration fees (LVR), cigarette taxes, etc.

Part-Time Position - A city employee, who is scheduled to actually work less than 35 hours per consecutive week, or an employee who is scheduled to actually work 35 hours per consecutive week for less than 52 consecutive weeks.

Pay-As-You-Go - Also known as General Appropriations, is an apportionment of cash funding from the general revenue of the city to an operating department to administer an activity relating to a specific capital project. This method of funding is normally employed as an alternative to additional borrowing.

Pay Range - The minimum through maximum salary levels assigned to a class of positions.

Performance Indicators - The city uses a balanced scorecard for reporting departmental performance measures. These perspectives are the customer perspective, the financial perspective, the internal process perspective, and the learning and growth perspective.

Permits, Privilege Fees, and Regulatory Licenses - The class of permits, fees, and licenses, which includes such levies as user permits to cover costs of processing requests for changes in zoning, building permits, electrical permits, plumbing permits, etc. Regulatory licenses allow for the charging of fees on such services as vehicles-for-hire and refuse disposal services. Also included in this category is the locality's authority to charge fees to license animals, bicycles, and mopeds for identification purposes.

Personal Services - Compensation for direct labor of persons in the employment of the city; salaries and wages paid to employees for full-time, part-time, and temporary work, including overtime, shift differential, and similar compensation; and payment for contracted manpower.

Program Group - The program group name, which may reflect a budget unit name or a name that best reflects a group of services provided by several budget units within the department.

Public Facility Bonds - Bonds issued by governments, and authorities. This debt does not constitute a general obligation debt of the city, nor a pledge of the full faith and credit of the city. However, this debt is considered a part of the overall net debt of the city, and is included in the city's debt ratio calculations and other debt policies of the city.

Reclassification - A reassignment of job title and pay range of an employee whose job responsibilities have been determined by the Director of Human Resources to have evolved to a degree that the present job classification does not accurately reflect the actual duties performed.

Redefinition - Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Referendum Bonds - Bonds which require authorization "… by ordinance adopted by the affirmative vote of two-thirds of all members of the City Council and approved by the affirmative votes of a majority of the qualified voters of the City voting on the question at an election called and held for the purpose …" of approving or disapproving the issuance of the bonds. While referendum bonds may be issued for general obligation purposes, normally the issue is identified as financing a specific project or group of projects, such as schools or roadways.

Reserve for Contingencies - Used to identify funds set aside as a reserve for unanticipated expenditures, budgeted salary adjustments, or any other anticipated costs to be allocated at a later date.

Resolution - Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This would include a statement of intent by the City Council to participate in a specific grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Resource Management Plan - Document that outlines the expenditure, revenues, and personnel needed for financing the annual operations, services, programs, and capital projects of the city government. It is comprised of the Executive Summary, Operating Budget, and Capital Improvement Program.

School Funding Formula - Also referred to as the City/School Revenue Sharing Formula. This was a City Council policy to share specifically identified local revenues with the school system to both provide the locally required match to state funds and the additional local support beyond that minimum.

School Reversion - Results from school revenues, including the local transfer, greater than expenditures and from appropriations that were not expended during the fiscal year. All remaining school funds must, by state law, be returned to the locality.

Strategic Issue Team (SIT) - Seven teams formed to manage major city issues as identified by City Council's goals. These teams include: Economic Vitality, Safe Community, Quality Physical Environment, Cultural and Recreational Opportunities, Quality Education and Lifelong Learning, Family and Youth Opportunities, and Quality Organization.

Supplanting - Substituting one source of funding to augment reductions in funding by another agency. The city's policy of not supplanting federal, state or private funding reductions with local funding applies to grants, capital projects, or program revenues.

Tax Increment Financing (TIF) - Is a public financing tool that uses the real estate revenues generated by the growth in value of a designated area to fund capital improvement projects within that area.

Tourism Advertising Program (TAP) - A program that funds advertising for the city's advertising and marketing program to promote and increase tourist and convention visitation to this city, including financing the Visitor Information Center and additional national and regional advertising for the city with increased emphasis on marketing through the city's website, **www.visitvirginiabeach.com**. This program is funded by dedicated revenue including 1¢ of Hotel/Motel Room Tax rate, $1 per room night flat tax, dedicated ½¢ of Restaurant Meals Tax rate, as well as other miscellaneous revenue related to the Visitor Information Center and co-operative programs with state and other regional destinations and attractions.

Tourism Investment Program (TIP) - A fund created in the FY 2011-12 operating budget that consolidated the Tourism Growth and Investment (TGIF) fund and the Major Projects Fund to provide the necessary opportunities for future strategic growth areas, maintenance of the resort area, beach events, as well as economic development projects. This fund provides funding for tourism related capital projects and initiatives, the rebuilding of the Convention Center, the Sandler Center for the Performing Arts and the expansion of the Virginia Aquarium parking facilities. This fund is supported by dedicated revenue streams including: ten cents of the Amusement Tax, four and a half cents of the Hotel Room Tax and one-half cent of the Hotel Room Tax for Beach Events, 1.06 cents of the Restaurant Meal Tax and 5 cents of the Cigarette Tax, as well as other miscellaneous tourism related revenue.

Transfers from Other Funds - Revenues received from another fund that are used to reimburse the recipient fund for expenses incurred in behalf of the "Other" fund.

Transfers to Other Funds - The transfer of appropriations from one fund to assist in funding the operations of another.

Virginia Beach Quality Service System (VBQSS) - A quality management system designed to enhance the physical, social, economic and educational quality of the city by delivering quality services to all citizens according to destination points set by the City Council.

Description of City and School Funds

Under the principles of fund accounting, all related liabilities and resources are grouped together in a self-balancing set of accounts. Generally, funds are set up and maintained for the purpose of carrying on specific activities or attaining certain objectives, in accordance with specific regulations or limitations. Provided below is a description of each of the major funds used in this budget document, and an explanation of their relationships to each other.

Agriculture Reserve Program Special Revenue Fund - City Council established the Agricultural Reserve Program in May 1995, and this fund accounts for the revenues and expenditures supporting this program to purchase development rights via agricultural land preservation easements for eligible parcels of farmland in specified areas of the city.

