

Adopted
OPERATING BUDGET

RESOURCE MANAGEMENT PLAN
FY 2016-17

City of Virginia Beach

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HOW TO READ THE DOCUMENT

Purpose and Document Changes

The operating budget outlines the 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 “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 “Virginia Beach 2040”, 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 city staff. 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 city 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.

During their January 2016 workshop, City Council set the following goals:

Goal 1 – Grow the Local Economy

Means to Residents

- ➔ Job opportunities with higher pay for residents to work in Virginia Beach.
- ➔ Reasonable property tax rate through a more diverse tax base resulting in more revenues for the city.
- ➔ Local economy more insulated from an economic downturn.
- ➔ Opportunities to start and grow a business in Virginia Beach.
- ➔ Greater convenience in residents’ daily lives – less commute time and more time for family.

Goal 2 – Create a Financially Sustainable City Providing Excellent Services

Means to Residents

- ➔ City services delivered in the most cost-effective manner.
- ➔ Reliable city services that contribute to hassle-free daily living.
- ➔ Feeling safe and secure within Virginia Beach – any place, anytime.
- ➔ Timely response to an emergency call for service.
- ➔ City services that are readily accessible and are provided in a customer friendly manner.

Goal 3 – Improve the Transportation System

Means to Residents

- ➔ Greater ease of movement within Virginia Beach and the region.
- ➔ More predictable and acceptable travel times from “point A” to “point B” within Virginia Beach.
- ➔ Choices of transportation mode: car, trail system, or public transportation.
- ➔ Safer streets for automobile, pedestrians, and bike travel.
- ➔ Quality public transportation linking Town Center, Convention Center, and the Oceanfront.

Goal 4 – Revitalize Neighborhoods and Plan for the Future

Means to Residents

- ➔ Protection of residents' property values.
- ➔ Safe homes and buildings in the city.
- ➔ More attractive and inviting city.
- ➔ Upgraded older homes and buildings.
- ➔ Convenient access to commercial and retail areas.

Goal 5 – Be a Competitive, First Class Resort for Residents, Businesses, and Tourists

Means to Residents

- ➔ Job opportunities for residents and youth.
- ➔ Tourist amenities for use by residents and added value to the quality of life.
- ➔ New tourist dollars to the local economy.
- ➔ More choices for your leisure time.
- ➔ Quality leisure activities for families.

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 business 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 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 with example pages provided.
- ➔ **Summaries** – Overview of the city's financial structure, expenditures and revenues, inter-fund transfers, and the relationship of the operating budget to the Capital Improvement Program.
- ➔ **Revenues** – A comprehensive review of city revenues as it relates to national, state, and local funding sources.
- ➔ **Requested But Not Funded** – A listing of items requested but not funded in the current budget.
- ➔ **Economic Vitality** – This section includes the departments of: Agriculture, Convention and Visitors Bureau, Economic Development, and Housing and Neighborhood Preservation. The desired outcome 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's Office. The desired outcome of this business area is to prevent or respond to threats to the safety of persons or property and take the necessary action(s) to restore the environment.
- ➔ **Quality Physical Environment** – This section includes the departments of: Planning, Public Utilities, and Public Works. The desired outcome 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: Aquarium and Historic Houses, Cultural Affairs, and Parks and Recreation. The desired outcome 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 desired outcome 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 desired outcome 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, Finance, General Registrar, Human Resources, Information Technology, Municipal Council, and Non-Departmental (Benefits Administration, Citywide Leases, Employee Special Benefits, Revenue Reimbursements, Community Organization Grants, Independent Financial Services, Regional Participation, Vehicle Replacements, Tourism Investment Program, Town Center Special Services District, and Central Business District South Tax Increment Financing). The desired outcome of this business area is to deliver cost-effective services while optimizing and aligning all of the city’s resources to achieve maximum sustainability.
- ➔ **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 Process Overview, Accounting and Budgeting Basis, Summary of City Positions by Department, various policies and administrative directives, a glossary, a description of major city funds, and a list of commonly used acronyms.

The following pages provide examples of how to read and understand information contained in the departmental sections of this document.

COMMONWEALTH'S ATTORNEY



The Office of the Commonwealth's Attorney is responsible for reviewing and prosecuting all felony cases as well as some misdemeanors and civil matters. At the discretion of the Commonwealth's Attorney, the office also prosecutes all DUI's, city and state misdemeanors, appeals, domestic violence cases, and other misdemeanors upon request. The office provides legal training and advice to all local law enforcement officers, judges, and other local officials. In addition, the office provides services and support for the victims and witnesses involved in the various cases handled by the office.

Identifies the key mission statement of the department.

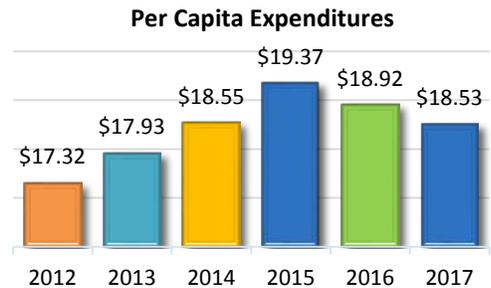
Department Overview

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 Office is funded by a combination of city, state, grants, and federal/state shared asset forfeiture funds.

Responsibilities include:

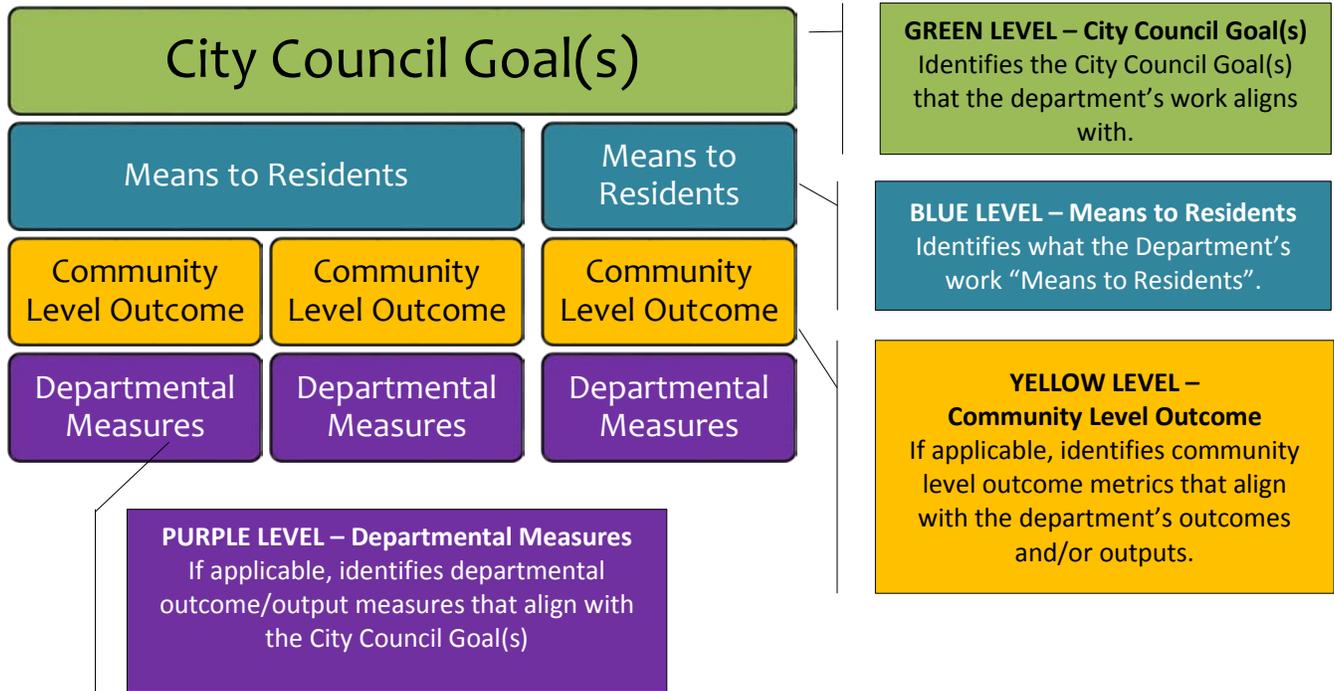
- To review all felony and selected misdemeanor cases and handle the prosecution of those cases when requested.
- To handle many civil matters to include appeals, domestic violence, and mental health appeals.
- At the Commonwealth's Attorneys discretion, to handle all city and state misdemeanor appeals, all DUI's, domestic violence cases, and complicated misdemeanor cases upon request.
- At the Commonwealth's Attorneys discretion, 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 as well as the General District Court DUI docket and handle preliminary hearings on felony cases in the General District and Juvenile and Domestic Relations Courts.

Identifies basic programs of the department and the Per Capita Expenditures over the last five years.



- ➔ The following graph displays some key performance measures within the department via a “Performance Pyramid”. This pyramid may have multiple levels to assist the reader in understanding the alignment between department’s community level metrics or specific department outcomes/outputs and how these measures align to City Council’s Goals.

Key Performance Measures



Commonwealth's Attorney - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
Program Summary				
002 General Fund				
<u>Expenditures</u>				
Commonwealth's Attorney			8,124,911	128,335
Victim/Witness			0	0
Total			8,124,911	128,335
<u>Revenues</u>				
Fees			0	0
State	2,377,810	2,679,405	2,683,181	3,776
Total Revenues	2,378,200	2,679,405	2,683,181	3,776
General City Support	5,312,303	5,317,171	5,441,730	124,559

This section identifies expenditures by fund and program unit that supports the department's desired outcome.

140 Commonwealth Attorney's Fed & State Seized Assets SRF				
<u>Expenditures</u>				
DEA - Commonwealth's Attorney		400,000	400,000	0
		400,000	400,000	0
<u>Revenues</u>				
Fees		0	0	0
State	75,814	0	0	0
Fund Balance	0	400,000	400,000	0
Total Revenues	86,253	400,000	400,000	0
General City Support	(32,033)	0	0	0

This section identifies the type of revenue stream provided to the department by fund.

183 Grants Consolidated Fund				
<u>Expenditures</u>				
Commonwealth's Attorney - Grants	300,189	337,968	338,517	549
Total Expenditures	300,189	337,968	338,517	549
<u>Revenues</u>				
State	261,080	273,771	273,771	0
Federal	803	0	0	0
Transfers	41,582	64,197	64,746	549
Total Revenues	303,465	337,968	338,517	549
General City Support	(3,276)	0	0	0
Total Department Expenditure	8,044,911	8,734,544	8,863,428	128,884
Total Department Revenue	2,767,917	3,417,373	3,421,698	4,325
Total General City Support				124,559

This section identifies the total personnel allocated to the department by program unit.

Position Summary by Program				
002 General Fund				
Commonwealth's Attorney	80.20	80.93	84.93	4.00
Total	80.20	80.93	84.93	4.00
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	86.70	87.43	91.43	4.00

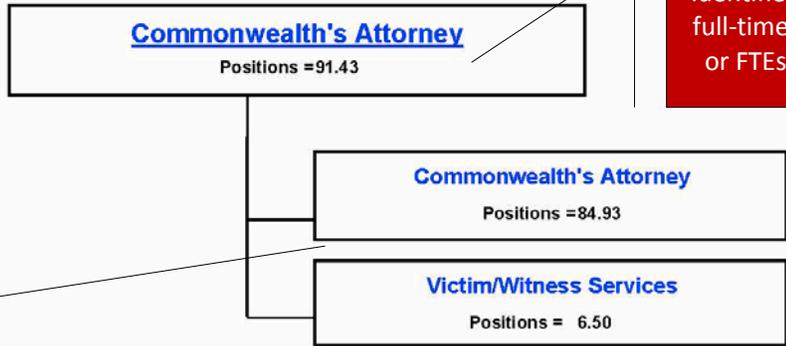
Commonwealth's Attorney - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel			8,076,668	96,871
Operating			782,140	27,393
Capital			4,620	4,620
Total Expenditures:			<u>8,863,428</u>	<u>128,884</u>
<u>Revenue Category by Department</u>				
From the Use of Money and Property	2,815	0	0	0
Miscellaneous Revenue	8,013	0	0	0
Other Sources from the Commonwealth	2,714,704	2,953,176	2,956,952	3,776
Revenue from the Federal Government	803	0	0	0
Transfers from Other Funds	41,582	64,197	64,746	549
Specific Fund Reserves	0	400,000	400,000	0
Total Revenue:	<u>2,767,917</u>	<u>3,417,373</u>	<u>3,421,698</u>	<u>4,325</u>

This section shows expenditures and revenues broken down by generalized categories.

- ➡ Position counts are expressed in terms of full-time equivalent 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 adopts the Resource Management Plan, changes that affect a particular department will be documented as a council amendment in the adopted budget document.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



Identifies the total number of full-time equivalent positions or FTEs for the department

Breaks down positions by division for the department

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: 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.
- ➔ 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 (GASB) 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 – These 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 2015-16:

- ➔ 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 and monitor the debt policies established by City Council 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-based budget approach centered on programs with supporting performance measures. Additional details about the processes used to develop the city's operating budget and CIP 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, given a manual and guidelines, and provided training for budget and CIP development. Departments submit their budget requests that meet the funding targets provided and also relay the need for additional resources to support increasing demand for current services and/or new and/or expanded programs.

Once budget requests are submitted to the department of Budget and Management Services, analysts audit the budget proposal for mathematical accuracy and consistency with established budgeting guidelines for certain types of costs such as internal service fund charges. Analysts make any needed adjustments to expenditures or revenues to bring the request in line with funding targets. They 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 a recommendation is forwarded to the Management Leadership Team (MLT) consisting of the City Manager and 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. 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 decision as to what to include in the proposed CIP that is presented to City Council.

Operating Budget Policies

- ➡ The budget will be balanced on a current revenue to expenditure basis.
- ➡ Attrition 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 (i.e., Water, Sewer, Waste Management, 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.
- The city 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 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 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, 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 and Public Facility Bonds are allocated based on legal limits. 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 allocate 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 that are supported by revenues will be reallocated as needed in the CIP.

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. Instead, 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 2016-17 CIP leaves approximately \$22.3 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 fees, 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. The city will promote effective communications with bond rating agencies and others in the marketplace based upon full disclosure.
- ➔ Total net debt per capita will not exceed \$3,000 per capita. 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.