Bayville Creek Dredging Special Service District Special Revenue Fund - This fund supports the special service district in the Bayville Creek area. Additional real estate taxes are assessed on residents of this special service district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses.

Capital Projects Internal Service Fund - Provides funding for positions and associated costs necessary for the implementation of capital projects. The cost is ultimately charged to the project itself.

Central Business District - South Tax Increment Financing (Town Center) Fund - City Council adopted the Central Business District - South Tax Increment Financing District on November 23, 1999. Creating a Central Business District in the Pembroke area of the city has been a long-term goal. The Comprehensive Plan, adopted on November 4, 1997, noted "the need to improve the overall form and quality of the development within the CBD core area and transform what is now mostly undeveloped or underdeveloped land into an attractive, high quality, intensive, pedestrian designed, mixed use town center." On February 8, 2000, the City Council approved a Development Agreement between a developer and the Virginia Beach Development Authority that created a Town Center for the city. The TIF funds are used to pay for the debt service costs for construction of four public parking garages, the Conference Center at the Westin Hotel, and pedestrian bridge.

Chesopeian Colony Dredging Special Service District Special Revenue Fund - This fund supports the special service district in the Chesopeian Colony area. Additional real estate taxes are assessed on residents of this special service district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses.

City and Schools Health Insurance Fund - Provides a means for accounting for health insurance and the administration thereof for school and city employees.

City Beautification Fund - Provides funding for various landscaping beautification projects. It derives its revenues from cash donations received annually from citizens or businesses for designated beautification projects. The donations fund the plants and other related materials and supplies needed for the projects.

City Garage Internal Service Fund - Accounts for the financing of vehicles and repairs, parts, and the motor pool services related to the use of city vehicles by city departments. Goods and services are provided by the City Garage to other departments on a flat fee basis.

Commonwealth Attorney's Federal and State Seized Assets Special Revenue Fund - Accounts for funds provided to the Office of the Commonwealth's Attorney, by the state and federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support prosecution activities.

Community Development (CD) Loan and Grant Fund - Accounts for Community Development Block Grant funds used to finance loans and grants to homeowners in target neighborhoods. This fund also accounts for interest and principal repayments.

Community Development Special Revenue Fund - Accounts for the funds provided by the Community Development Block Grant (CDBG) and the City of Virginia Beach to address the inadequate housing of the city's low and moderate income

families. This program supports the administration of both capital improvement projects in target neighborhoods and various other housing programs.

Federal Housing Assistance Grant Fund - Accounts for National Affordable Housing Act grant funds utilized for rehabilitation of owner-occupied and tenant-occupied low and moderate income dwellings.

Federal Section 8 Program Special Revenue Fund - Accounts for funds received directly from the federal government to provide rental assistance to low and moderate income families.

Fuels Internal Service Fund - Established and previously separated from the City Garage Internal Service Fund to more easily identify the costs associated with the delivery of fuel including maintenance, operation, capital and remediation costs for general fund supported fuel facilities.

General Fund - Supports the routine operations of the city, such as Police, Fire, and Public Libraries. It can also incur liabilities, indicated by inter-fund transfers, which are reimbursable by other funds. Resources are generated through the tax base and from federal and state programs.

General Government Capital Projects Fund - Provides funds necessary to meet the city's need: for municipal infrastructure construction and rehabilitation, ranging from community recreation centers to fire stations; to preserve and improve the city's roadway network to ensure efficient and safe mobility throughout the city; to preserve and enhance the extensive shorelines and navigable waterways within the City through protection, maintenance, access, and restoration projects; for projects supporting communications and technology that improve customer service delivery, and improve the functionality and efficiency of the organization and its infrastructure; for capital projects supporting the economic and tourism development program; and for capital projects supporting the parks and recreation program. Sources of revenues include the operating budget, fund balance, state, federal, debt financing, private contributions, and the Sandbridge Tax Increment Financing District and Special Service District.

Gills Cove Dredging Special Service District Special Revenue Fund - This fund supports the special service district in the Gills Cove area. Additional real estate taxes are assessed on residents of this special service district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses.

Grants Consolidated Fund - Accounts for grants-in-aid received from federal and state agencies, and outside agencies or organizations.

Harbour Point Dredging Special Service District Special Revenue Fund - This fund supports the special service district in the Harbour Point area. Additional real estate taxes are assessed on residents of this special service district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses.

Information Technology Internal Service Fund for Subscriptions - Accounts for the financing of existing technology application related subscriptions by city departments.

Law Library Fund - Finances the legal reference collection, which is used primarily by the courts system. This fund is primarily supported through fees collected by the courts as "court costs."

Library Gift Fund - Accounts for designated and undesignated donations to the Virginia Beach library system from individuals and groups. The undesignated donations are used for additions to the collection.

Old Donation Creek Dredging Special Service District Special Revenue Fund - This fund supports the special service district in the Old Donation Creek area. Additional real estate taxes are assessed on residents of this special service district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses.

Open Space Special Revenue Fund - Established by City Council in the FY 2001-02 operating budget. It derives its revenue from part of the meals tax and other local sources associated with the acquisition of undeveloped property throughout Virginia Beach.

Parking Enterprise Fund - Accounts for the expenditures and revenues generated by parking meters and the operation of municipal parking lots in the resort area.

Parking Meters Homeless Donation Fund – City Council adopted the Parking Meters – Homeless Donation Fund on August 10, 2010. This fund is to account for donations made at meters, or sponsorships of those meters, located at or near the oceanfront. Revenue from these donations and meter sponsorships is specifically earmarked to assist with homelessness services and prevention and to discourage panhandling at the oceanfront.

Parks and Recreation Gift Fund - Provides funding for various Parks and Recreation-related needs. It derives its revenues from cash donations received annually from citizens for designated (such as special events, recreation supplies, other purchased services, replacement equipment, and other Parks and Recreation activities, as may have been designated) and un-designated purposes related to Parks and Recreation programs and activities.

Parks and Recreation Special Revenue Fund - Accounts for revenue from fees and charges, dedicated tax revenue for community recreation centers, the Sportsplex, and local (General Fund) support associated with the operation of the Parks and Recreation department.

Police Federal and State Seized Assets Special Revenue Fund - Accounts for funds provided to the Police Department, by the state and federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support investigations.

Risk Management Internal Service Fund - Provides a means of accounting for the city's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other city departments on a cost-reimbursement basis.

Sandbridge Special Service District Special Revenue Fund - Supports the special service district in the Sandbridge area of the city established by Council January 1, 1995 for the collection of additional lodging tax and real estate tax for the purpose of beach and shoreline management and restoration. This fund accounts for the cost of sand replenishment within the Sandbridge District oceanfront, receives its funding from specially assessed real estate taxes on properties within the district's boundaries, from a transient occupancy tax for the district, and from additional support from the Parking Enterprise Fund, the Tourism Investment Program Fund, and the Parks and Recreation Special Revenue Fund.

Sandbridge Tax Increment Financing Fund - Supports the Tax Increment Financing District for the Sandbridge area that City Council established on December 1, 1998. The TIF district, in conjunction with funding from a Special Services District also created for Sandbridge, will provide for periodic beach restoration/replenishment.

School Athletic Fund - Accounts for the costs of holding athletic activities at the city's schools. Receives its funding primarily from admission fees to athletic events, and receives additional support from the city's general fund.

School Cafeteria Fund - Accounts for the costs of operating the city's school cafeterias, receives its funding primarily from the sale of school lunches, and gets additional support from the state and federal government.

School Communication Tower Technology Revenue Fund - Established by the City Council on March 24, 1998, the School Communication Tower Technology Special Revenue Fund receives all payments from private tower owners who lease school property for commercial wireless towers. The funds received and the interest earned are used to acquire and replace technology including computers, software, wiring, training, facsimile, and copy machines.

School Equipment Replacement Special Revenue Fund - Established by the City Council on January 9, 2007, the School Equipment Replacement Special Revenue Fund accounts for the financing and acquisition of various replacement equipment.

School General Revenue Capital Projects Fund - Provides funding for the construction of new schools and school facilities. The schools capital improvement program receives support from the operating budget in terms of current revenues and fund balance, state and private contributions, and debt financing.

School Grants Fund - Accounts for the costs to operate various special programs in the local schools and receives its funding from various local, state, and federal grantor agencies.

School Instructional Technology Revenue Fund - Established by the City Council with the adoption of FY 1999-00 Resource Management Plan to hold funds provided by the city outside of the Revenue Sharing Policy for School Technology. This fund has been revised to reflect funding from school's annual interest earnings up through FY 2006-07 or until $12 million has been contributed. School's interest revenue received after FY 2006-07, will be allocated by the city to schools for projects and other operational costs.

School Landscaping Internal Service Fund - Accounts for monies provided by the Virginia Beach public school system for landscape design, installation, maintenance, and contract oversight at all public school sites, including physical education facilities (playgrounds), athletic fields, and parking lots.

School Operating Fund - Supports the routine operations of the Virginia Beach public school system and tracks the funds provided for education by the federal government and the state of Virginia.

School Reserve Fund - A fund used by the city to accumulate school reversion cash from the School Operating Fund as requested by the School Board and approved by the City Council, and is subsequently appropriated and transferred for emergency, economic conditions and similar purposes as requested by the School Board and approved by the City Council.

School Risk Management Fund - Provides a means of accounting for the school's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other school departments on a cost-reimbursement basis.

School Textbook Fund - Accounts for the costs of providing textbooks to the student population, receives its funding primarily from the State Department of Taxation, and receives additional support from the city's general fund.

School Vending Operations Fund - Established in FY 2001-02 after the school district entered into an exclusive vending arrangement with a national soft drink vendor. Proceeds from this contract will be used to support student activities.

Shadowlawn Dredging Special Service District Special Revenue Fund - This fund supports the special service district in the Shadowlawn area. Additional real estate taxes are assessed on residents of this special service district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses.

Sheriff's Department Special Revenue Fund - Accounts for state, federal, and local funds in support of the Sheriff's Office. Also accounts for the proceeds of telephone commissions from pay telephones within the Correction Center. State law requires that these funds be used in support of programs benefiting the inmates. These costs and revenues were formerly budgeted in the Inmates Special Revenue Fund that was merged with the Sheriff's Department Special revenue Fund in the FY 2012-13 operating budget.

Storm Water Capital Projects Fund - Accounts for funds allocated for infrastructure improvements to the Storm Water Utility System. The storm water capital improvement program is designed to create an effective drainage system and storm water management system, protect natural resources and enhance quality of land and waterways, to maintain the city's utility systems, encourage development only in accordance with principles of natural environment protection, and provide adequate resources to maintain existing infrastructure. The storm water capital improvement program receives support from the Storm Water Utility Enterprise Fund of current revenues, net assets, and debt service for revenue bonds issued, and from other sources such as the state government, private contributions, and the city's General Fund.

Storm Water Utility Enterprise Fund - Accounts for revenues and expenditures generated by the Storm Water Utility Fee for operational and capital needs for storm water management in the city.

Telecommunications Internal Service Fund - Accounts for the costs for provision of the following services to city departments: telephone equipment, network and radio maintenance and support, contract administration, cable management, dial tone provision, etc.

Tourism Advertising Program Special Revenue Fund - A fund created by City Council August 22, 1995 to be effective July 1, 1995 that appropriated dedicated revenues to be used for the city's advertising and marketing program and related activities, including the operation of the Visitor Information Centers, to promote and increase tourist and convention visitation to this city. Revenues earmarked by City Council to this fund include 1¢ of Hotel/Motel Room Tax rate, $1 per room night flat tax, dedicated ½¢ of Restaurant Meals Tax rate, as well as other miscellaneous revenue related to the Visitor Information Center and co-operative programs with state and other regional destinations and attractions.

Tourism Investment Program (TIP) - A fund created in the FY 2011-12 operating budget that consolidated the Tourism Growth and Investment (TGIF) fund and the Major Projects Fund to provide the necessary opportunities for future Strategic Growth Areas, maintenance of the resort area, beach events, as well as Economic Development projects. Also, this fund provides funding for tourism related capital projects and initiatives, the rebuilding of the Convention Center, the Sandler Center for the Performing Arts and the expansion of the Virginia Aquarium parking facilities. This fund is supported by dedicated revenue streams including: ten cents of the Amusement Tax, four and a half cents of the Hotel Room Tax and one-half cent of the Hotel Room Tax for Beach Events, 1.06 cents of the Restaurant Meal Tax and 5 cents of the Cigarette Tax, as well as other miscellaneous tourism related revenue.