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
002 General Fund			
Appropriation Units:			
Agriculture	760,841	844,893	835,667
Aquarium and Historic Houses	11,394,608	12,147,006	11,458,683
Benefits Administration	635,538	635,538	635,538
Board of Equalization	11,129	9,043	2,997
Budget and Management Services	1,546,541	1,576,592	1,600,325
Circuit Court	1,073,532	1,100,670	1,085,355
City Attorney	3,919,348	4,084,743	4,067,393
City Auditor	705,959	774,080	774,309
City Clerk	666,491	589,408	620,309
City Manager	2,615,030	3,918,120	4,157,600
City Real Estate Assessor	3,063,535	3,234,174	3,154,539
City Treasurer	5,723,392	5,774,330	5,886,194
Clerk of the Circuit Court	3,141,465	3,320,836	3,310,116
Commissioner of the Revenue	4,309,523	4,419,892	4,546,834
Commonwealth's Attorney	7,690,503	7,996,576	8,124,911
Community Organization Grants	410,234	409,126	500,000
Computer Replacement Program	1,836,842	1,320,892	1,558,589
Convention and Visitor Bureau	8,553,334	9,335,333	9,010,480
Cultural Affairs	2,033,170	2,334,531	2,377,600
Debt Service	47,834,836	49,682,686	50,486,171
Economic Development	3,036,893	3,849,073	3,929,051
Emergency Communications and Citizen Services	8,985,750	10,645,261	10,503,102
Emergency Medical Services	8,945,038	9,774,239	10,727,408
Employee Special Benefits	6,715,922	8,177,750	7,993,800
Finance	4,707,087	4,820,982	4,825,715
Fire	47,037,514	48,977,458	50,828,272
General District Court	371,470	401,081	452,413
General Registrar	1,282,285	1,403,878	1,905,803
Health	3,216,462	3,195,918	3,191,017
Housing and Neighborhood Preservation	1,781,006	1,844,142	1,814,986
Human Resources	3,825,406	4,362,304	4,313,223
Human Services	103,666,020	112,708,139	110,862,195
Independent Financial Services	87,882	153,878	164,999
Information Technology	21,224,881	21,949,055	23,724,536
Juvenile and Domestic Relations District Court	136,816	129,355	181,768
Juvenile Probation	1,191,189	1,679,576	1,507,366
Leases	1,589,801	1,678,889	1,711,319
Library	17,334,345	17,970,436	17,520,306
Magistrates	85,309	91,154	80,483
Municipal Council	540,743	526,441	525,226
Municipal Solid Waste Management	750,000	750,000	0
Parks and Recreation	13,599,732	13,956,650	14,108,883
Planning	9,856,595	10,658,878	12,111,286
Police	93,587,035	98,548,539	98,800,096
Public Works	62,942,347	67,171,129	65,118,700
Regional Participation	2,071,051	2,218,478	2,306,691
Reserve for Contingencies	0	2,639,919	12,003,964
Revenue Reimbursements	15,321,866	13,239,529	13,877,317

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>002 General Fund</u>			
Appropriation Units:			
Strategic Growth Area	6,724,966	817,265	0
Transfer to Other Funds	461,513,998	465,056,978	480,196,347
Vehicle Replacements	5,407,402	5,107,514	5,107,514
Virginia Beach Living River Trust	0	100,000	100,000
Fund 002 Appropriation Totals	<u>1,015,462,661</u>	<u>1,048,112,357</u>	<u>1,074,687,396</u>
Revenue Sources:			
Non-Revenue Receipts	374,793	0	0
Revenue From Local Sources			
Amusement Tax	7,342	0	0
Automobile License	9,225,176	9,534,845	9,336,210
Business License	44,588,334	46,842,468	46,389,703
Charges for Services	37,904,249	39,816,645	38,414,968
Cigarette Tax	12,728,380	11,642,478	11,063,425
Fines and Forfeitures	6,889,097	6,966,800	6,538,394
From the Use of Money and Property	5,579,768	5,392,000	5,457,485
General Sales Tax	58,164,569	59,780,905	63,160,061
Hotel Room Tax	6,207,048	6,328,444	6,714,871
Miscellaneous Revenue	5,274,144	5,180,483	5,384,673
Other Taxes	17,724,187	17,453,648	18,202,776
Permits, Privilege Fees, and Regulatory Licenses	5,301,053	5,144,605	5,577,542
Personal Property	143,818,528	143,202,520	146,979,656
Real Estate	443,554,539	467,993,529	479,990,793
Restaurant Meal Tax	38,205,558	38,725,640	41,342,843
Utility Tax	43,308,156	43,804,319	42,471,686
Revenue from the Commonwealth			
Other Sources from the Commonwealth	92,656,735	98,701,107	99,592,618
Revenue from the Federal Government	19,436,952	19,642,222	19,739,278
Specific Fund Reserves	0	5,166,556	10,903,254
Transfers from Other Funds	23,330,425	16,793,143	17,427,160
Fund 002 Revenue Totals	<u>1,014,279,033</u>	<u>1,048,112,357</u>	<u>1,074,687,396</u>
<u>098 School Reserve Special Revenue Fund</u>			
Appropriation Units:			
Transfer to Other Funds	16,000,000	8,299,318	5,000,000
Fund 098 Appropriation Totals	<u>16,000,000</u>	<u>8,299,318</u>	<u>5,000,000</u>
Revenue Sources:			
Specific Fund Reserves	0	8,299,318	5,000,000
Transfers from Other Funds	11,682,443	0	0
Fund 098 Revenue Totals	<u>11,682,443</u>	<u>8,299,318</u>	<u>5,000,000</u>
<u>104 Green Run Collegiate Charter School</u>			
Appropriation Units:			
Education	2,244,916	2,885,023	3,686,686
Fund 104 Appropriation Totals	<u>2,244,916</u>	<u>2,885,023</u>	<u>3,686,686</u>
Revenue Sources:			
Transfers from Other Funds	2,446,879	2,885,023	3,686,686
Fund 104 Revenue Totals	<u>2,446,879</u>	<u>2,885,023</u>	<u>3,686,686</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>107 School Equipment Replacement Special Revenue Fund</u>			
Appropriation Units:			
Reserve for Contingencies	231,633	1,106,301	1,106,301
Fund 107 Appropriation Totals	<u>231,633</u>	<u>1,106,301</u>	<u>1,106,301</u>
Revenue Sources:			
Specific Fund Reserves	3,589	1,106,301	1,106,301
Fund 107 Revenue Totals	<u>3,589</u>	<u>1,106,301</u>	<u>1,106,301</u>
<u>108 School Instructional Technology Fund</u>			
Appropriation Units:			
Instructional Technology	0	106,000	53,678
Fund 108 Appropriation Totals	<u>0</u>	<u>106,000</u>	<u>53,678</u>
Revenue Sources:			
Specific Fund Reserves	33,443	106,000	53,678
Fund 108 Revenue Totals	<u>33,443</u>	<u>106,000</u>	<u>53,678</u>
<u>109 School Vending Operations Fund</u>			
Appropriation Units:			
Vending	216,684	220,289	229,702
Fund 109 Appropriation Totals	<u>216,684</u>	<u>220,289</u>	<u>229,702</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	192,689	192,550	192,550
Specific Fund Reserves	0	27,739	37,152
Fund 109 Revenue Totals	<u>192,689</u>	<u>220,289</u>	<u>229,702</u>
<u>112 School Communication Tower Technology Fund</u>			
Appropriation Units:			
Instructional Technology	620,942	600,000	600,000
Fund 112 Appropriation Totals	<u>620,942</u>	<u>600,000</u>	<u>600,000</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	523,078	260,000	260,000
Specific Fund Reserves	0	340,000	340,000
Fund 112 Revenue Totals	<u>523,078</u>	<u>600,000</u>	<u>600,000</u>
<u>114 School Cafeteria Fund</u>			
Appropriation Units:			
Cafeteria	28,154,066	30,227,350	30,742,626
Fund 114 Appropriation Totals	<u>28,154,066</u>	<u>30,227,350</u>	<u>30,742,626</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	10,225,527	12,486,006	12,014,495
From the Use of Money and Property	10,218	7,000	7,000
Miscellaneous Revenue	365,678	200,000	200,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	527,152	500,000	500,000
Revenue from the Federal Government	16,668,727	16,254,782	18,021,131
Specific Fund Reserves	0	779,562	0
Fund 114 Revenue Totals	<u>27,797,302</u>	<u>30,227,350</u>	<u>30,742,626</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>115 School Operating Fund</u>			
Appropriation Units:			
Debt Service	45,935,630	45,224,509	46,289,542
Education	684,712,162	701,650,964	721,242,113
Transfer to Other Funds	0	0	3,686,686
Fund 115 Appropriation Totals	<u>730,647,792</u>	<u>746,875,473</u>	<u>771,218,341</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	1,313,221	2,116,638	2,116,638
From the Use of Money and Property	531,220	465,000	465,000
Miscellaneous Revenue	1,674,601	834,304	836,703
Revenue from the Commonwealth			
Other Sources from the Commonwealth	250,077,838	250,039,573	263,423,825
State Shared Sales Tax	70,376,559	71,783,907	74,741,805
Revenue from the Federal Government	14,290,941	12,946,597	12,946,597
Transfers from Other Funds	408,017,424	408,689,454	416,687,773
Fund 115 Revenue Totals	<u>746,281,805</u>	<u>746,875,473</u>	<u>771,218,341</u>
<u>116 School Grants Fund</u>			
Appropriation Units:			
Grants	47,406,614	57,287,954	55,023,849
Fund 116 Appropriation Totals	<u>47,406,614</u>	<u>57,287,954</u>	<u>55,023,849</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	4,003,197	3,539,285	3,651,878
Revenue from the Commonwealth			
Other Sources from the Commonwealth	9,562,057	12,123,343	11,820,594
Revenue from the Federal Government	33,841,360	41,625,326	39,551,377
Fund 116 Revenue Totals	<u>47,406,614</u>	<u>57,287,954</u>	<u>55,023,849</u>
<u>117 School Textbook Fund</u>			
Appropriation Units:			
Textbook	8,584,018	9,094,147	9,182,874
Fund 117 Appropriation Totals	<u>8,584,018</u>	<u>9,094,147</u>	<u>9,182,874</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	29,102	100,000	100,000
Miscellaneous Revenue	54,420	10,000	10,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	3,923,666	3,900,602	4,489,728
Specific Fund Reserves	4,576,830	5,083,545	4,583,146
Fund 117 Revenue Totals	<u>8,584,018</u>	<u>9,094,147</u>	<u>9,182,874</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>119 School Athletic Special Revenue Fund</u>			
Appropriation Units:			
Athletic	4,939,976	4,922,642	4,922,642
Fund 119 Appropriation Totals	<u>4,939,976</u>	<u>4,922,642</u>	<u>4,922,642</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	514,718	494,000	494,000
From the Use of Money and Property	5,608	5,000	5,000
Miscellaneous Revenue	4,206,256	4,423,642	4,423,642
Specific Fund Reserves	213,393	0	0
Fund 119 Revenue Totals	<u>4,939,976</u>	<u>4,922,642</u>	<u>4,922,642</u>
<u>130 Law Library Fund</u>			
Appropriation Units:			
Library	221,530	476,932	222,751
Reserve for Contingencies	0	0	3,472
Transfer to Other Funds	57,252	68,834	80,416
Fund 130 Appropriation Totals	<u>278,782</u>	<u>545,766</u>	<u>306,639</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	265,225	280,000	280,210
From the Use of Money and Property	3,503	4,185	3,265
Specific Fund Reserves	0	261,581	23,164
Fund 130 Revenue Totals	<u>268,728</u>	<u>545,766</u>	<u>306,639</u>
<u>140 Commonwealth Attorney's Fed & State Seized Assets SRF</u>			
Appropriation Units:			
Commonwealth's Attorney	54,219	400,000	400,000
Fund 140 Appropriation Totals	<u>54,219</u>	<u>400,000</u>	<u>400,000</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	2,815	0	0
Miscellaneous Revenue	7,623	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	75,814	0	0
Specific Fund Reserves	0	400,000	400,000
Fund 140 Revenue Totals	<u>86,253</u>	<u>400,000</u>	<u>400,000</u>
<u>141 Sheriff's Federal & State Seized Assets SRF</u>			
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	157	0	0
Revenue from the Federal Government	237,000	0	0
Fund 141 Revenue Totals	<u>237,157</u>	<u>0</u>	<u>0</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>142 Police Federal & State Seized Assets SRF</u>			
Appropriation Units:			
Police	520,105	0	260,205
Fund 142 Appropriation Totals	<u>520,105</u>	<u>0</u>	<u>260,205</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	7,123	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	268,414	0	0
Revenue from the Federal Government	41,803	0	0
Specific Fund Reserves	0	0	260,205
Fund 142 Revenue Totals	<u>317,340</u>	<u>0</u>	<u>260,205</u>
<u>147 Federal Section 8 Program Special Revenue Fund</u>			
Appropriation Units:			
Housing and Neighborhood Preservation	19,755,887	20,673,432	21,106,363
Fund 147 Appropriation Totals	<u>19,755,887</u>	<u>20,673,432</u>	<u>21,106,363</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,147,272	2,697,966	2,697,966
From the Use of Money and Property	842	0	0
Miscellaneous Revenue	22,004	8,800	8,800
Revenue from the Federal Government	17,217,280	17,644,619	18,139,187
Transfers from Other Funds	250,050	322,047	260,410
Fund 147 Revenue Totals	<u>19,637,448</u>	<u>20,673,432</u>	<u>21,106,363</u>
<u>149 Sheriff's Department Special Revenue Fund</u>			
Appropriation Units:			
Reserve for Contingencies	0	1,083,514	0
Sheriff and Corrections	41,124,159	42,394,330	45,114,804
Transfer to Other Funds	24,551	0	0
Fund 149 Appropriation Totals	<u>41,148,710</u>	<u>43,477,844</u>	<u>45,114,804</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	4,693,752	4,627,588	4,520,608
From the Use of Money and Property	11,860	11,000	11,000
Miscellaneous Revenue	6,160	10,000	2,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	17,683,480	18,092,672	17,950,000
Revenue from the Federal Government	230,660	200,750	160,000
Transfers from Other Funds	18,681,103	20,535,834	22,471,196
Fund 149 Revenue Totals	<u>41,307,016</u>	<u>43,477,844</u>	<u>45,114,804</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>151 Parks and Recreation Special Revenue Fund</u>			
Appropriation Units:			
Debt Service	3,283,781	3,774,676	4,673,630
Future C.I.P. Commitments	0	0	237,346
Parks and Recreation	26,752,209	28,702,052	30,230,423
Public Works	2,538,508	2,638,206	2,631,292
Reserve for Contingencies	0	160,016	393,900
Transfer to Other Funds	5,891,307	2,511,550	1,561,550
Fund 151 Appropriation Totals	<u>38,465,806</u>	<u>37,786,500</u>	<u>39,728,141</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	12,922,425	13,566,522	15,110,481
From the Use of Money and Property	1,593,972	1,644,904	1,679,934
Miscellaneous Revenue	7,499	5,776	1,400
Permits, Privilege Fees, and Regulatory Licenses	4,368	1,375	1,375
Real Estate	17,290,403	17,810,382	18,280,214
Revenue from the Commonwealth			
Other Sources from the Commonwealth	16,504	15,750	24,250
Specific Fund Reserves	0	27,000	27,000
Transfers from Other Funds	4,544,380	4,714,791	4,603,487
Fund 151 Revenue Totals	<u>36,379,553</u>	<u>37,786,500</u>	<u>39,728,141</u>
<u>152 Tourism Investment Program Fund</u>			
Appropriation Units:			
Convention and Visitor Bureau	43,107	100,000	100,000
Cultural Affairs	50,500	50,500	50,500
Debt Service	24,122,590	24,071,789	22,795,037
Parks and Recreation	123,168	621,868	627,026
Planning	0	0	4,225,946
Public Works	910,277	2,180,367	2,370,672
Reserve for Contingencies	0	2,616,575	5,287,918
Strategic Growth Area	4,145,651	3,940,476	0
Transfer to Other Funds	7,184,543	3,190,237	847,375
Fund 152 Appropriation Totals	<u>36,579,836</u>	<u>36,771,812</u>	<u>36,304,474</u>
Revenue Sources:			
Revenue From Local Sources			
Amusement Tax	5,902,808	6,443,446	6,201,490
Charges for Services	2,000	0	2,000
Cigarette Tax	979,106	831,606	790,245
Fines and Forfeitures	467,119	714,000	470,000
From the Use of Money and Property	714,131	794,900	975,400
Hotel Room Tax	15,787,448	16,100,856	15,079,811
Miscellaneous Revenue	0	4,050	3,800
Permits, Privilege Fees, and Regulatory Licenses	19,529	200,046	280,987
Restaurant Meal Tax	11,534,293	11,682,908	12,475,547
Transfers from Other Funds	0	0	25,194
Fund 152 Revenue Totals	<u>35,406,434</u>	<u>36,771,812</u>	<u>36,304,474</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>157 Sandbridge Special Service District Spec Rev Fd</u>			
Appropriation Units:			
Transfer to Other Funds	3,930,199	4,187,880	4,423,430
Fund 157 Appropriation Totals	<u>3,930,199</u>	<u>4,187,880</u>	<u>4,423,430</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	3,753	6,899	7,037
Hotel Room Tax	870,419	798,013	3,646,502
Real Estate	624,191	666,699	679,891
Specific Fund Reserves	0	225,595	0
Transfers from Other Funds	2,342,121	2,490,674	90,000
Fund 157 Revenue Totals	<u>3,840,484</u>	<u>4,187,880</u>	<u>4,423,430</u>
<u>161 Agriculture Reserve Program Special Revenue Fund</u>			
Appropriation Units:			
Agriculture	159,005	224,980	223,035
Debt Service	2,238,640	3,089,564	3,972,051
Reserve for Contingencies	0	0	2,521
Fund 161 Appropriation Totals	<u>2,397,645</u>	<u>3,314,544</u>	<u>4,197,607</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	0	0	31,917
Real Estate	4,476,802	2,869,337	2,945,029
Specific Fund Reserves	0	445,207	1,220,661
Fund 161 Revenue Totals	<u>4,476,802</u>	<u>3,314,544</u>	<u>4,197,607</u>
<u>163 Tourism Advertising Program Special Revenue Fund</u>			
Appropriation Units:			
Convention and Visitor Bureau	10,733,207	11,019,239	11,312,200
Reserve for Contingencies	0	0	274,138
Transfer to Other Funds	56,838	56,838	56,838
Fund 163 Appropriation Totals	<u>10,790,045</u>	<u>11,076,077</u>	<u>11,643,176</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	43,040	101,198	101,198
From the Use of Money and Property	35,826	45,700	45,700
Hotel Room Tax	5,320,993	5,390,974	5,584,187
Miscellaneous Revenue	15,700	27,399	27,399
Restaurant Meal Tax	5,440,704	5,510,806	5,884,692
Fund 163 Revenue Totals	<u>10,856,263</u>	<u>11,076,077</u>	<u>11,643,176</u>
<u>166 Sandbridge Tax Increment Financing Fund</u>			
Appropriation Units:			
Future C.I.P. Commitments	0	8,000,000	8,000,000
Transfer to Other Funds	8,369,801	2,612,120	1,926,570
Fund 166 Appropriation Totals	<u>8,369,801</u>	<u>10,612,120</u>	<u>9,926,570</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	23,342	27,459	28,126
Real Estate	7,756,100	8,960,059	9,177,724
Specific Fund Reserves	0	1,624,602	720,720
Fund 166 Revenue Totals	<u>7,779,442</u>	<u>10,612,120</u>	<u>9,926,570</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>169 Central Business District-South TIF (Twn Cntr) Fd</u>			
Appropriation Units:			
Debt Service	7,300,450	7,649,568	7,786,521
Future C.I.P. Commitments	0	0	40,972
Transfer to Other Funds	150,000	150,000	150,000
Fund 169 Appropriation Totals	<u>7,450,450</u>	<u>7,799,568</u>	<u>7,977,493</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	2,350	2,000	2,000
Hotel Room Tax	500,000	500,000	500,000
Miscellaneous Revenue	0	400,000	0
Real Estate	5,811,208	6,377,444	6,936,483
Specific Fund Reserves	0	520,124	539,010
Fund 169 Revenue Totals	<u>6,313,558</u>	<u>7,799,568</u>	<u>7,977,493</u>
<u>172 Open Space Special Revenue Fund</u>			
Appropriation Units:			
Debt Service	2,564,852	2,571,781	2,582,588
Parks and Recreation	462,574	522,728	532,550
Public Works	0	5,000	0
Reserve for Contingencies	0	0	9,022
Transfer to Other Funds	1,100,000	0	0
Fund 172 Appropriation Totals	<u>4,127,426</u>	<u>3,099,509</u>	<u>3,124,160</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	396	0	0
Restaurant Meal Tax	4,787,820	2,424,755	2,589,265
Specific Fund Reserves	0	674,754	534,895
Fund 172 Revenue Totals	<u>4,788,216</u>	<u>3,099,509</u>	<u>3,124,160</u>
<u>174 Town Center Special Service District</u>			
Appropriation Units:			
Parks and Recreation	29,338	46,309	50,508
Town Center Special Tax District	1,468,486	1,981,980	1,917,321
Transfer to Other Funds	386,199	461,404	452,726
Fund 174 Appropriation Totals	<u>1,884,023</u>	<u>2,489,693</u>	<u>2,420,555</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	22,275	0	24,300
Fines and Forfeitures	1,630	0	26,000
From the Use of Money and Property	2,443	1,000	231,000
Miscellaneous Revenue	2,739	0	0
Real Estate	1,727,192	1,800,494	1,970,578
Specific Fund Reserves	0	538,199	18,677
Transfers from Other Funds	150,000	150,000	150,000
Fund 174 Revenue Totals	<u>1,906,280</u>	<u>2,489,693</u>	<u>2,420,555</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>179 Multimodal Transportation Special Revenue Fund</u>			
Appropriation Units:			
Planning	0	0	7,183,999
Reserve for Contingencies	0	15,314,718	15,710,723
Strategic Growth Area	0	6,545,902	0
Transfer to Other Funds	0	10,247,630	10,517,959
Fund 179 Appropriation Totals	<u>0</u>	<u>32,108,250</u>	<u>33,412,681</u>
Revenue Sources:			
Revenue From Local Sources			
Automobile License	0	1,925,000	1,867,242
Real Estate	0	21,212,594	21,772,176
Restaurant Meal Tax	0	2,424,754	2,589,264
Transfers from Other Funds	0	6,545,902	7,183,999
Fund 179 Revenue Totals	<u>0</u>	<u>32,108,250</u>	<u>33,412,681</u>
<u>180 Community Development Special Revenue Fund</u>			
Appropriation Units:			
Housing and Neighborhood Preservation	1,681,200	1,760,160	1,833,486
Transfer to Other Funds	128,858	128,858	128,858
Fund 180 Appropriation Totals	<u>1,810,058</u>	<u>1,889,018</u>	<u>1,962,344</u>
Revenue Sources:			
Revenue from the Federal Government	1,143,797	1,195,539	1,191,257
Transfers from Other Funds	752,604	693,479	771,087
Fund 180 Revenue Totals	<u>1,896,401</u>	<u>1,889,018</u>	<u>1,962,344</u>
<u>181 CD Loan and Grant Fund</u>			
Appropriation Units:			
Housing and Neighborhood Preservation	948,139	1,030,331	956,477
Fund 181 Appropriation Totals	<u>948,139</u>	<u>1,030,331</u>	<u>956,477</u>
Revenue Sources:			
Non-Revenue Receipts	110,299	90,000	90,000
Revenue From Local Sources			
Charges for Services	75	0	0
From the Use of Money and Property	2,248	0	0
Revenue from the Federal Government	476,016	565,099	586,444
Transfers from Other Funds	244,124	375,232	280,033
Fund 181 Revenue Totals	<u>832,762</u>	<u>1,030,331</u>	<u>956,477</u>
<u>182 Federal Housing Assistance Grant Fund</u>			
Appropriation Units:			
Housing and Neighborhood Preservation	1,291,643	944,501	882,798
Fund 182 Appropriation Totals	<u>1,291,643</u>	<u>944,501</u>	<u>882,798</u>
Revenue Sources:			
Non-Revenue Receipts	27,661	100,000	75,000
Revenue From Local Sources			
Charges for Services	150	0	0
From the Use of Money and Property	13,270	0	0
Revenue from the Federal Government	1,234,196	842,891	807,798
Transfers from Other Funds	0	1,610	0
Fund 182 Revenue Totals	<u>1,275,276</u>	<u>944,501</u>	<u>882,798</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>183 Grants Consolidated Fund</u>			
Appropriation Units:			
Commonwealth's Attorney	300,189	337,968	338,517
Economic Development	6,100	0	0
Emergency Communications and Citizen Services	0	2,000	2,000
Emergency Medical Services	561,353	375,000	375,000
Fire	2,156,634	652,767	637,656
Housing and Neighborhood Preservation	1,230,336	1,292,147	1,440,877
Human Services	1,802,971	1,897,984	1,825,368
Library	1,639	0	0
Parks and Recreation	47,461	0	0
Planning	1,150	0	0
Police	232,172	0	0
Public Works	-513,943	15,000	15,000
Sheriff and Corrections	44,461	0	0
Transfer to Other Funds	935,508	665,427	665,427
Fund 183 Appropriation Totals	<u>6,806,030</u>	<u>5,238,293</u>	<u>5,299,845</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	32,796	43,632	33,068
Miscellaneous Revenue	23,997	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	3,692,062	3,106,211	3,093,867
Revenue from the Federal Government	3,558,599	1,453,006	1,540,993
Transfers from Other Funds	561,798	635,444	631,917
Fund 183 Revenue Totals	<u>7,869,253</u>	<u>5,238,293</u>	<u>5,299,845</u>
<u>241 Water and Sewer Fund</u>			
Appropriation Units:			
Debt Service	18,118,977	24,801,983	24,809,333
Public Utilities	71,254,770	78,104,710	78,984,831
Reserve for Contingencies	0	844,954	1,493,774
Transfer to Other Funds	17,891,482	16,930,132	18,466,048
Fund 241 Appropriation Totals	<u>107,265,229</u>	<u>120,681,779</u>	<u>123,753,986</u>
Revenue Sources:			
Non-Revenue Receipts	5,595,562	1,874,660	2,499,890
Revenue From Local Sources			
Charges for Services	120,984,825	115,920,600	118,203,578
From the Use of Money and Property	602,792	385,151	401,600
Miscellaneous Revenue	280,085	395,078	215,000
Revenue from the Federal Government	943,947	936,823	936,823
Transfers from Other Funds	1,188,650	1,169,467	1,497,095
Fund 241 Revenue Totals	<u>129,595,862</u>	<u>120,681,779</u>	<u>123,753,986</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>253 Parking Enterprise Fund</u>			
Appropriation Units:			
Debt Service	679,972	688,054	672,373
Planning	2,186,772	3,717,121	3,686,780
Reserve for Contingencies	0	307,252	21,512
Transfer to Other Funds	511,620	722,871	752,765
Fund 253 Appropriation Totals	<u>3,378,364</u>	<u>5,435,298</u>	<u>5,133,430</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	4,256,054	4,776,506	4,584,006
Fines and Forfeitures	81,454	180,000	180,000
From the Use of Money and Property	193,610	200,114	205,862
Miscellaneous Revenue	13,824	0	0
Permits, Privilege Fees, and Regulatory Licenses	0	230,000	138,562
Transfers from Other Funds	0	48,678	25,000
Fund 253 Revenue Totals	<u>4,544,943</u>	<u>5,435,298</u>	<u>5,133,430</u>
<u>254 Waste Management Enterprise Fund</u>			
Appropriation Units:			
Public Works	38,213,518	40,432,695	40,795,361
Reserve for Contingencies	0	426,108	1,279,615
Transfer to Other Funds	2,627,847	2,666,501	2,818,909
Fund 254 Appropriation Totals	<u>40,841,365</u>	<u>43,525,304</u>	<u>44,893,885</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	42,452,609	36,298,127	33,749,380
From the Use of Money and Property	130,725	125,000	130,000
Miscellaneous Revenue	750,765	750,000	782,000
Permits, Privilege Fees, and Regulatory Licenses	123,580	140,000	125,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	45,023	45,000	45,000
Specific Fund Reserves	0	1,000,621	0
Transfers from Other Funds	0	5,166,556	10,062,505
Fund 254 Revenue Totals	<u>43,502,703</u>	<u>43,525,304</u>	<u>44,893,885</u>
<u>255 Storm Water Utility Enterprise Fund</u>			
Appropriation Units:			
Debt Service	642,629	3,398,368	3,397,182
Public Works	16,488,598	21,696,457	25,172,503
Reserve for Contingencies	0	3,542,526	795,995
Transfer to Other Funds	11,593,385	11,140,151	10,494,003
Fund 255 Appropriation Totals	<u>28,724,612</u>	<u>39,777,502</u>	<u>39,859,683</u>
Revenue Sources:			
Non-Revenue Receipts	229,125	0	0
Revenue From Local Sources			
Charges for Services	39,072,908	39,335,032	39,417,213
From the Use of Money and Property	142,133	85,000	85,000
Miscellaneous Revenue	110,507	60,000	60,000
Revenue from the Federal Government	267,309	267,597	267,597
Transfers from Other Funds	30,000	29,873	29,873
Fund 255 Revenue Totals	<u>39,851,981</u>	<u>39,777,502</u>	<u>39,859,683</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>310 Old Donation Creek Area Dredging SSD</u>			
Appropriation Units:			
Reserve for Contingencies	0	66,751	0
Transfer to Other Funds	6,201	0	195,339
Fund 310 Appropriation Totals	<u>6,201</u>	<u>66,751</u>	<u>195,339</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	65,187	66,751	68,754
Specific Fund Reserves	0	0	126,585
Fund 310 Revenue Totals	<u>65,187</u>	<u>66,751</u>	<u>195,339</u>
<u>311 Bayville Creek Neighborhood Dredging SSD Fund</u>			
Appropriation Units:			
Reserve for Contingencies	0	54,946	0
Transfer to Other Funds	51,749	0	114,705
Fund 311 Appropriation Totals	<u>51,749</u>	<u>54,946</u>	<u>114,705</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	51,749	54,946	56,594
Specific Fund Reserves	0	0	58,111
Fund 311 Revenue Totals	<u>51,749</u>	<u>54,946</u>	<u>114,705</u>
<u>312 Shadowlawn Area Dredging SSD</u>			
Appropriation Units:			
Reserve for Contingencies	0	27,075	0
Transfer to Other Funds	25,248	0	55,040
Fund 312 Appropriation Totals	<u>25,248</u>	<u>27,075</u>	<u>55,040</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	25,248	27,075	27,965
Specific Fund Reserves	0	0	27,075
Fund 312 Revenue Totals	<u>25,248</u>	<u>27,075</u>	<u>55,040</u>
<u>313 Chesapeake Colony Dredging SSD</u>			
Appropriation Units:			
Reserve for Contingencies	0	0	10,887
Transfer to Other Funds	209,981	211,391	195,374
Fund 313 Appropriation Totals	<u>209,981</u>	<u>211,391</u>	<u>206,261</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	209,981	200,504	206,261
Specific Fund Reserves	0	10,887	0
Fund 313 Revenue Totals	<u>209,981</u>	<u>211,391</u>	<u>206,261</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>314 Harbour Point Dredging SSD</u>			
Appropriation Units:			
Reserve for Contingencies	0	15,564	0
Transfer to Other Funds	15,183	0	31,604
Fund 314 Appropriation Totals	<u>15,183</u>	<u>15,564</u>	<u>31,604</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	15,183	15,564	16,040
Specific Fund Reserves	0	0	15,564
Fund 314 Revenue Totals	<u>15,183</u>	<u>15,564</u>	<u>31,604</u>
<u>315 Gills Cove Dredging SSD</u>			
Appropriation Units:			
Transfer to Other Funds	0	24,286	15,495
Fund 315 Appropriation Totals	<u>0</u>	<u>24,286</u>	<u>15,495</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	13,161	13,113	13,507
Specific Fund Reserves	0	11,173	1,988
Fund 315 Revenue Totals	<u>13,161</u>	<u>24,286</u>	<u>15,495</u>
<u>316 Hurds Cove Dredging SSD</u>			
Appropriation Units:			
Reserve for Contingencies	0	221,846	0
Transfer to Other Funds	0	0	464,321
Fund 316 Appropriation Totals	<u>0</u>	<u>221,846</u>	<u>464,321</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	0	221,846	242,475
Specific Fund Reserves	0	0	221,846
Fund 316 Revenue Totals	<u>0</u>	<u>221,846</u>	<u>464,321</u>
<u>460 School General Revenue Capital Projects Fund</u>			
Appropriation Units:			
School Capital Projects	0	642,448	0
Fund 460 Appropriation Totals	<u>0</u>	<u>642,448</u>	<u>0</u>
Revenue Sources:			
Transfers from Other Funds	2,107,300	642,448	0
Fund 460 Revenue Totals	<u>2,107,300</u>	<u>642,448</u>	<u>0</u>
<u>540 General Government Capital Projects Fund</u>			
Appropriation Units:			
Building Capital Projects	1,966,599	3,108,328	5,032,761
Coastal Capital Projects	5,713,172	9,820,019	10,046,986
Economic and Tourism Development Capital Projects	5,120,373	5,539,629	3,231,509
Information Technology Projects	5,167,994	7,007,638	7,295,299
Parks and Recreation Capital Projects	6,196,418	5,351,692	4,664,856
Roadways Capital Projects	6,396,503	10,125,445	11,642,959
Fund 540 Appropriation Totals	<u>30,561,059</u>	<u>40,952,751</u>	<u>41,914,370</u>
Revenue Sources:			
Transfers from Other Funds	41,178,391	40,952,751	41,914,370
Fund 540 Revenue Totals	<u>41,178,391</u>	<u>40,952,751</u>	<u>41,914,370</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>541 Water and Sewer Capital Projects Fund</u>			
Appropriation Units:			
Water and Sewer Capital Projects	8,000,000	8,000,000	8,000,000
Fund 541 Appropriation Totals	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
Revenue Sources:			
Transfers from Other Funds	8,000,000	8,000,000	8,000,000
Fund 541 Revenue Totals	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
<u>555 Storm Water Capital Projects Fund</u>			
Appropriation Units:			
Storm Water Capital Projects	9,514,582	8,490,000	7,500,000
Fund 555 Appropriation Totals	<u>9,514,582</u>	<u>8,490,000</u>	<u>7,500,000</u>
Revenue Sources:			
Transfers from Other Funds	9,514,582	8,490,000	7,500,000
Fund 555 Revenue Totals	<u>9,514,582</u>	<u>8,490,000</u>	<u>7,500,000</u>
<u>606 City Garage Internal Service Fund</u>			
Appropriation Units:			
Public Works	12,451,453	13,290,237	13,145,837
Reserve for Contingencies	0	0	152,423
Fund 606 Appropriation Totals	<u>12,451,453</u>	<u>13,290,237</u>	<u>13,298,260</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	12,004,366	12,675,518	12,999,460
From the Use of Money and Property	15,011	0	0
Miscellaneous Revenue	214,545	276,759	69,930
Specific Fund Reserves	0	337,960	228,870
Fund 606 Revenue Totals	<u>12,233,923</u>	<u>13,290,237</u>	<u>13,298,260</u>
<u>607 Risk Management Internal Service Fund</u>			
Appropriation Units:			
Finance	16,927,898	15,811,126	18,294,976
Reserve for Contingencies	0	0	376,643
Fund 607 Appropriation Totals	<u>16,927,898</u>	<u>15,811,126</u>	<u>18,671,619</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	14,709,931	15,783,368	18,566,519
From the Use of Money and Property	30,951	27,758	30,100
Miscellaneous Revenue	75,994	0	75,000
Transfers from Other Funds	3,639,476	0	0
Fund 607 Revenue Totals	<u>18,456,352</u>	<u>15,811,126</u>	<u>18,671,619</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>610 Capital Projects Internal Service Fund</u>			
Appropriation Units:			
City Treasurer	70,483	70,000	70,000
Commissioner of the Revenue	31,260	71,307	0
Economic Development	65,256	69,304	0
Finance	161,623	180,562	172,079
Information Technology	454,643	471,339	0
Public Works	187,295	285,426	1,139,647
Fund 610 Appropriation Totals	<u>970,561</u>	<u>1,147,938</u>	<u>1,381,726</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	970,561	1,147,938	1,381,726
Fund 610 Revenue Totals	<u>970,561</u>	<u>1,147,938</u>	<u>1,381,726</u>
<u>613 School Landscaping Internal Service Fund</u>			
Appropriation Units:			
Parks and Recreation	4,017,362	3,861,712	4,040,845
Reserve for Contingencies	0	22,640	127,063
Fund 613 Appropriation Totals	<u>4,017,362</u>	<u>3,884,352</u>	<u>4,167,908</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	3,884,352	3,884,352	4,167,908
From the Use of Money and Property	1,437	0	0
Fund 613 Revenue Totals	<u>3,885,789</u>	<u>3,884,352</u>	<u>4,167,908</u>
<u>614 School Risk Management Fund</u>			
Appropriation Units:			
School Risk Management	7,085,530	5,205,724	6,805,724
Fund 614 Appropriation Totals	<u>7,085,530</u>	<u>5,205,724</u>	<u>6,805,724</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	7,438,215	5,205,724	6,805,724
Fund 614 Revenue Totals	<u>7,438,215</u>	<u>5,205,724</u>	<u>6,805,724</u>
<u>615 City and School Health Insurance Fund</u>			
Appropriation Units:			
City and School Health Insurance	139,315,632	145,389,250	155,908,780
Fund 615 Appropriation Totals	<u>139,315,632</u>	<u>145,389,250</u>	<u>155,908,780</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	137,923,539	145,389,250	155,908,780
Fund 615 Revenue Totals	<u>137,923,539</u>	<u>145,389,250</u>	<u>155,908,780</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>616 Fuels Internal Service Fund</u>			
Appropriation Units:			
Public Works	5,631,907	6,547,122	5,475,919
Reserve for Contingencies	0	3,382	0
Fund 616 Appropriation Totals	<u>5,631,907</u>	<u>6,550,504</u>	<u>5,475,919</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	5,727,147	6,410,504	5,475,919
From the Use of Money and Property	4,364	0	0
Specific Fund Reserves	0	140,000	0
Fund 616 Revenue Totals	<u>5,731,512</u>	<u>6,550,504</u>	<u>5,475,919</u>
<u>620 Telecommunications Internal Service Fund</u>			
Appropriation Units:			
Information Technology	2,672,148	3,073,643	3,036,924
Reserve for Contingencies	0	98,448	141,642
Fund 620 Appropriation Totals	<u>2,672,148</u>	<u>3,172,091</u>	<u>3,178,566</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	3,103,017	3,172,091	3,172,091
From the Use of Money and Property	7,232	0	6,475
Miscellaneous Revenue	23,700	0	0
Fund 620 Revenue Totals	<u>3,133,949</u>	<u>3,172,091</u>	<u>3,178,566</u>
<u>621 Subscriptions Internal Service Fund</u>			
Appropriation Units:			
Information Technology	2,495,103	3,368,237	4,018,596
Reserve for Contingencies	0	246,854	0
Fund 621 Appropriation Totals	<u>2,495,103</u>	<u>3,615,091</u>	<u>4,018,596</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,315,695	2,516,091	2,469,103
From the Use of Money and Property	32,173	0	0
Specific Fund Reserves	0	1,099,000	1,549,493
Fund 621 Revenue Totals	<u>2,347,868</u>	<u>3,615,091</u>	<u>4,018,596</u>
<u>908 City Beautification Fund</u>			
Appropriation Units:			
Parks and Recreation	75,689	100,000	100,000
Fund 908 Appropriation Totals	<u>75,689</u>	<u>100,000</u>	<u>100,000</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	62,320	100,000	100,000
Fund 908 Revenue Totals	<u>62,320</u>	<u>100,000</u>	<u>100,000</u>