Town Center Special Tax District - This tax district was established by City Council on May 14, 2002. In accordance with the Town Center Development Agreement, this district was created in FY 2002-03 to provide funding through an additional real estate tax assessed on owners of properties in the district to fund the annual operations and maintenance costs associated with the core parking facilities as well as security, street sweeping, pressure washing sidewalks, landscaping, and refuse collection at public waste receptacles within the Town Center core area. The rate was established at 57 cents annually based on estimated operations and maintenance costs. This rate has changed as other projects near completion and based on the level of maintenance desired by the property owners. In FY 2007-08, the rate was lowered to 50 cents. The FY 2008-09 operating budget lowered the rate to 45 cents. Rates will be adjusted based on costs and current funding capacity. Currently, seven blocks (3, 4, 5, 8, 10, 11, and 12) of the Town Center core area are in the special district, and the district will expand as other blocks are developed. Every three years, the special tax rate will be reviewed by the city to determine the cash flow needed to properly maintain and operate the facility.

Waste Management Enterprise Fund - This fund was established in the FY 2012-13 operating budget to account for the annual operating expenses for the waste related functions, including recycling activities, waste collection, and disposal at the landfill. This does not include capital improvement program or rolling stock expenses. Use of a separate fund increased the transparency of what services the monthly waste management fee that was instituted in FY 2011-12 is dedicated to supporting these operations in the General Fund. A special revenue fund is compatible with the continued General Fund support of these activities and enables accruing funds over time for replacement of capital and infrastructure needs, with a planned transition to an enterprise fund when the waste operation becomes self-sustaining.

Water and Sewer Fund - Accounts for the expenditures and revenues generated by the normal operations of the water and sewer divisions of the Public Utilities department.

Water and Sewer Capital Projects Fund - Provides funds for the renovation/rehabilitation and replacement of water and sewer lines and pump stations, extensions of the water and sanitary sewer system coordinated with the roadway expansions, expansion of the water and sewer system to increase capacity in newer service areas, new water and sanitary sewer services through the Neighborhood 51% program. The Water & Sewer capital improvement program receives support from the Water and Sewer Utility Enterprise Fund in terms of current revenues, net assets, and debt service for revenue bonds issued, and from other sources such as the federal government and Hampton Roads Sanitation District.

Descriptive List of Commonly Used Acronyms

Acronym	Title	Description
AAA	AAA Bond Rating	This bond credit rating indicates that the organization has extremely strong capacity to meet its financial commitments and represents the highest rating.
ADA	Americans with Disabilities Act	The ADA is a wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability. As applied to local government, this federal legislation requires all public buildings, services and programs to be accessible to people with disabilities.
ADM	Average Daily Membership	The "Average daily membership" or "ADM" means the aggregate days membership of a school during a certain period divided by the number of days the school was actually in session during the same period.
AICUZ	Air Installation Compatible Use Zone	The noise zones and the accident potential zones together form the AICUZ for an air installation. The AICUZ need to be updated periodically when the number and type of aircraft operations change at an installation.
ALC	Adult Learning Center	The Adult Learning Center is a Virginia Beach public school whose mission is to equip adults with 21st century skills by providing rigorous and relevant instruction that enables learners to complete in the global society.
ALS	Advanced Life Support	Critical care that requires immediate intervention for life or death circumstances. May involve use of drugs or invasive medical procedures.
APZ1	Accident Potential Zone 1	An area beyond the airfield runway where an aircraft mishap is most likely to occur if one occurs. It does not indicate a probability of an accident occurring, but is to be used for planning purposes.
ARP	Agricultural Reserve Program	A program aimed at preserving agricultural land and identity and reducing urban sprawl in Virginia Beach. Through this program, the city will acquire development rights via preservation easements to farm land.
BABS	Build America Bonds	These are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The purpose of Build America Bonds is to reduce the cost of borrowing for state and local government issuers and government agencies.
BLS	Basic Life Support	Provide care for the sick or injured. BLS generally does not include the use of drugs or invasive medical procedures as does ALS.
BPOL	Business Professional Occupation License	This represents a gross receipts tax on businesses. The fee and/or rates are based on the amount of gross receipts (or

		gross sales, gross purchases, gross commissions, gross contracts or orders) from the preceding calendar year. A flat $40 fee applies to businesses with gross receipts of under $25,000; a flat fee of $50 applies to businesses with gross receipts from $25,001 to $100,000. Businesses with sales over $100,000 are subject to various rates depending on the classification of the business (the tax rate applies to 100% of gross sales rather than only the sales above $100,000). Council adopted a 2-year exemption from this tax for new businesses beginning January 1, 2012. A new business is exempt from all but the minimum fee ($50) for the first two license years of business. If a business applies in the middle of a license year, the business would only receive 1½ years of exemption.
BRACC	Base Realignment and Closure Commission	A federally appointed task force whose mission is to review military installations for possible closure; and/or consolidation and realignment of existing missions, programs, personnel and facilities.
BZA	Board of Zoning Appeals	A 7-member body with two alternate members, appointed by the City Council, responsible for the review of variance requests to the Zoning Ordinance and appeals of decisions of the Zoning Administrator for the City of Virginia Beach.
CAFR	Comprehensive Annual Financial Report	An audited and printed copy of the city's financial statement at the end of a given fiscal year.
CALEA	Commission on Accreditation for Law Enforcement Agencies	This organization provides accreditation to agencies that meet established standards and use best practices utilized by other law enforcement agencies.
CBD	Central Business District	The Virginia Beach Central Business District is a large area roughly bound by Thalia Creek on the east, Witchduck Road on the west, Jeanne Street on the north and Bonney Road on the south. Much of this area is comprised of commercial enterprises with some light industrial uses located in the western portion of the district. Since the year 2000, considerable growth has occurred in the Central Business District's Town Center area. The Town Center is a 17-block area located southwest of Virginia Beach and Independence Boulevards. It is a vibrant and growing urban lifestyle center with a complement of mixed uses that include high rise residential, retail, office, restaurant, entertainment, education and open spaces, all designed around a well-planned urban, pedestrian friendly environment.
CBPA	Chesapeake Bay Preservation Act	An ordinance to protect and restore the water quality of the Chesapeake Bay and its tributaries.
CBPAO	Chesapeake Bay Preservation Area Ordinance	The Chesapeake Bay Preservation Act Ordinance was adopted on January 1, 1991 and affects all property in Virginia Beach that drains into the Chesapeake Bay Watershed by limiting what is done on the affected property. The CBPAO is an effort to enhance the water quality by protecting environmentally sensitive areas such

		as buffers adjacent to waterways, tidal shores and wetlands, as well as highly erodible soils. Special permission may be needed from the City of Virginia Beach before work may begin on the properties covered by the ordinance.
CC	Certificate of Compliance	A program established in 1989 offered by the Department of Housing that conducts inspections on rental units in Council approved Rental Inspection Districts based on the need to prevent deterioration and blight in certain areas of the city and ensure safe, decent, and sanitary living conditions.
CDBG	Community Development Block Grant	Annual formula based grant from the federal Department of Housing and Urban Development to states and localities to be used to for a wide range of community development needs by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.
CHINS	Child In Need of Services/Supervision	"Child in need of services" means a child whose behavior, conduct or condition presents or results in a serious threat to the well-being and physical safety of the child.
CIP	Capital Improvement Program	A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to Council policies, plans, and goals.
CMRS	Mobile Telecommunications Service	CMRS means mobile telecommunications service as defined in the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section 124, as amended. CMRS provider means an entity authorized by the Federal Communications Commission to provide CMRS within the Commonwealth of Virginia.
COG	Community Organization Grant	A Council appointed committee that awards qualified non-profit agencies monetary grants for providing services to Virginia Beach citizens.
COIA	Conflict of Interest Act	The State and Local Government Conflict of Interests Act (sections 2.2-3100 – 2.2-3131 of the Code of Virginia) requires some Virginia governmental officers and employees to disclose their personal and financial interests.
CPI	Consumer Price Index	The Consumer Price Index measures changes in the price level of consumer goods and services purchased by households. The CPI in the United States is defines by the Bureau of Labor Statistics as "a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services."
CPR	Cardiopulmonary Resuscitation	Cardiopulmonary resuscitation (CPR) is an emergency procedure which is performed in an effort to manually preserve intact brain function until further measures are taken to restore spontaneous blood circulation and breathing in a person in cardiac arrest. It is indicated in

		those who are unresponsive with no breathing or abnormal breathing. CPR involves chest compressions at least 5 cm deep and at a rate of at least 100 per minute in an effort to create artificial circulation by manually pumping blood through the heart. In addition, the rescuer may provide breaths by either exhaling into the subject's mouth or nose or utilizing a device that pushes air into the subject's lungs.
CPMT	Community Policy and Management Team	A team of city/school staff that oversees Comprehensive Services Act funding.
CSA	Comprehensive Services Act	A funding pool of state funds, trust grants, Medicaid, Family Preservation Act funding, and the funding sources to strengthen families and provide services to at-risk youths.
CSB	Community Services Board	A service responsible for providing a range of behavioral health services.
CVB	Convention and Visitors Bureau	A department in the City of Virginia Beach whose mission is to serve the broader interests of the economy of the City of Virginia Beach by supporting, maintaining and expanding the City's leisure travel and meeting and convention markets in order to create jobs and generate tax revenues.
D.A.R.E.	Drug Abuse and Resistance Education	A comprehensive drug and violence prevention education program for children in 5th grade.
DEA	Drug Enforcement Agency	Federal agency that enforces the controlled substances laws and regulations of the United States and bring to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States.
DEQ	Department of Environmental Quality	The Virginia Department of Environmental Quality administers State and federal laws and regulations for air quality, water quality, water supply and land protection in order to protect and improve the environment. Programs include improving the ability of businesses and local governments to protect the environment, and offering technical and financial assistance for air and water quality improvements.
DMV	Department of Motor Vehicles	A state agency responsible for issuing driver's licenses and issuing automotive tags.
DSC	Development Services Center	This operation within the Planning Department coordinates the review and approval of subdivision plats and development plans to ensure engineering compliance with ordinances, standards, specifications and City Council requirements. It administers development sureties and coordinates review and recordation of legal documents and agreements designed to ensure construction of requirements established during the plan review and approval process.

DUI	Driving Under the Influence	It is commonly called "drunk driving," but includes driving under the influence of drugs (e.g. illicit, over the counter or prescription) too. "Drunk driving" typically refers to driving with a blood alcohol concentration which is at a level where a person can be arrested for DUI (in Virginia, this is 0.08 percent). Impaired driving means that a person's skills – including judgment, coordination, response time, and more – are affected much earlier before the blood alcohol concentration reaches 0.08 percent.
EAP	Employee Assistance Program	The Employee Assistance Program provides assessment, counseling, and referral services designed to assist employees in resolving personal problems which my impair job performance, thereby enhancing productivity and reducing absenteeism and turnover. The Program is available to all full-time and part-time probationary and permanent employees, all members of the immediate household of an eligible employee living outside the household or any individual for whom an eligible employee is legally responsible, and all emergency medical services volunteers.
ECCS	Emergency Communications and Citizen Services	This is a City department that processes emergency and non-emergency calls for the City of Virginia Beach and relays the information gathered to the appropriate City department so a response can be prepared in the most efficient and accurate manner.
EDIP	Economic Development Investment Program	This program is a proactive and creative initiative, which enables the city to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These funds are leveraged by business for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).
EEO	Equal Employment Opportunity	A federal law banning the practice of employment discrimination based on race, religion, national origin, creed, sex, etc.
EMR	Electronic Medical Reporting System	An electronic medical record (EMR) is a computerized medical record created in an organization that delivers care, such as a hospital or physician's office. Electronic medical records tend to be a part of a local stand-along health information system that allows storage, retrieval and modification of records. After much work researching software, designing and building the infrastructure from FY 2008-09 through FY 2009-10, a team from the departments of EMS and Communication and Information Technology in partnership with Sentara Healthcare developed an Electronic Medical Reporting (EMR) system that was implemented in the field on June 14, 2010. This system converted to an electronic format the hand-written EMS patient care reports, which sere comprised of three-pages