**City of Virginia Beach, Virginia
Expenditures and Revenues**

	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>909 Library Gift Fund</u>			
Appropriation Units:			
Library	3,399	6,000	6,095
Fund 909 Appropriation Totals	<u>3,399</u>	<u>6,000</u>	<u>6,095</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	6	0	0
Miscellaneous Revenue	6,885	6,000	6,095
Fund 909 Revenue Totals	<u>6,890</u>	<u>6,000</u>	<u>6,095</u>
<u>910 Parking Meters - Homeless Donation Fund</u>			
Appropriation Units:			
Housing and Neighborhood Preservation	6,000	5,000	5,000
Fund 910 Appropriation Totals	<u>6,000</u>	<u>5,000</u>	<u>5,000</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	482	5,000	5,000
Fund 910 Revenue Totals	<u>482</u>	<u>5,000</u>	<u>5,000</u>
<u>911 Parks and Recreation Gift Fund</u>			
Appropriation Units:			
Parks and Recreation	38,153	80,000	55,000
Fund 911 Appropriation Totals	<u>38,153</u>	<u>80,000</u>	<u>55,000</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	416	0	0
Miscellaneous Revenue	50,023	80,000	55,000
Fund 911 Revenue Totals	<u>50,438</u>	<u>80,000</u>	<u>55,000</u>
<u>916 Social Services Gift Fund</u>			
Appropriation Units:			
Human Services	0	0	6,500
Fund 916 Appropriation Totals	<u>0</u>	<u>0</u>	<u>6,500</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	0	0	6,500
Fund 916 Revenue Totals	<u>0</u>	<u>0</u>	<u>6,500</u>
 Grand Total Of All Funds			
Total Appropriations for all Funds	2,461,402,510	2,599,566,246	2,671,119,669
Less Internal Service Funds	191,567,592	198,066,313	212,907,098
Less Interfund Transfers	538,661,750	529,332,406	543,297,785
Net Appropriations Totals	<u>1,731,173,168</u>	<u>1,872,167,527</u>	<u>1,914,914,786</u>
Revenue Sources Totals	2,520,563,642	2,599,566,246	2,671,119,669
Less Internal Service Funds	192,121,707	198,066,313	212,907,098
Less Interfund Transfers	538,661,750	529,332,406	543,297,785
Net Revenue Totals	<u>1,789,780,184</u>	<u>1,872,167,527</u>	<u>1,914,914,786</u>

City of Virginia Beach, Virginia
Interfund Transfer Summary

Receiving Fund Code and Name	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>002 General Fund</u>			
181 CD Loan and Grant Fund	996,728	1,068,711	1,051,120
182 Federal Housing Assistance Grant Fund	0	1,610	0
147 Federal Section 8 Program Special Revenue Fund	250,050	322,047	260,410
540 General Government Capital Projects Fund	24,567,234	21,423,166	23,076,442
183 Grants Consolidated Fund	561,798	635,444	631,917
104 Green Run Collegiate Charter School	2,446,879	2,885,023	0
179 Multimodal Transportation Special Revenue Fund	0	5,771,212	6,351,497
151 Parks and Recreation Special Revenue Fund	4,544,380	4,714,791	4,603,487
607 Risk Management Internal Service Fund	3,639,476	0	0
460 School General Revenue Capital Projects Fund	2,107,300	642,448	0
115 School Operating Fund	392,017,424	400,390,136	411,687,773
098 School Reserve Special Revenue Fund	11,682,443	0	0
149 Sheriff's Department Special Revenue Fund	18,681,103	20,535,834	22,471,196
144 Waste Management Special Revenue Fund	0	5,166,556	10,062,505
541 Water and Sewer Capital Projects Fund	19,183	1,500,000	0
Total Transfer From Fund 002	<u>461,513,998</u>	<u>465,056,978</u>	<u>480,196,347</u>
<u>098 School Reserve Special Revenue Fund</u>			
115 School Operating Fund	16,000,000	8,299,318	5,000,000
Total Transfer From Fund 098	<u>16,000,000</u>	<u>8,299,318</u>	<u>5,000,000</u>
<u>115 School Operating Fund</u>			
104 Green Run Collegiate Charter School	0	0	3,686,686
Total Transfer From Fund 115	<u>0</u>	<u>0</u>	<u>3,686,686</u>
<u>130 Law Library Fund</u>			
002 General Fund	57,252	68,834	80,416
Total Transfer From Fund 130	<u>57,252</u>	<u>68,834</u>	<u>80,416</u>
<u>149 Sheriff's Department Special Revenue Fund</u>			
002 General Fund	24,551	0	0
Total Transfer From Fund 149	<u>24,551</u>	<u>0</u>	<u>0</u>
<u>151 Parks and Recreation Special Revenue Fund</u>			
002 General Fund	342,641	364,550	364,550
540 General Government Capital Projects Fund	5,548,666	2,147,000	1,197,000
Total Transfer From Fund 151	<u>5,891,307</u>	<u>2,511,550</u>	<u>1,561,550</u>
<u>152 Tourism Investment Program Fund</u>			
002 General Fund	2,050,000	0	0
540 General Government Capital Projects Fund	2,777,422	0	0
179 Multimodal Transportation Special Revenue Fund	0	774,690	832,502
157 Sandbridge Special Service District Spec Rev Fd	2,342,121	2,400,674	0
255 Storm Water Utility Enterprise Fund	15,000	14,873	14,873
Total Transfer From Fund 152	<u>7,184,543</u>	<u>3,190,237</u>	<u>847,375</u>
<u>157 Sandbridge Special Service District Spec Rev Fd</u>			
540 General Government Capital Projects Fund	3,930,199	4,187,880	4,423,430
Total Transfer From Fund 157	<u>3,930,199</u>	<u>4,187,880</u>	<u>4,423,430</u>
<u>163 Tourism Advertising Program Special Revenue Fund</u>			
002 General Fund	56,838	56,838	56,838
Total Transfer From Fund 163	<u>56,838</u>	<u>56,838</u>	<u>56,838</u>
<u>166 Sandbridge Tax Increment Financing Fund</u>			
002 General Fund	7,000,000	0	0
540 General Government Capital Projects Fund	1,369,801	2,612,120	1,926,570

City of Virginia Beach, Virginia
Interfund Transfer Summary

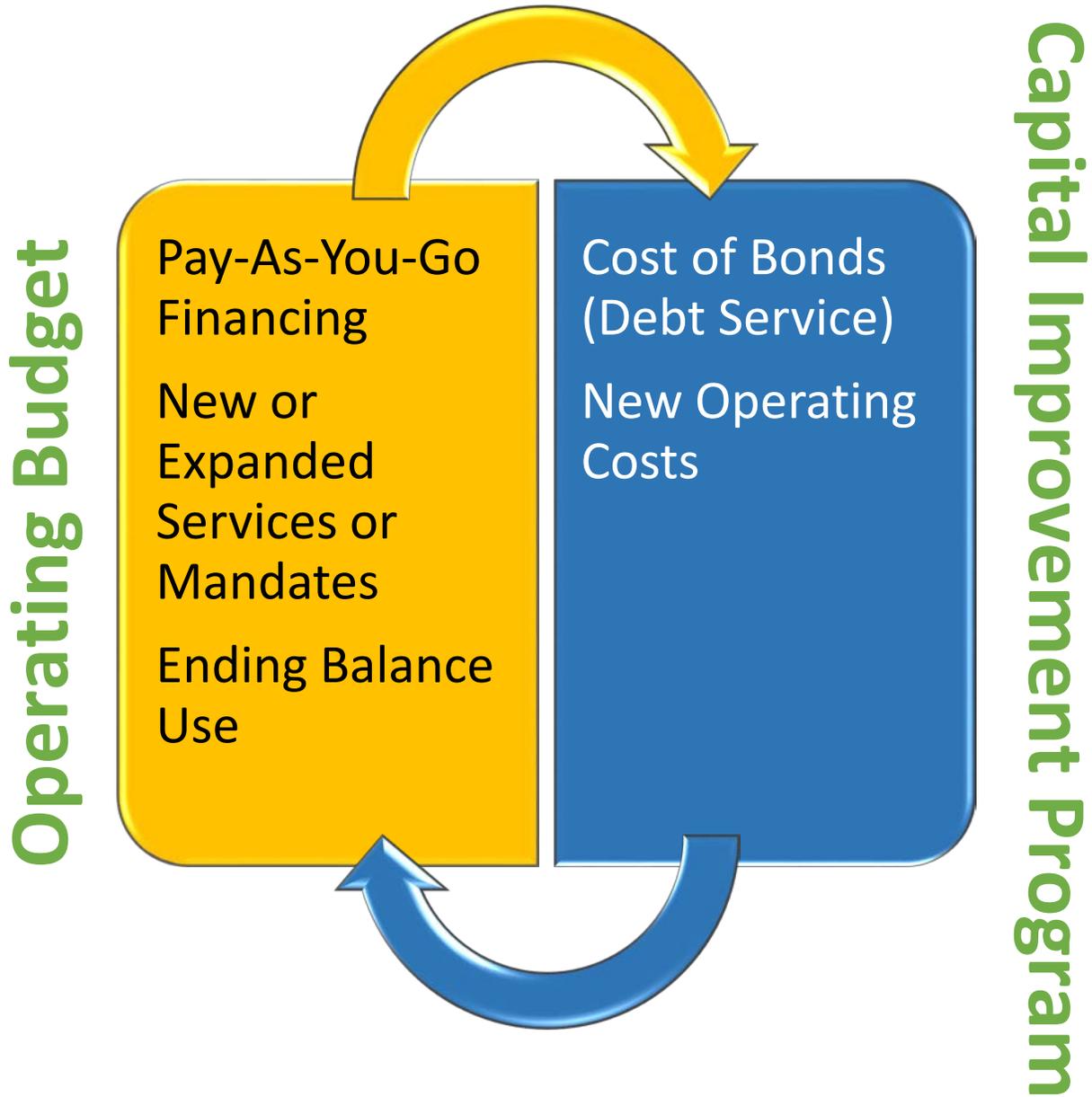
Receiving Fund Code and Name	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
Total Transfer From Fund 166	8,369,801	2,612,120	1,926,570
<u>169 Central Business District-South TIF (Twn Cntr) Fd</u>			
174 Town Center Special Service District	150,000	150,000	150,000
Total Transfer From Fund 169	150,000	150,000	150,000
<u>172 Open Space Special Revenue Fund</u>			
540 General Government Capital Projects Fund	1,100,000	0	0
Total Transfer From Fund 172	1,100,000	0	0
<u>174 Town Center Special Service District</u>			
002 General Fund	30,000	45,000	60,000
540 General Government Capital Projects Fund	341,199	352,726	352,726
253 Parking Enterprise Fund	0	48,678	25,000
255 Storm Water Utility Enterprise Fund	15,000	15,000	15,000
Total Transfer From Fund 174	386,199	461,404	452,726
<u>179 Multimodal Transportation Special Revenue Fund</u>			
002 General Fund	0	1,268,875	1,075,000
540 General Government Capital Projects Fund	0	8,978,755	9,442,959
Total Transfer From Fund 179	0	10,247,630	10,517,959
<u>180 Community Development Special Revenue Fund</u>			
002 General Fund	128,858	128,858	128,858
Total Transfer From Fund 180	128,858	128,858	128,858
<u>183 Grants Consolidated Fund</u>			
540 General Government Capital Projects Fund	935,508	665,427	665,427
Total Transfer From Fund 183	935,508	665,427	665,427
<u>241 Water and Sewer Fund</u>			
002 General Fund	9,891,482	10,430,132	10,466,048
541 Water and Sewer Capital Projects Fund	8,000,000	6,500,000	8,000,000
Total Transfer From Fund 241	17,891,482	16,930,132	18,466,048
<u>253 Parking Enterprise Fund</u>			
002 General Fund	211,620	282,871	287,571
540 General Government Capital Projects Fund	300,000	350,000	350,000
157 Sandbridge Special Service District Spec Rev Fd	0	90,000	90,000
152 Tourism Investment Program Fund	0	0	25,194
Total Transfer From Fund 253	511,620	722,871	752,765
<u>254 Waste Management Enterprise Fund</u>			
002 General Fund	2,081,243	2,119,897	2,232,948
241 Water and Sewer Fund	546,604	546,604	585,961
Total Transfer From Fund 254	2,627,847	2,666,501	2,818,909
<u>255 Storm Water Utility Enterprise Fund</u>			
002 General Fund	1,455,940	2,027,288	2,082,869
555 Storm Water Capital Projects Fund	9,514,582	8,490,000	7,500,000
241 Water and Sewer Fund	622,863	622,863	911,134
Total Transfer From Fund 255	11,593,385	11,140,151	10,494,003
<u>310 Old Donation Creek Area Dredging SSD</u>			
002 General Fund	0	0	195,339
540 General Government Capital Projects Fund	6,201	0	0
Total Transfer From Fund 310	6,201	0	195,339

City of Virginia Beach, Virginia
Interfund Transfer Summary

Receiving Fund Code and Name	FY 2014-15 Actuals	FY 2015-16 Adjusted Budget	FY 2016-17 Total Adopted
<u>311 Bayville Creek Neighborhood Dredging SSD Fund</u>			
002 General Fund	0	0	114,705
540 General Government Capital Projects Fund	51,749	0	0
Total Transfer From Fund 311	<u>51,749</u>	<u>0</u>	<u>114,705</u>
<u>312 Shadowlawn Area Dredging SSD</u>			
002 General Fund	0	0	55,040
540 General Government Capital Projects Fund	25,248	0	0
Total Transfer From Fund 312	<u>25,248</u>	<u>0</u>	<u>55,040</u>
<u>313 Chesapeake Colony Dredging SSD</u>			
002 General Fund	0	0	195,374
540 General Government Capital Projects Fund	209,981	211,391	0
Total Transfer From Fund 313	<u>209,981</u>	<u>211,391</u>	<u>195,374</u>
<u>314 Harbour Point Dredging SSD</u>			
002 General Fund	0	0	31,604
540 General Government Capital Projects Fund	15,183	0	0
Total Transfer From Fund 314	<u>15,183</u>	<u>0</u>	<u>31,604</u>
<u>315 Gills Cove Dredging SSD</u>			
540 General Government Capital Projects Fund	0	24,286	15,495
Total Transfer From Fund 315	<u>0</u>	<u>24,286</u>	<u>15,495</u>
<u>316 Hurds Cove Dredging SSD</u>			
540 General Government Capital Projects Fund	0	0	464,321
Total Transfer From Fund 316	<u>0</u>	<u>0</u>	<u>464,321</u>
TOTAL INTERFUND TRANSFERS FOR ALL FUNDS	<u><u>538,661,750</u></u>	<u><u>529,332,406</u></u>	<u><u>543,297,785</u></u>

RELATIONSHIP OF THE OPERATING BUDGET TO THE CAPITAL IMPROVEMENT PROGRAM

As the graph illustrates, there is a closed linkage between the operating budget and CIP. Decisions made in one area, may affect the other. For example, if the city were to open a new fire station (CIP), the city must also plan to hire firefighters (operating). Likewise, an expansion to a recreational program (operating) may require the construction of a new facility (CIP).



REVENUES

City Council Amendment

- After review of the State's estimate for this revenue as well as recent trends, increase the estimate of General Sales by \$1,513,166.
- Based on final General Assembly actions, increase 599 State Aid to Localities with Police Departments by \$346,031.
- Increase estimate for courthouse maintenance fee by \$2 per civil charge (\$254,678).
- Reduce parking permit revenue from \$20 to \$10 a month (\$91,438).

National Economic Overview

The U.S. economy entered its seventh year of expansion in the third quarter of 2015, but the rate of growth in Gross Domestic Product (GDP) since the end of the Great Recession in mid-2009 has been restrained, averaging just 2.2%. Although this is roughly in line with the long-term trend, it is much lower rate of growth experienced in other recoveries.

Two large shocks affected the growth rate of the economy in 2015.

Shock One

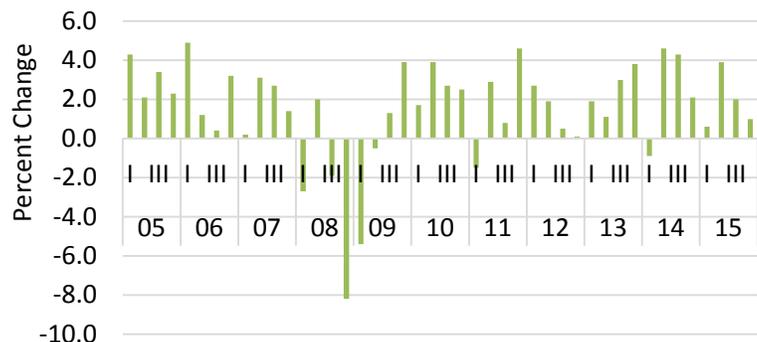
The collapse in energy prices, which generally had a positive impact on the overall economy. The price of a barrel of oil has tumbled from \$106 in June of 2014 to about \$30 in January 2016. Although the U.S. is progressing toward energy independence, the country still imports a significant share of oil. Lower prices for energy aid growth, since consumers and businesses face lower expenses. However, a sharp reduction in energy investment accompanied these lower oil prices, offsetting some of this stimulative effect. The investment cutback contributed to a decline in real business fixed investment, growing at 5.5% in 2014 and dropping to 2.7% through the first three quarters of 2015.

Shock Two

The significant rise in the dollar, which generally had a negative impact on the overall economy. The dollar began to strengthen in August 2014, rising approximately 21% to February 2016. The rise in the dollar made U.S. produced goods more expensive while making foreign produced goods less expensive, causing a jump in the trade deficit and subtracting 0.7% from GDP growth. The dollar particularly affected the manufacturing sector; the rate of growth in industrial production in 2015 was one quarter of the growth rate in 2014. That said, the housing sector, which has contributed little to the economic expansion, finally began to gain momentum. Residential investment grew at its fastest pace in three years, and housing stats were up 11% in 2015.

Against this backdrop, the economy continued to add jobs (2.65 million in 2015). The unemployment rate stood at 4.9% in January, a rate at which many economist believe represents full employment. Other measures of the labor force suggest slack is present; however, compared with historical levels, there remains an outsized number of part-

**Gross Domestic Product
Adjusted for Inflation**



Source: Bureau of Economic Analysis

time workers who desire full-time employment, and a large percentage of unemployed workers who have remained out-of-work for more than six months.

Because of falling energy prices, lower prices for imported goods, and some slack in the economy, inflation has remained low, increasing by only 0.7% in 2015 (the smallest increase since 2008).

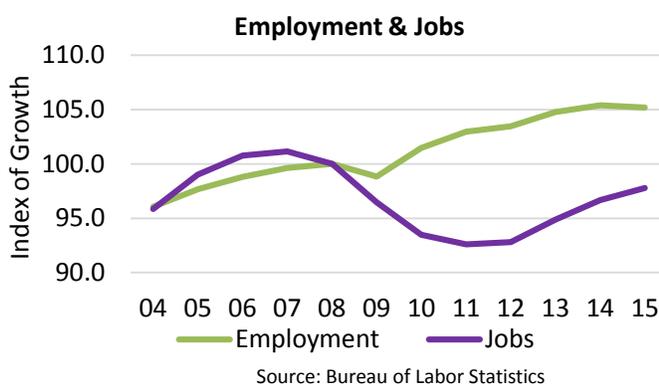
The outlook for 2016 is for the pace of economic growth to be slightly above the long-term average. Overall, the expectation of continued low inflation, vibrant labor markets, low interest rates, and healthy financial conditions should keep consumer spending and home sales growing at a healthy pace.

Virginia Beach Economic Overview

The Old Dominion University Economic Forecasting Team predicts the Gross Regional Product to increase 1.59% in 2016, which is slightly higher than the increase in 2015 (1.14%) but below the long-term historical average (3.1%). The modest increase is predicated on a slight increase in defense department expenditures. Growth in port activity, an expanding health care industry, continued lower gas prices, and increases in tourism spending will also contribute to growth.

The city's economy continues to improve, achieving or surpassing its pre-recession levels for most economic metrics. The unemployment rate stood at 3.9% in December 2015, which is 2.4 percentage points below the three-year recessionary average (2009 through 2011) and 0.1 percentage points below the long-term historical average.

Nationally, economists believe a decline in the labor-force participation rate¹, rather than strong growth in employment, serves as a significant reason for the decline in the unemployment rate. The good news is that is not the case locally. The growth in the city's labor force (0.77%) is outpacing the growth in our population (0.61%), which is not the case nationally.



The employment and unemployment figures represent residency measures (how many residents are employed, regardless of the city in which they are employed). Another key metric is jobs (the number of jobs located within our physical boundaries, regardless of whether they are filled by Virginia Beach residents). The city has recovered employment and nearly recovered the jobs lost from the recession of its pre-recession peak. The graph shows indexes, both employment and jobs to 2008 (year prior to recession), and illustrates the recovery in each.

¹ People exit the labor force for many reasons: they may be disabled or retire; they may pursue educational opportunities or care for family members; and they may be discouraged because of the lack of employment opportunities. Economists believe the latter serves as one reason for the drop in the national unemployment rate. This rate is calculated as the percentage of the labor force that is unemployed. Individuals who are not actively searching for work, perhaps due to a belief that it is not possible to find a job, are not counted in the labor force. If the labor-force participation rate remains low or declines, a slower pace of job growth can still bring about a decline in the unemployment rate.

Another important barometer of the economy is spending. Nationally, consumer spending comprises roughly 70% of the economy. The city’s consumer revenues are performing well since the recession ended, near or exceeding their long-term averages as shown below.

Annual Average Growth Rates in Consumer Revenues

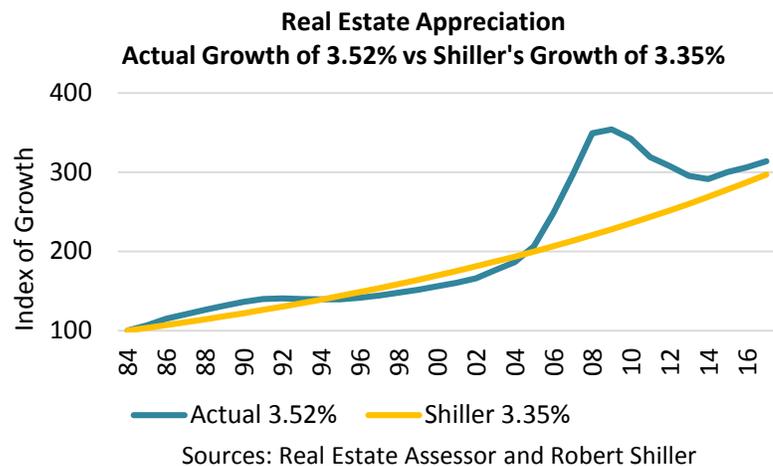
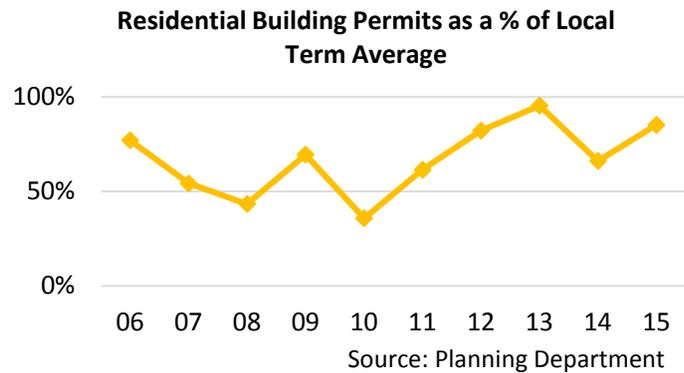
Tax Revenue	Current	Recession	Long-Term Average
General Sales	3.10%	-4.00%	3.30%
Meal	5.50%	0.40%	4.70%
Hotel	4.90%	-1.30%	4.30%
BPOL*	1.30%	-4.50%	4.60%
New Car Sales	4.10%	-21.70%	0.50%

*The average annual growth rate since the recession has been 3.2%; however, the growth rate for FY 2014-15 was 1.3%.

Paralleling the national experience, housing is the last sector of the local economy to begin recovery. Residential building permits stand at 85% of their pre-recession levels. However, the city is projecting positive real estate assessment growth for the third consecutive year (which followed five consecutive declines). Research by a noted economics expert on real estate (Robert Shiller from Yale University) indicates that 3.35% represents the long-term average for real estate appreciation. Real estate appreciation in the city has bested that mark (3.52%) since record keeping began here. Unfortunately, this growth does not occur in a linear manner, meaning the economy experiences booms and busts (markets sometimes overshoot in both directions).

Appreciation for the last three years has averaged 2.36%, not much below the city’s long-term average of 3.52%.

The increase is partly attributed to the decline in distressed home sales. Foreclosures have declined below their pre boom and bust average as shown in the accompanying chart.

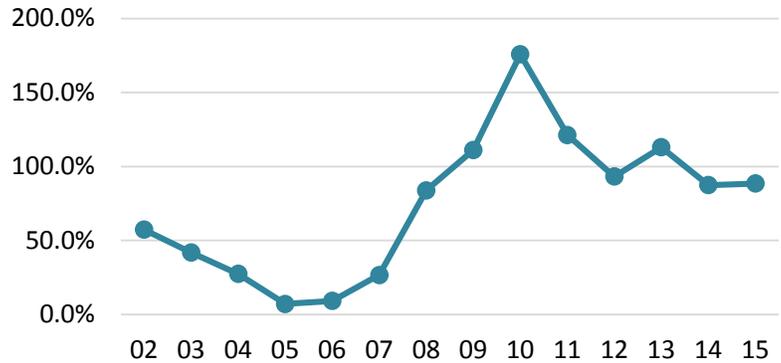


Forecasting Methodology

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

- ➔ Survey departments regarding trends in revenues.
- ➔ Interview local economists, 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; and Regression Analysis.

Foreclosures as a Percentage of their Pre Boom & Bust Average



Source: Real Estate Assessor's Office

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 nineteen years, the city's absolute average margin of error has been 1.3%.

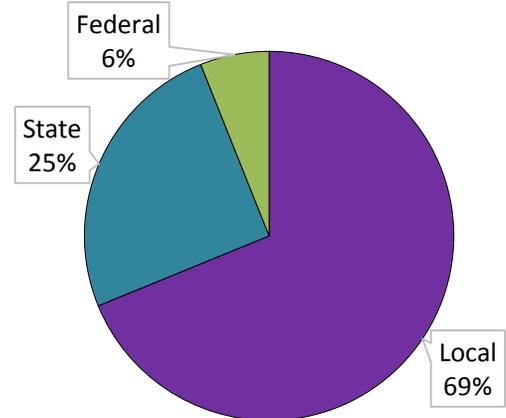
Overall, local sources comprise the largest portion of all revenues (see graph below), which remained steady at 69% of all revenue sources.