		including 528 mandated fields and took an average of 40 minutes to fill out and complete. Use of EMR translates into improved service for patients and faster turn-around times for ambulances. This new system allows each call for emergency medical services to be tracked from the time the call comes into Emergency Communications Center/E911, to the time the patient is discharged from the hospital.
EMS	Emergency Medical Services	A city department that provides emergency rescue services using certified volunteers and career medics, and provides lifeguard services at Sandbridge beach.
EMT	Emergency Medical Technician	A certified healthcare provider who is trained to treat and transport victims of emergencies. Emergency medical technicians (EMT) provide basic life support to victims. Skills include immobilization and splinting, bandaging, administering oxygen, cardiopulmonary resuscitation, defibrillation, extrication, administering medications and airway management. Emergency medical technicians may work in the emergency department, fire department, public gathers and factories, but most importantly the certification is aimed at providing care in an ambulance.
EPA	Environmental Protection Agency	The Environmental Protection Agency is a federal agency that was created for the purpose of protecting human health and the environment by writing or enforcing regulations based on laws passed by Congress. The agency conducts environmental assessment, research, and education, and has the responsibility of maintaining and enforcing national standards under a variety of environmental laws, in consultation with state, tribal, and local governments. Enforcement powers include fines, sanctions, and other measures. The agency also works with industries and all levels of government in a wide variety of voluntary pollution prevention programs and energy conservation efforts.
ESG	Emergency Shelter Grant	A federal grant provided by the Department of Housing and Urban Development that is designed as the first step in the Continuum of Care, to provide funds for emergency shelters — immediate alternatives to the street — and transitional housing that helps people reach independent living. Grantees use ESG funds to rehabilitate and operate these facilities, provide essential social services, and prevent homelessness. ESG funds can also be used to aid people who are at imminent risk of becoming homeless due to eviction, foreclosure, or utility shutoff.
ESO	Environment and Sustainability Office	This Office prepares and maintains the City's Environmental Sustainability Plan, advocates for responsible stewardship of the City's natural resources, is responsible for the interpretation and enforcement of the Chesapeake Bay Preservation Area and Southern Watershed Management Ordinances, and provides staffing support for the Chesapeake Bay Preservation Area Board and the Wetlands Board. Waterfront construction and dredging permits and

		inspections in Virginia Beach are coordinated through this unit.
ExCELL	Excellence in Children's Early Language And Literacy	Pilot program of the Literacy Institute of the Virginia Commonwealth University conducted in pre-schools to develop language and early literacy skills of young children.
FASB	Financial Accounting Standards Board	The designated organization in the private sector since 1973 that establishes standards of financial accounting that govern the preparation of financial reports by nongovernmental entities. Those standards are officially recognized as authoritative by the Securities and Exchange Commission (SEC) and the American Institute of Certified Public Accountants. Such standards are important to the efficient functioning of the economy because decisions about the allocation of resources rely heavily on credible, concise, and understandable financial information.
FBI	Federal Bureau of Investigations	The FBI is an agency of the federal government, established in 1908. It is an intelligence-driven and a threat-focused national security organization with both intelligence and law enforcement responsibilities. The mission of the FBI is to protect and defend the United States against terrorist and foreign intelligence threats, to uphold and enforce the criminal laws of the United States, and to provide leadership and criminal justice services to federal, state, municipal, and international agencies and partners.
FCC	Federal Communications Commission	An agency of the federal government. The Federal Communications Commission regulates interstate and international communications by radio, television, wire, satellite and cable in all 50 states, the District of Columbia and U.S. territories. It was established by the Communications Act of 1934 and operates as an independent U.S. government agency overseen by Congress.
FEMA	Federal Emergency Management Agency	Is a federal agency within the United States Department of Homeland Security, whose mission is to reduce loss of life and property and protect our nation's critical infrastructure from all types of hazards through a comprehensive, risk-based, emergency management program of mitigation, preparedness, response, and recovery.
F.I.C.A., F.I.C.A.-Medicare	Federal Insurance Contributions Act	These are payroll (or employment) taxes imposed by the federal government on both employees and employers to fund Social Security (6.2% tax) and Medicare (1.45% tax), which are federal programs that provide benefits for retirees, the disabled, and children of deceased workers.
FOG	Fats, Oils, and Grease	The FOG Program in the Department of Public Utilities provides information to prevent the introduction and accumulation of fats, oils, and grease, which can cause sanitary sewer blockages and obstructions, into the City's wastewater system. These obstructions can result in sewer backups and sanitary sewer overflows. Grease control devices are required to be installed, implemented, and

		maintained by food service establishments.
FOIA	Freedom of Information Act	Virginia statute that guarantees citizens the right to examine public documents.
FTE	Full-Time Equivalents	Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full-time employee.
FY	Fiscal Year	A budget cycle year, from July 1st to June 30th in Virginia Beach and the State of Virginia. The federal government fiscal year is October 1 to September 30.
GAAP	Generally Accepted Accounting Principles	The standard framework for financial accounting.
GASB	Governmental Accounting Standards Board	Organization created to improve standards of state and local governmental accounting and financial reporting.
GDP	Gross Domestic Product	The total market value of all final goods and services produced in a given year, which is equal to total consumption, investment, governmental spending, plus the value of exports, minus the value of imports.
GED	General Education Diploma	GED tests are a group of five subject tests, which, when passed, certify that the taker has American or Canadian high school-lever academic skills. The initials GED have also been used on diplomas to mean General Education Diploma, General Equivalency Diploma, or Graduate Equivalency Degree.
GIS	Geographic Information System	Geographic Information Systems are tools used to gather, transform, manipulate, analyze, and produce information related to the surface of the Earth. This data may exist as maps, 3D virtual models, tables, and/or lists.
HIPAA	Health Insurance Portability and Accountability Act	The Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted on August 21, 1996 and is enforced by the U.S. Department of Health and Human Services Office of Civil Rights. HIPAA provides for: (1) standardization of electronic formats for transmission of nine specific transactions including claims, electronic remittance advice, eligibility, authorization, pharmacy, enrollment, coordination of benefits, attachments and first notice of claim; (2) security of electronic health information and electronic signatures; and (3) privacy of such patient identifiable information. Covered entities include health plans, health care clearinghouses (public or private entities that process standard transactions) and health care providers. It is important to note that the regulations extend to business and trade partners of covered entities.
HOME	HOME Investment Partnership Act Program	A federal formula block grant program that provides funding to states and localities to create affordable housing for low-income households. Communities use these funds, often in

		partnership with local non-profit groups, to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
HRSD	Hampton Roads Sanitation District	HRSD, a political subdivision of the Commonwealth of Virginia serving 17 counties and cities, was created by public referendum in 1940 to eliminate sewage pollution in the tidal waters of the Chesapeake Bay. Its mission is to protect public health and the waters of Hampton Roads by treating wastewater effectively.
HRT	Hampton Roads Regional Transit	An independent transit authority serving the Hampton Roads area.
HUD	The U.S. Department of Housing and Urban Development	A cabinet branch in the executive branch of the federal government, whose mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all.
HVAC	Heating, Ventilating & Air Conditioning	Technology and mechanized equipment that provides heating, air conditioning and ventilation to provide indoor or automotive environmental comfort.
ICF	Intermediate Care Facilities	A health care facility for individuals who are disabled, elderly, or nonacutely ill, usually providing less intensive care than that offered at a hospital or skilled nursing facility.
IMAX	IMAX	IMAX: is a motion picture file format and a set of proprietary cinema projection standards created by the Canadian company IMAX Corporation. IMAX has the capacity to record and display images of far greater size and resolution than conventional film systems.
IT	Information Technology Training	Training in various computer software systems to store, process and analyze information.
ITA	Interfacility Traffic Area	The Interfacility Traffic Area is the flight corridor between Oceana Naval Air Station and the Naval Auxiliary Landing Field Fentress located in Chesapeake. The City has been purchasing properties in the ITA to limit or prevent the development of uses that conflict with the applicable AICUZ restrictions. A description of AICUZ is included in this glossary.
JUL	Joint Use Library	A collaborative partnership with Tidewater Community College, in May 2013, and will be the largest library in Virginia Beach. It will be open to students, faculty, and the general public.
LETA	Law Enforcement Training Academy	This is a indoor training facility operated by the City of Virginia Beach that Public Safety departments use to earn/maintain accreditation status, as well as, satisfy their mandated training qualification needs.
LVR	Local Vehicle Registration	A local vehicle registration fee that is collected with the state registration fee by the Department of Motor Vehicles.

MLT	Management Leadership Team	Comprised of the City Manager and Deputy City Managers to promote and influence alignment of the organization and manage the interfaces of the tasks, processes, and environment by identifying and addressing critical issues and needs, and to communicate with the organization's customers and members.
NAS	Naval Air Station	NAS Oceana is a Navy aviation facility located in Virginia Beach and is the only United States Navy Master Jet Base on the East Coast.
NG9-1-1	Next Generation 9-1-1	9-1-1 operating systems that recognized the location of all callers, including those that call 9-1-1 through cellular devices. Current operating systems require the call taker to obtain this information from the caller.
OPEB	Other Postemployment Benefits	Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends through retirement or other reason for separation. The most common type of these postemployment benefits is a pension. As the name suggests, other postemployment benefits (OPEB) are postemployment benefits other than pensions. OPEB generally take the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. It may also include some types of life insurance, legal services, and other benefits.
OSHA	Occupational Safety & Health Administration	Is part of the U.S. Department of Labor, created by Congress under the Occupational Safety and Health Act of 1970, to ensure safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education, and assistance.
POMP	Performance Outcome Measure Process	Builds capacity within the individual departments to measure the impacts (i.e. outcomes) of their programs and services on their customer base/the citizenry.
PTA	Parent Teacher Association	A parent-teacher association (PTA) or parent-teacher-student association (PTSA) is a formal organization composed of parents, teachers, and staff that is intended to facilitate parental participation in a school.
PU	Public Utilities	Public Utilities is the department of the Virginia Beach municipal government that provides water and sanitary sewer services to Virginia Beach citizens.
RBNF	Requested But Not Funded	Programs and services that were requested but could not be funded within available revenue.
RFC	Reserve for Contingencies	Reserve for Contingencies is either specific or regular. When

		appropriated for specific purposes, the funding is dedicated to the purpose approved by City Council and may be transferred to the appropriate budget units for this specific purpose. If the Reserve for Contingencies is regular, this funding is available to address unforeseen needs in the upcoming budget and transfers are defined by limits set forth in the budget ordinance. A summary of Reserve for Contingencies is included in the Non-Departmental section of the Operating Budget.
RFP	Request for Proposal	A document issued by the city in the early stages of a procurement process for goods or services that issues an invitation for suppliers, often through a bidding process, to submit a proposal on a specific commodity or service for purchase by the city.
RFQ	Request for Quotation	The informal solicitation method used for small purchases, for the procurement of goods and/or services under $50,000. For procurements between $1,000 - $30,000 a minimum of three (3) telephone or written quotations, the Buyer will solicit at least one quote from a minority or woman owned business if available. For procurements between $30,000 - $50,000 a minimum of four (4) written quotations, the Buyer will solicit at least two quotes from minority or woman owned businesses if available.
ROW	Right-of-Way	A right-of-way is a strip of land that is granted, through an easement or other mechanism, for certain purposes, such as transportation.
RSF	Revenue Sharing Formula	A formula whereby the City and Schools share revenues by a defined formula.
SEC	Securities and Exchange Commission	A federal agency established by Congress under the Securities Act of 1933, the SEC's mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.
SGA	Strategic Growth Area	Office created in FY 2009-10 to implement the City's new growth strategy to accommodate and absorb urban growth, with a focus on planning and infrastructure.
SIT	Strategic Issue Team	A Strategic Issue Team is one of seven teams formed to manage major city issues as identified by previous mission teams and by the City Council's goals. These teams include: Economic Vitality (EVSIT), Safe Community (SCSIT), Quality Physical Environment (QPE), Cultural and Recreational Opportunities (CRO), Quality Education and Lifelong Learning (QELL), Family and Youth Opportunities (FYO) and Quality Organization (QOSIT).
SNAP	Supplemental Nutrition Assistance Program	As of Oct. 1, 2008, SNAP is the new name for the federal Food Stamp Program that provides assistance to low- and no-income people and families living in the U.S. The program is administered by the U.S. Department of Agriculture with benefits distributed by the individual states.