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 2016-17 and identifies the dedications. In FY 1995-96, the Agriculture Reserve Program (ARP) 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. 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. 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. In FY 2015-16, the tax rate increases by six-cent from 93¢ to 99¢. Of this increase, 2.31 cents will be allocated to Virginia Beach Schools, 1.8 cents will be allocated to the newly established Multi-Modal Transportation Fund and 1.89 cents will remain within the City's General Fund. Additionally, 0.34 cents of the dedication to ARP will be redirected to the Multi-Modal Fund to support transportation initiatives. Also redirected, is the aforementioned 2 cent real estate tax dedication for road construction. This dedication was moved from the General Fund to the newly established Multi-Modal Fund. The redirection of this 2 cents and the increase of 1.89 cents from the tax increase results in a net loss of .11 cents within the General Fund.

Revenue Sources FY 2016-17



FY	Tax Rate	Tax Rate Change	City Operating Budget & CIP	Parks & Recreation	School Operating Budget & CIP	ARP ¹	Multi-Modal
1987-88	0.877	-					
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¢**	1.5¢	
1995-96	1.188	4.8¢			5.7¢**		
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¢				
2015-16	0.99	6.0¢	-11¢ ***		2.31¢	-0.34¢	4.14¢
Total Change		11.3¢	-32.056¢	3.946¢	34.71¢	0.56¢	4.14¢

*Originally approved in conjunction with a referendum. **These dedications were absorbed into the City/School Revenue Sharing Formula and are shown here for historical purposes. ***In FY 2015-16, the City's General Fund received an increase of 1.89 cents in Real Estate Tax revenue; however, the two-cent Roadway dedication moved from the General Fund to the newly established Multi-Modal Fund.

¹Agriculture Reserve Program-redirection of .34¢ to the Multi-Modal Fund

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

Dedication of Taxes

Tax	Local Rate	City/School Operating Budget & CIP	T.I.P.	T.A.P.	EDIP	Open Space	Multi-Modal
Amusement Tax	10%		10%				
Hotel Room Tax	8%	2%	5%	1%			
Restaurant Meal Tax	5.5%	3.72%	1.06%	0.5%		0.22%	0.22%
Cigarette Tax (per pack)	75¢	54¢	5¢		16¢		
Personal Property Tax	\$4	30¢					
Vehicle Registration Fee	\$30	\$25					\$5
Per Room Night Hotel			\$1	\$1			

Fees and Charges for FY 2016-17

To recover the cost of various services, the City relies upon various fees and charges. To keep pace with rising costs, staff review fees and charges annually. The following are the notable changes to City fees for FY 2016-17. Complete listings of fees and details regarding the purpose of the fee or fee increase are included in each individual departmental narrative, and readers can find a summary of fees and tax adjustments in the Executive Summary.

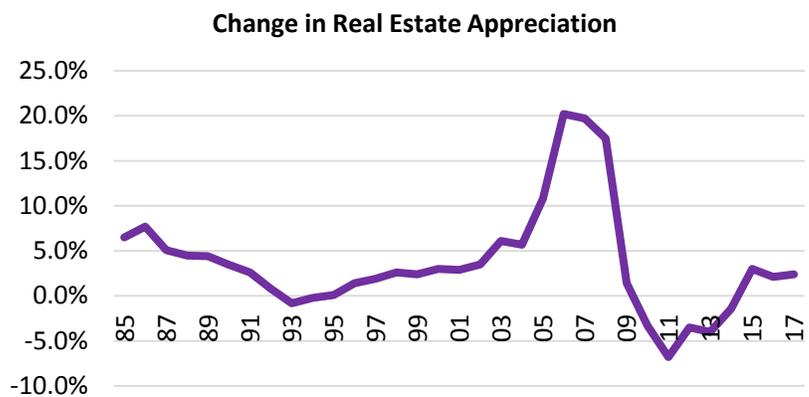
- ➡ Parks and Recreation Fees.
- ➡ The Police Department: Permits for Pawnbrokers, Junk Dealers, and Secondhand Dealers will increase as well as a permit for Precious Metal Dealers.
- ➡ Waste Collection Fee will increase from \$21.36 to \$23.00 a month.

New Funds

The city did not establish any new funds in FY 2016-17.

Revenue Resource 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, as shown in the nearby graph. During the boom period, home prices rose 89.3% while median household income grew at approximately 17.6% over the same period, which is not a sustainable relationship. FY 2016-17, however, marks the third consecutive year of positive real estate assessment growth. Overall assessments are increasing 3.0%. The median change in residential properties is 2.39%; for commercial/ industrial property, it's 0.9%; and for apartments, it's 4.71%. Approximately 77% of all properties increased in value while approximately 17% decreased; and about 6% remained the same. Residential units comprise 83.3% of the total tax base and commercial/industrial the remaining 16.7%.



Source: Real Estate Assessor's Office

The table on the following page illustrates that the residential values increased relatively uniformly across value ranges in FY 2016-17, with homes over \$750,000 representing the exception.

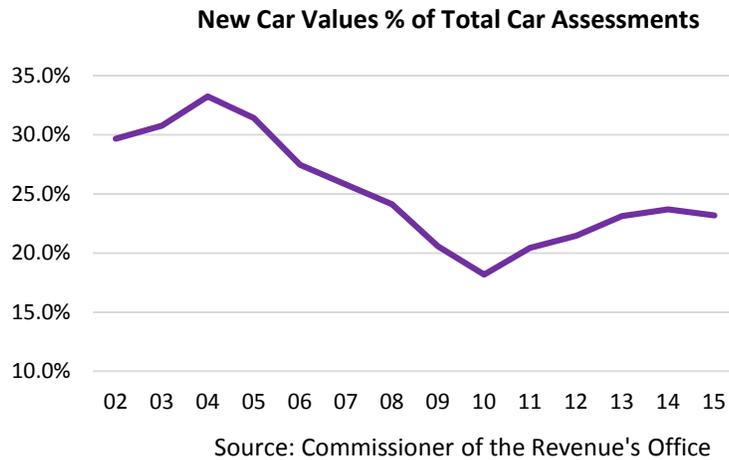
Median Percent Change in Residential Property by Value Range

Under \$150,000	2.3%
\$150,000 - \$200,000	2.3%
\$200,000 - \$250,000	2.4%
\$250,000 - \$350,000	2.5%
\$350,000 - \$500,000	2.6%
\$500,000 - \$750,000	2.9%
Over \$750,000	5.8%

Revenue - Real estate assessment projections are provided by the City Real Estate Assessor. For FY 2016-17, General Fund real estate revenues are projected to total \$479,990,793, or by 2.6%. Total Real Estate taxes, including all dedications, Tax Increment Financing, and Special Service Districts total \$542,384,484.

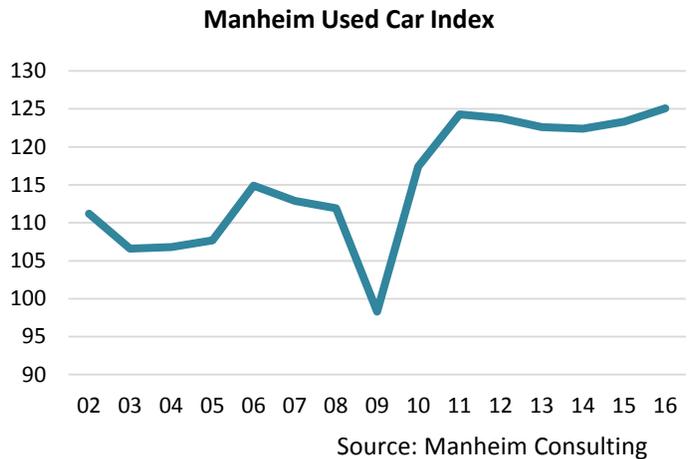
Personal Property – This revenue consists of several tax categories including vehicles, business personal property, commercial boats, recreational vehicles, mobile homes, etc. Of these, vehicles represents 72% of the personal property assessment tax base. The value of used cars and the level and value of new car sales represent the most important factors for this revenue.

In the 2001 recession, new vehicle sales dipped by 2.6% while unemployment peaked at 3.5%. Demonstrating the magnitude of the “great” recession, unemployment climbed to 7.1% and new vehicle sales decreased by over 37% over two years. New model year cars typically represent less than 10% of the total vehicles but have constituted as much as 30% of the total value. The accompanying chart illustrates the contribution of new car values to total assessments as well as the recessionary impact on new car sales.



Although delaying the purchase of new cars was economically driven, improved vehicle quality also supports maintaining vehicle ownership for longer periods. Individuals retaining their vehicles longer reduces the supply of used vehicles in the market. Reduction in the number of used vehicles for sale has resulted in a significant year-over-year growth in the value of used vehicles since the last recession. Manheim Used Car Index, the most widely cited source for used car prices, grew at a compound annual rate of 3.5% from 2008 to 2015. Recent literature indicates the potential of previously leased vehicles flooding the market soon, which will drive down the value of used vehicles.

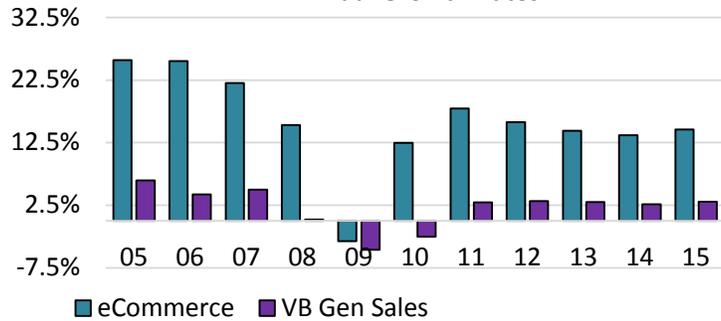
In FY 2005-06, the State implemented the Personal Property Tax Relief Act in which localities will receive a flat reimbursement rather 70% for the total tax eligible tax base. This is a somewhat complicated piece of legislation, and the following discussion highlights the important aspects. The Car Tax reimbursement 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 State froze our reimbursement at \$53.4 million. Consistent with the original legislation, vehicles valued under \$1,000 will not be taxed. With projected growth in the vehicle base, this budget proposes a State relief percentage of 52.1%, down from 52.5% in FY 2015-16. Vehicles valued between \$1,001 and \$20,000 will be taxed at 47.9% 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.



Estimated Revenue - For FY 2016-17, Personal Property taxes are estimated to be \$146,979,656, a 2.6% increase over the FY 2015-16 estimates. Also driving the conservative forecast is that this revenue has been erratic and difficult to forecast over time. None of the sophisticated statistical techniques has forecasted this revenue very well, and the past performance has not been a good predictor of the future.

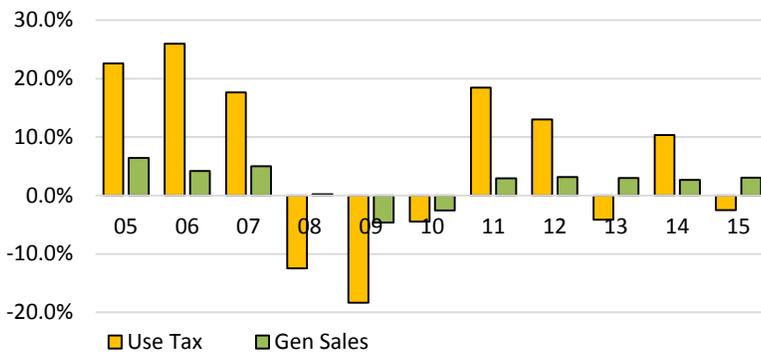
General Sales - This revenue represents one percent of total State sales tax collected in Virginia Beach, which the State distributes to local governments. After declining by a compound annual rate of 3.6% over a two-year recessionary period, General Sales has advanced at a 3.0% compound annual rate over the last five years. The growth has occurred in a narrow range, with a low point of 2.6% and a high point of 3.2%, which may represent the new normal. The strong dollar, technology, global competition, and the consolidation of retail stores (“Walmartization” in which large chain stores, with strong buying power, can force some retailers to close) all limit inflation that, in turn, limits growth in the revenue. Internet sales as well as well-informed consumers, who use this technology to price shop, siphon and/or limit the growth in sales. The accompanying chart shows the contrast in growth rates between national e-commerce and our General Sales tax.

eCommerce vs Va Beach General Sales Annual Growth Rates



Sources: Census Bureau and Finance Department

General Sales vs Use Tax



Source: Virginia Department of Taxation

conditions as well as equipment replacement.

Year-to-date sales tax collections are performing well above recent trends (5.9%). Perhaps consumers are redirecting gas savings to other purchases.

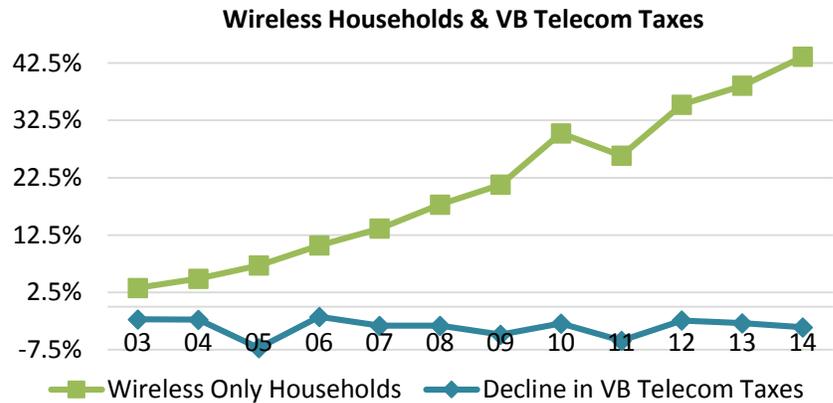
Estimated Revenue - For FY 2016-17, estimated revenue for General Sales is expected to be \$63,160,061, or 5.7% higher than FY 2015-16 and in-line with recent performance (this revenue estimate includes changes adopted by City Council).

Utility Tax - These taxes apply to electric, gas, and water bills for residential and commercial properties. Historically, this revenue has grown at modest rates in a narrow range. The modest and steady growth in the city’s population serves a significant reason for this. For residential properties, the Code of Virginia limits the tax to 20% of the first \$15 of a bill, essentially imposing a flat \$3 per monthly tax. So the tax on residential properties is unaffected by weather (variations in weather are insufficient to reduce a bill below \$15). Previously information provided by Dominion Power indicates that residential properties generate approximately 50% of the City’s utility tax. The tier-tax, however, applies to commercial businesses, and a staff statistical analysis reveals that atypical-weather years do 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 2016-17, estimated revenue for utility taxes is expected to be \$25,472,704, 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 early trend of consumers canceling landline service, relying strictly on mobile service. In these instances, the city does not benefit from the tax associated with an extra cell phone tax; these citizens already own a cell phone. The trend of cancelling landlines is now a freight train. The National Center for Health Statistics reports that nearly 44% of household do not have a landline in 2014, up from just 3.3% in 2003. The shape of the economy may also serve as an explanation for revenue declines. Business closures, curtailment of 1-800 usage, and elimination of fax lines all contribute to the underperformance. These trends may be felt more strongly elsewhere in the State, but still affect Virginia Beach. The City receives a portion of the overall state-wide revenues, so trends more pronounced in Northern Virginia still adversely affect our revenue. As a result, the telecommunication tax has not maintained revenue neutrality, but it is impossible to know what growth would have occurred under the previous tax structure.



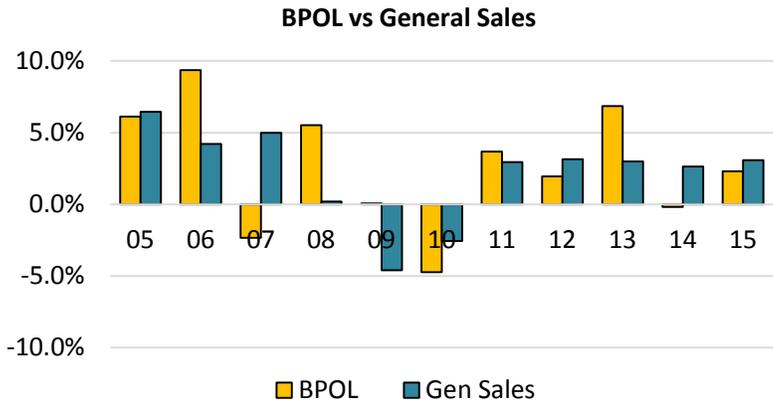
Source: National Center for Health Statistics and Finance Department

Neutrality was based upon FY 2005-06 revenue collections and represents \$23.4 million per annum for Virginia Beach. The State remits revenues 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. This revenue declined by over 4% in FY 2013-14.