SOL	Standards of Learning	The state of Virginia measures against which students' achievement in school will be measured at different points in their education.
SOQ	Standards of Quality	A term describing the minimum limits the state prescribes for funding reimbursements of school personnel including teachers, principals, and other non-instructional staff.
SPCA	Society for the Prevention of Cruelty to Animals	The SPCA is a national non-profit animal welfare organization that campaigns for animal welfare, assists in cruelty to animal cases, and attempts to find new homes for unwanted animals they feel are adoptable. The SPCA has one location in Virginia Beach.
SPSA	Southeastern Public Service Authority	A regional agency established by localities of Southeastern Virginia in 1976 from the non-operational Southeastern Water Authority of Virginia pursuant to the Virginia Water and Sewer Authorities Act, for the implementation of a regional solid waste disposal system to include a resource recovery operation, featuring a Refuse Derived Fuel (RDF) Plant and a Power Plant. SPSA's purpose is set forth in the Code of Virginia for management of the safe and environmentally sound disposal of regional waste.
SWAT	Special Weapon and Tactics	A SWAT team is an elite tactical unit of highly trained law enforcement officers who use specialized weapons and tactics to handle high-risk situations. SWAT team members' duties include: performing hostage rescues and counter-terrorism operations; serving high risk arrest and search warrants; subduing barricaded suspects; and engaging heavily-armed criminals.
SWU	Storm Water Utility	An enterprise fund created by City Code section 32.5-2 to operate, maintain and improve the city's storm-water management system.
TANF	Temporary Assistance to Needy Families	Federal assistance, which replaces the AFDC and requires all participants to find work after receiving assistance for 24 months and must participate in community services within two months.
TAP	Tourism Advertising Program	A program that funds advertising for the city's advertising and marketing program to promote and increase tourist and convention visitation to this city, including financing the Visitor Information Center and additional national and regional advertising for the city with increased emphasis on marketing through the city's website, www.visitvirginiabeach.com. This program is funded by dedicated revenue including 1¢ of Hotel/Motel Room Tax rate, $1 per room night flat tax, dedicated ½¢ of Restaurant Meals Tax rate, as well as other miscellaneous revenue related to the Visitor Information Center and co-operative programs with state and other regional destinations and attractions.

TCC	Tidewater Community College	Founded in 1968 as a part of the Virginia Community College System, TCC serves the South Hampton Roads region with campuses in Chesapeake, Norfolk, Portsmouth, and Virginia Beach, a regional Visual Arts Center in Olde Towne Portsmouth, the TCC Jeanne and George Roper Performing Arts Center in the downtown Norfolk theater district, a regional Advanced Technology Center on its Virginia Beach Campus and the Regional Automotive Center in Chesapeake. TCC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the associate degree.
TDD	Telecommunication Devices for the Deaf	See glossary.
TGIF	Tourism Growth Investment Fund	See fund description for TIP.
TIF	Tax Increment Financing	Is a public financing tool that uses the revenues generated by the growth in value of a designated area to fund capital improvement projects within that area.
TIP	Tourism Investment Program	A fund created in the FY 2011-12 operating budget that consolidated the Tourism Growth and Investment (TGIF) fund and the Major Projects Fund to provide the necessary opportunities for future strategic growth areas, maintenance of the resort area, beach events, as well as economic development projects. Also, this fund provides funding for tourism related capital projects and initiatives, the rebuilding of the Convention Center, the Sandler Center for the Performing Arts and the expansion of the Virginia Aquarium parking facilities. This fund is supported by dedicated revenue streams including: ten cents of the Amusement Tax, four and a half cents of the Hotel Room Tax and one-half cent of the Hotel Room Tax for Beach Events, 1.06 cents of the Restaurant Meal Tax and 5 cents of the Cigarette Tax, as well as other miscellaneous tourism related revenue.
Title VII	Title VII of the Civil Rights Act	This refers to the section of the Civil Rights Act of 1964 that prohibits employment discrimination based on race, color, religion, sex and national origin.
TMDL	Total Maximum Daily Load	A TMDL is a regulatory term in the U.S. Clean Water Act that describes a value of the maximum amount of a pollutant that a body of water can receive while still meeting water quality standards.
VBCDC	Virginia Beach Community Development Corporation	A non-profit group dedicated to preserving the City's housing stock that provides numerous programs and services that assist the low and moderate-income family including: permanent financing, down payment, and closing cost assistance to first time home buyers, new construction and rehabilitation for sale in the First Time Home Buyers Program, First time home buyer seminars, free & confidential foreclosure prevention and loss mitigation counseling, rental housing for low-income families, rental housing for low-income disabled persons, and rental

		housing and support services for homeless families and homeless individuals.
VBCPS	Virginia Beach City Public Schools	This represents the Virginia Beach City public school system.
VBDA	Virginia Beach Development Authority	Composed of eleven members appointed by City Council to work in cooperation with the city's Department of Economic Development as delineated in Chapter 643, Acts of The General Assembly, as Amended.
VBQSS	Virginia Beach Quality Service System	See glossary.
VBTV	Virginia Beach Television	A local cable access channel that broadcasts city meetings, seminars, presentations, employment information, and other city business.
VDH	Virginia Department of Health	The Virginia Department of Health oversees public health throughout the Commonwealth of Virginia, United States. It has 35 local health districts, including Virginia Beach. Programs include restaurant inspections, food recalls, emergency preparedness and response, environmental health services, and the study and causes of diseases.
VDOT	Virginia Department of Transportation	State agency that maintains state roads and interstate.
VICAP	Virginia Independent Clinical Assessment Program	Program started by Virginia's Department of Medical Assistance Services (DMAS) which requires that individuals seeking Medicaid Children's Mental Health Services have an Independent Assessment completed by a Licensed Mental Health Professional. DMAS has designated local Community Services Boards as the agency to conduct these evaluations.
VOIP	Voice-Over Internet Protocol	Protocol optimized for the transmission of voice through the internet or other packet-switched networks.
VRS	Virginia Retirement System	A state retirement system for public employees that provides its members with benefits at retirement, or upon disability or death.