Estimated Revenue - For FY 2016-17, this revenue is projected to be \$16,998,982, down 6.7% from last year. This reflects recent trends as well as an adjustment to the base from the poor performance from FY 2014-15. Month to month collections of this revenue are erratic. Without intent by the State to increase rates, there is no indication that this revenue will increase or return to the revenue neutral level in the near future.

Business Permit and Occupational License Tax (BPOL)

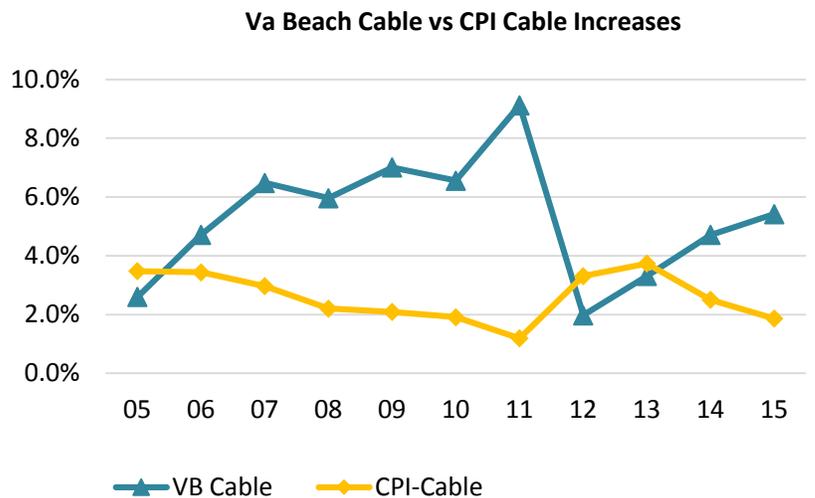
Businesses remit the BPOL tax based on gross receipts. Historically, BPOL outperforms General Sales, which is not surprising since this revenue captures the growth in the service economy plus the traditional retail sector. However, this revenue has also been more volatile, and has not rebounded strongly from the recession. Its long-term average growth is 4.0%, above 3.3% for General Sales, but its post-recession growth has only averaged 2.9%. That’s slightly below the recovery rate of General Sales, and this average of 2.9% conceals wide variation of growth (-0.2% to 6.9%) that has occurred during the five years of recovery. The reduction in federal spending within the region may serve as a reason, but generally, this volatility cannot be explained by any known economic variable that the city tracks. The sophisticated techniques have a poor record of success in forecasting this revenue, and staff project this revenue based on simple trend analysis and judgment. Another consideration is the implementation of a two-year business exemption program adopted by City Council in 2012. Through this program, new businesses in Virginia Beach are not required to pay BPOL taxes for two years. Enrollment in this program delays the base growth in this revenue resulting from new businesses. The amount exempted in FY 2015 was \$878,000, up from \$544,000 in FY 2014.



Source: Finance Department

Estimated Revenue - For FY 2016-17 estimated revenue for BPOL is projected to be \$46,389,703, which represents a slight decrease when compared to the previous budget. This reflects an adjustment to the base (FY 2014-15 underperformed compared to the budget estimate).

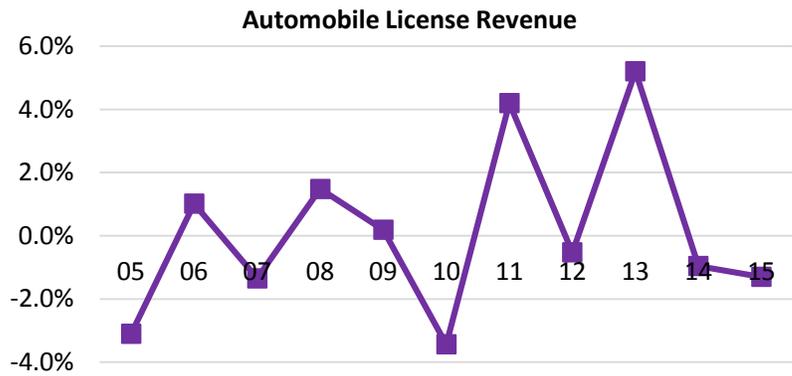
Cable Franchise Tax – As noted above, the recession rocked nearly all consumer revenues. One revenue unaffected by the recession was cable entertainment, which may appear to be counterintuitive; however, the literature suggests that consumers turned to less expensive at-home entertainment. In addition, the City benefitted from the growing offerings of high definition and digital channels that cable companies introduced for which consumers pay increased monthly rates. As cable bills rise, so too do cable franchise revenues. Between FY 2007-08 and FY 2010-11, annual increases in cable revenues grew at an average rate of 7.6%. Over the last ten years, they have grown at an average rate of 5.5%, eclipsing the national average of the Consumer Price Index.



Sources: Finance Department and Bureau of Labor Statistic

Estimated Revenue - For FY 2016-17, cable franchise revenues are projected to be \$8,703,443, an increase of 6.8% over the previous year’s budget, which reflects that collections for FY 2014-15 exceeding the budget estimate. Using FY 2014-15 actuals as a revised base, the projected growth rate is closer to the historical norm.

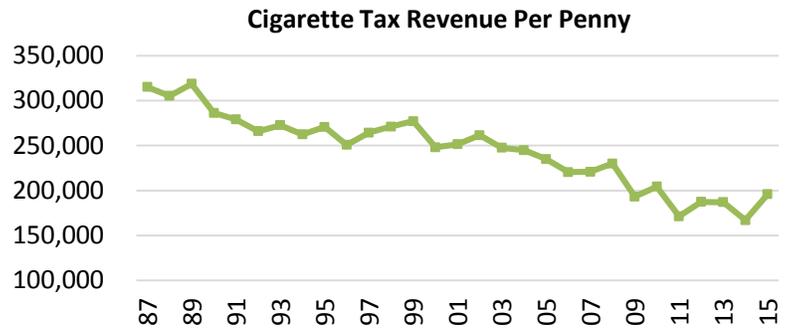
Automobile License Fee – In FY 2003-04, the City eliminated physical issuance of decals and began collecting these fees through the DMV State registration process. DMV represents a more comprehensive source for vehicle discovery and offers an added bonus of aiding collections of delinquent fees. In May 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. Prior to FY 2004-05, this revenue grew at a moderate and stable manner, which partially reflected the slow growth in our population. Since then, it's has been growing at a zig-zag pattern as shown in the accompanying graph. Demographic factors and the economy affect this revenue. The number of students becoming of driving age is declining according to school enrollment data. With graying of America, some elderly may be giving up their driving privileges. 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. However, because no demographic or economic variable explains the year-to-year variation, staff will analyze more thoroughly in the near future.



Source: Finance Department

Estimated Revenue - For FY 2016-17, automobile license fees are projected to be \$11,203,452, down 2.2% from last year. This reflects an adjustment to the base for the underperformance of this revenue from FY 2014-15.

Cigarette Tax - The cigarette tax revenue trend has declined over time as shown in the nearby chart. Many factors contribute 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, 25.5% of adults smoked in 1990 compared to 17.8% in 2013. Volatility accompanies the declining trend. The timing of inventory cycles and tax rate increase help explain the volatility. Wholesalers make large, periodic purchases of cigarettes tax stamps based on current supply and demand rather than consistent monthly purchases. These orders do not often coincide with our fiscal year reporting. In some years, for example, wholesalers may make five large purchases and seven smaller ones within one fiscal year; and in the following year, they may make only three larger purchases and nine smaller ones (as they deplete their inventory). Further, wholesalers appear to make large purchases before a tax increase takes effect. City Council typically adopts rate changes with the budget in mid-May, effective July 1. Wholesalers typically purchase these stamps in bulk prior to the July 1 tax increase, delaying the realized revenue anticipated from increases in the rate change.



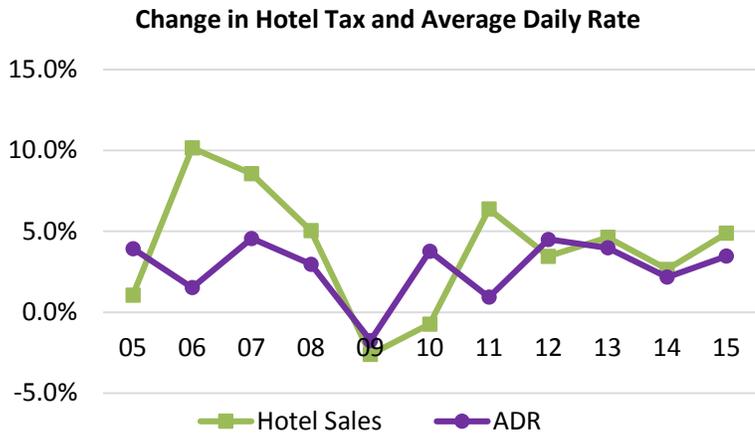
Source: Finance Department

Estimated Revenue - For FY 2016-17, total cigarette tax revenues is projected to be \$11,853,670, down 4.0%. This decline reflects an adjustment to the base revenue due to the performance in FY 2014-15. Note that a portion of these taxes is earmarked to the Tourism Investment Program; therefore, due to GASB 54, \$790,245 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).

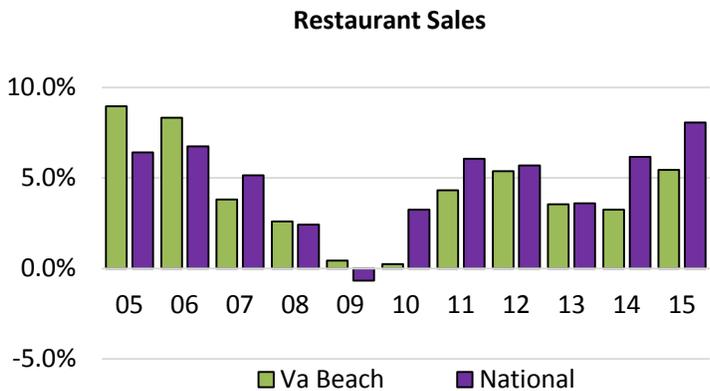
Growth has now resumed since the recession, averaging 4.4% annually over the last five years. The City has experienced slight increases in occupancies, but the bulk of the increase in revenue is the result of higher average daily room rates and rentals at the residential beach community of Sandbridge. The accompanying chart illustrates this. The City hotel product has been up-graded with the addition of the Hilton, Hilton Garden Inn, Hampton Inn, Spring Hill Suites, and Westin hotel at the Town Center.



Surprisingly, a correlation analysis of hotel room prices, gas prices, and consumer confidence in the northeast with hotel revenues revealed that no strong correlation exists, which seems inconsistent with survey data and simple intuition. Statistical techniques used have not accurately forecasted this revenue the past. 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 \$31,525,371, up 8.3% above the previous year’s budget. There are two components making up this revenue. The first is the hotel tax rate at 8%. The second is the hotel flat tax, which generates \$2 per room night in addition to the aforementioned tax rate. Growth in revenue generated through the hotel tax rate is anticipated to increase by 5.9% when compared to last year’s budget. This reflect trends and an upward adjustment to the base for actual performance that exceeded the budget. The increase in the hotel flat tax reflects an additional \$1 per room night, effective January 1, 2017.

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. It was resilient through five of the last six national recessions. The “Great Recession” curbed growth. Annual growth rates for FY 2008-09 and FY 2009-10 were 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), which matches the national percentage.



Sources: Census Bureau and Finance Department

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 \$75,000; percentage (higher) of childless households; and the percentage of people born after 1977. Higher concentrations of these bode well for restaurant sales; Virginia Beach has a higher relative concentration compared to Virginia and the U.S. level. Comparative local restaurant quality with neighboring localities can also be a factor. Local resident wealth and tourism also serve as positive factors. Finally, non-residents generate between 30% and 35% of meal tax revenues. 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.

Estimated Revenue - For FY 2016-17, meal taxes are expected to be \$64,881,611, or 6.8% above the previous year's budget. This reflects trends as well as an adjustment to the base for the strong performance in FY 2014-15.

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 2016-17, the estimated revenue for Permits, Privilege Fees, and Regulatory Licenses in the General Fund is \$5,577,542, which represents an 8.4% increase above last year's estimate and primarily reflects increases in Planning Department fees Building, Electrical, Plumbing, and Mechanical Permits as well as an increase in the Precious Metal Dealer Permit.

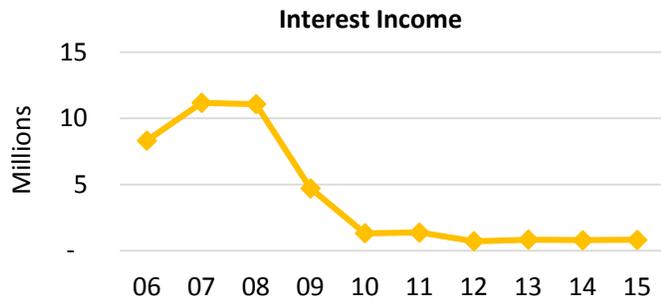
Fines and Forfeitures - This represents local government applied fines and forfeitures, with the two primary revenues being Court Fines and Red Light Camera Violations. These revenues are primarily a function of population count, population age, and rate changes (e.g., parking fines). Both are designed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

Estimated Revenue - For FY 2016-17, the estimated revenue for General Fund Fines and Forfeitures is \$6,966,800. This represents a 6.1% decrease from last year's estimate and primarily reflects an adjustment to the base from the lower performance in FY 2014-15.

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. From December 2008 until December 2015, the Federal Fund rate has been between 0% and 0.25% since 2008, which has had a diminishing effect upon City returns. The rate increase in December 2015 from 0.25% to 0.50% will only have a modest impact on interest earnings. Although the Federal Reserve communicated there would be multiple rate increases in 2016 (economists expected four), the fragile economic start to 2016 leads economists to believe that number may not occur. The other variable, obviously, that affects interest earnings is the city 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 2014-15, the City received \$0.83 million – a 93% decrease.



Source: Finance Department

Estimated Revenue - For FY 2016-17, the estimated revenue for Use of Money and Property is \$5,457,485. This represents a 1.2 % increase above last year's estimate.

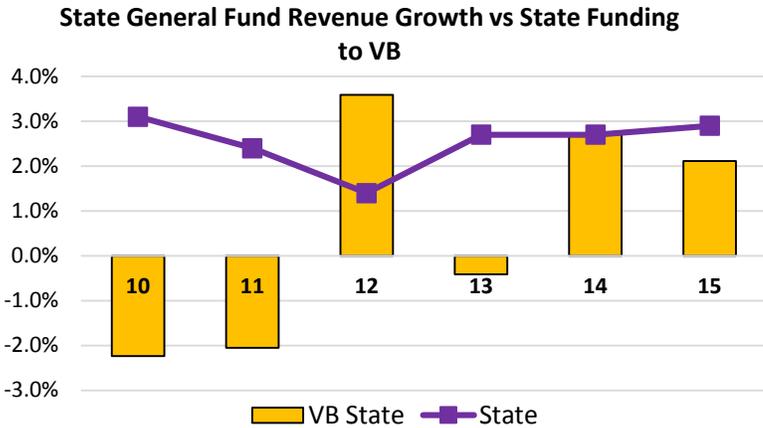
Charges for Services - This represents a broad range of revenues offsetting the cost of delivering services and programs.

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 2016-17, the estimated revenue for Charges for Services for the General Fund is \$38,160,290, a decrease of -4.2% when compared to last year's budget. The overall decrease is primarily the result of a decline in Human Services charges and some building-related charges.

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. General Fund revenues for the State nearly always out-perform the level of State aid provided to Virginia Beach. So while the State's revenues have recovered at a higher level, this has not translated into increased aid to Virginia Beach.



Source: State Secretary of Finance Department and Finance Department

Estimated State and Federal Revenues – For the General Fund, State revenues total \$99,592,618 (up 0.9%) and Federal revenues total \$19,739,278 (up 0.5%). Please note that state revenue was increased to reflect City Councils adopted budget.

Summary of Total General Fund Revenues - Total revenue for the City of Virginia Beach is expected to be \$1,072,573,521, which is 2.3% higher than last year's estimate. Current year revenues (excluding fund balance use) are increasing 1.8%.

Special Revenue Funds

This section highlights the major Special Revenue Funds:

Schools/Education - The following funds comprise the total School operations: School Operating; Green Run Collegiate Charter School; School Vending Operations; School Grants; School Textbook; School Athletic; School Cafeteria; School Reserve; School Instructional Technology; 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 2016-17, the City's total contribution (operating budget and debt service) is \$242.8 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 34.11% 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 by 2.5% compared with last year's estimate, excluding Internal Service Funds and the School Reserve Special Revenue Fund. In total, the local City revenue will increase by 1.5%. This budget includes a reserve to address additional local funding requirements associated with the final State budget. If this budget requires a higher local match, the city's contribution to schools will increase through the formula.

Housing - The following funds comprise the majority of the housing operations for FY 2016-17: Grants Consolidated, Community Development Special Revenue, CD Loan and Grant, Federal Housing Assistance Grant, and Federal Section 8 Programs. Revenue estimates for these funds are provided by the Department of Housing and Neighborhood Preservation (HNP) and are based on information received from State and Federal agencies at the time of the preparation of the budget. Revenue is received from three sources: Federal, State, and local governments. Federal funds are received both directly through the Department of Housing and Urban Development (HUD) and indirectly through the Commonwealth. Local funds are allocated to offset administrative costs for certain salary and fringe benefits, rental of office space, and utility costs.

Estimated revenue for these funds is expected to be 2.0% above last year's estimate for FY 2016-17. Federal revenue is anticipated to increase 2.3% while city General Fund support will decrease slightly

Parks and Recreation - The Parks and Recreation Special Revenue Fund comprise the total operations for the Parks and Recreation Department. Funding is derived from user fees and charges for the use of Parks and Recreation facilities and sponsored activities, a dedicated portion of the real estate tax to support recreation center operations, and additional support from the General Fund to support park operations.

Estimated revenue for FY 2016-17 is expected to increase 5.1% when compared to last year's estimate. This increase 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 3.8% higher than last year's estimate for FY 2016-17. State revenue is anticipated to decline slightly; Federal revenue is also expected to decline slightly, but this represents an insignificant revenue source. The overall increase is the result of increased support from the General Fund.

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 decrease by 1.3% when compared with the current year's revenue estimate. This reflect declines in the Amusement, Hotel, and Cigarette taxes from underperformance from FY 2014-15, but rate of growth in this decline was offset by growth in Restaurant Meal taxes.

Tourism Advertising Program Fund - The Tourism Advertising Program Fund generates revenue for increased tourist advertising by: a levy of a \$2 charge per hotel room night (effective January 1, 2017 the charge increases from \$1 to \$2); a one-half cent tax on Restaurant Meals; and a one-cent on Hotel tax.

Estimated revenue is expected to increase by 5.1% above last year's estimate for FY 2016-17, and reflects the increase in the room night charge as well as growth in Meal tax revenues that offset the decline in this fund's portion of the Hotel (8%) tax.

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. In FY 2015-16, an additional reduction of .34 cent will occur within this fund with the revenue being redirected to support City and School operations.

Total revenue is expected to be \$4,197,607, which represents a 26.6% increase for FY 2016-17, and reflects the use of Specific Fund Reserves (fund balance) to provide sufficient funds to acquire 300 acres of property (if qualified applicants submit to this program).

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, \$9,926,570 for FY 2016-17. 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, \$7,777,493 for FY 2016-17.

Open Space Special Revenue Fund - This fund provides 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: \$0.22 cent dedication of the Restaurant Meal tax and the use of 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 be \$3,124,160 or an increase of 0.8% when compared to FY 2015-16. This reflects increased Meal tax revenues offset by lower use of Specific Fund Reserves (fund balance).

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.

Estimated revenue is expected to increase by 2.5% in FY 2016-17 when compared with the current year's budget. There is no rate change for FY 2016-17.

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.

Estimated revenue is expected to slightly increase by 0.2% in FY 2016-17 over the current year's budget. There is no change in the rate when compared to FY 2016-17.

Parking Enterprise Fund - This fund is totally self-supported from revenues generated through the operations of the Parking Systems Management 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.

Estimated revenue is expected to decrease by 5.6% from last year's estimate for FY 2016-17, and reflects trends in revenue collection.

Waste Management Enterprise Fund - In the infancy of the Waste Management Enterprise fund, several necessary items were delayed until a point in time when the fund was more sustainable. One of the most critical items underfunded to this point is the replacement of solid waste trucks. Per the FY 2015 City Comprehensive Annual Financial Report (CAFR), the Waste Management fund balance is negative. Changes in GASB laws now require pension liabilities show in the accounting of enterprise funds. This change has put the fund balance in a negative position. Future projections do not have the Waste Management fund growing out of this negative fund balance nor addressing the backlog of equipment needing replacement with the current rate of \$21.36. A rate increase of \$1.64 per month is proposed in the FY 2016-17 Operating Budget to address the aforementioned concerns.

The estimated revenue is expected to be \$44,893,885 for FY 2016-17.

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

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
Support for new Softball Quads at PAAC	Funding to provide additional manpower to address the maintenance of four new fields, restrooms, parking area, and to support the increase in tournament programming associated with the new fields at the Princess Anne Athletic Complex (PAAC). New equipment will also be needed to adequately maintain the new fields and support additional games and tournaments.	Above Current	82,010	1.00
Replacement of Motor Vehicles and Equipment	This request is for funding to replace equipment in the School Landscaping Internal Service Fund that has met the criteria for replacement as established by Fleet Management. This funding would replace three mowers and six pick-up trucks.	Above Current	395,000	0.00
Total Cultural and Recreational Opportunities			477,010	1.00

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

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Housing and Neighborhood Preservation				
HNP- Contractual Section 8 Inspector	This proposal is for the restoration of a part time, contracted rental housing Section 8 inspector. In order to meet the inspection needs of approximately 2,250 households, the department has one FTE Inspector, one Full Time Contractual Inspector, and one Part Time Contractual Inspector. Without the funding for the Part Time Contractual Inspector the department would need to implement a bi-annual inspection process rather than the annual inspections.	Current	30,428	0.00
Total Economic Vitality			30,428	0.00

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

Title	Description	Service Level	Amount	FTE
Family and Youth Opportunities				
Human Services				
Restore Part-Time Positions	This request is for a slight reduction in part time staffing to Community Service Board Residential Services Unit (MH/MR Assistant 0.2 FTE) and Developmental Services Case Management Unit (Administrative Specialist I 0.25 FTE). This reduction is not anticipated to adversely impact operations.	Current	17,537	0.45
Total Family and Youth Opportunities			17,537	0.45

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

Title	Description	Service Level	Amount	FTE
Quality Organization				
City Attorney				
FOIA	This request would provide funding for additional office staff within the Freedom of Information Office. Currently, the FOIA office is staffed with one full-time Paralegal who is supervised by an attorney so the additional funding would provide for one full-time legal secretary to work in the FOIA office.	Above Current	48,491	1.00
Finance				
Financial Accounting Support	This request is for an Accountant II position which would support initiatives with Human Services for payables, departmental accounts receivable procedures, Convention Center service tracking, and requests from the City Auditor. The position will also ensure that complex contractual financing agreements are accurately administered by both the partner and the city. This includes current efforts with initiatives such as the arena, baseball stadium, and 25th Street Parking Garage	Above Current	81,097	1.00
Information Technology				
Software Development IT Manager	This request is for a Software Development IT Manager FTE which would lead four teams comprising a target 16 FTEs responsible for web, mobile, GIS and business software development. Responsibilities include working with departments, managing business unit expectations, developing and implementing goals, and maintaining current knowledge of technology trends within these teams. Reporting directly to the Chief Solutions Officer, this position is crucial to the progress of the IT reorganization.	Above Current	112,920	1.00
Business Analyst Economic Growth	This request is for a Business Analyst Economic Growth FTE that would support the Economic Growth Community of Interest (COI) by gathering, developing, coordinating, and maintaining business requirements for projects and systems. This position is part of a new IT organizational target structure based on nearly a years worth of effort by Gartner and IT to benchmark staffing levels and the associated work effort required to support city IT systems that exist today.	Above Current	99,182	1.00
Business Analyst HR/ Finance	This request is for a Business Analyst FTE that will support the HR/Finance Community of Interest (COI) by gathering, developing, coordinating, and maintaining business requirements for projects and systems. This position is part of a new IT organizational target structure based on nearly a years worth of effort by Gartner and IT to benchmark staffing levels and the associated work effort required to support city IT systems that exist today.	Above Current	99,182	1.00
Business Analyst Executive Mgmt	This request is for a Business Analyst Executive Management FTE. The position would support the Executive Management Community of Interest (COI) by gathering, developing, coordinating, and maintaining business requirements for projects and systems.	Above Current	99,182	1.00
Systems Analyst II Public Infrastructure	This request is for a Systems Analyst II Public Infrastructure FTE. This position would support the Public Infrastructure Community of Interest (COI) by analyzing requests, researching current technologies, and recommending solutions to user problems or needs.	Above Current	99,182	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Information Technology				
Systems Analyst II Economic Growth	This request is for a Systems Analyst II FTE position. This position will support the Economic Growth Community of Interest (COI) by analyzing requests, researching current technologies, and recommending solutions to user problems or needs.	Above Current	99,182	1.00
Application Developer	This request is for an Application Developer FTE. This position is intended to supplement current services to provide support to all of the Community of Interest (COI) groups through designing, developing, and deploying applications in support of city business units.	Above Current	99,182	1.00
Application Developer	This request is for an Application Developer FTE. The position is intended to supplement current services to provide support to all of the Community of Interest (COI) groups through designing, developing, and deploying applications in support of city business units.	Above Current	99,182	1.00
IT Security Specialist	This request is for an IT Security Specialist FTE. This position would be a member of the IT Security Team under the Chief Information and Security Officer. The fully formed team will consist of five members responsible for the designing, testing, implementing, and monitoring of security measures for the organization's technology investments.	Above Current	99,182	1.00
IT Financial Manager	This request is for an IT Financial Manager FTE. This position would work in the IT Business Center and would provide fiscal support of the IT function including developing and maintaining of financial data for charge back, show back, service management, and the developing IT financial functions.	Above Current	73,934	1.00
Business Analyst Public Safety	This request is for a Business Analyst Public Safety FTE. This position would support the Public Safety Community of Interest (COI) by gathering, developing, coordinating, and maintaining business requirements for projects and systems.	Above Current	99,182	1.00
Systems Analyst II Executive Mgmt	This request is for a Systems Analyst II Executive Management FTE. This position would support the Executive Management Community of Interest (COI) by analyzing requests, researching current technologies, and recommending solutions to user problems or needs.	Above Current	99,182	1.00
Application Developer	This request is for an Application Developer FTE. This position is intended to supplement current services to provide support to all of the Community of Interest (COI) groups through designing, developing, and deploying applications in support of city business units.	Above Current	99,182	1.00
Project Manager	This position is for a Project Manager FTE. Supporting the HR/Finance Community of Interest (COI), this Project Manager would be responsible for managing a portfolio of projects and work with business areas to prioritize work requests using standard project methodology.	Above Current	99,182	1.00
Business Analyst Strategic Planning	This request is for a Business Analyst Strategic Planning FTE. This position would support the strategic planning efforts as part of the new Enterprise Architecture and Planning unit by gathering, developing, coordinating, and maintaining business requirements for projects and systems.	Above Current	99,182	1.00

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

Title	Description	Service Level	Amount	FTE
Quality Organization				
Information Technology				
Business Relationship Manager	This request is for a Business Relationship Manager FTE. Supporting the Revenue and Collections Community of Interest (COI), this Business Relationship Manager would serve as a "trusted advisor" and function as a key point of contact for IT business stakeholders.	Above Current	99,182	1.00
End-User Enterprise Application Training	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.	Above Current	165,000	0.00
Total Quality Organization			1,869,990	18.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Planning				
Planning Technician II Position Request	Permits and Inspections is requesting a Planning Technician II position which would be responsible for the issuance of various building permits and answering code questions related to building projects. This position would alleviate some of the high traffic demand on the Plans Examiners who in addition currently work the front counter assisting walk-in customers as needed. The plan review process takes about three to four weeks for commercial and two to three weeks for residential projects and this new position would allow Plans Examiners more time for plan review and reduce the time of the review process for the applicant.	Above Current	56,935	1.00
Code and Ordinance Revisions	The Subdivision Ordinance (1970), the Comprehensive Zoning Ordinance (1973), the adoption of numerous supplemental ordinances and hundreds of amendments to the Zoning Ordinance have resulted in land use, development, and natural resource regulations that function together as intended, but where the processes necessary to administer them sometimes result in problems for both city staff and the public. This budget request is needed to produce an all-inclusive review of the land use, development ordinances, and draft a new comprehensive ordinance that regulates in a way that is easily understood by all users including property owners, land developers, and staff.	Above Current	475,000	0.00
Environmental Sustainability Increased Hours	The Environment & Sustainability Office would increase the hours of two part time temporary positions to full time temporary positions to provide administrative staff support for City's Wetlands Board, Chesapeake Bay Preservation Area Board, Bayfront Advisory Commission, Green Ribbon Committee, Mayor's Energy Advisory Committee, Historic Kempsville Citizens Advisory Committee, Friends of Live Oaks, Clean Waters Task Force, and Sustainability Task Force.	Above Current	20,000	0.00
Patriotic Festival	Provides an additional \$50,000 for the Virginia Beach Patriotic Festival from the Tourism Investment Program Fund. This will bring total City support to the festival to \$150,000.	Above Current	50,000	0.00
Public Works				
Additional Building Maintenance Tradesmen	Request for an additional 11 positions to serve as a maintenance crew. The positions requested include painters, HVAC technicians, plumbers and electricians. This increase in staff will allow the Facilities Management to perform building maintenance on weekends and other times outside of standard business hours. This will allow for work to be done without impacting services.	Above Current	813,921	11.00
Architect and Planner/Estimator	Request for an Architect and Planner/Estimator. Architect will be the coordinator of the city's asset management and CIP project planning programs. Planner/Estimator will support the Architect with continuous detailed cost estimating support. Planner/Estimator will also support the Architect with CADD drawings and graphical depictions of the facility, space, and campus planning.	Above Current	190,556	2.00
Inspectors I and II	Request for Building Maintenance Inspectors. These positions will be dedicated to performing mechanical, electrical, plumbing, structural, and architectural inspections during the construction and repair of city facilities.	Above Current	202,448	3.00

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

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Building Automation Specialist	Request for a Building Automation Specialist for the Energy Management Office which would work to manage a desired reduction in energy consumption and to enable operational peak savings of energy consumption. This position would work using the recently installed equipment such as Direct Digital Control (DDC) systems, enhanced thermostats, and advanced meters.	Above Current	70,063	1.00
Engineer IV and Engineering Technician I	Request for an Engineer IV and an Engineering Technician I. The Engineer V would be able to ensure that the City's design and construction contract specification general conditions were up to date, and would be able to focus on developing written procedures for the facilities development and construction staff. The Engineering Technician I would focus completely on ensuring that the IT requirements for all projects are well defined and coordinated during each projects planning and design stage.	Above Current	161,132	2.00
Building Maintenance Safety Specialist	Request for a Safety Specialist for the Building Maintenance Division. This position would focus on improving safety and reducing the risk of injuries specific to the trades performed by building maintenance.	Above Current	77,650	1.00
HVAC Technician II Appliance Repair	Request for an additional HVAC Technician II to help service the over 540 appliances throughout the City. These appliances require daily repair, maintenance, and refurbishment within the city and are essential to the daily operations of the city.	Above Current	89,881	1.00
Increase Cost of Current Custodial Services	Request for additional funding for the City's custodial contract. The custodial department is responsible for maintaining the cleanliness of city facilities for all "off campus" locations by using contracted janitorial service companies. The addition of the Human Services Collier Building, the new Fire Admin, Farmers Market Admin, and Princess Anne Complex Admin is now being included in our cleaning budget and adds approximately 65,000 additional square feet per year which must be maintained.	Above Current	40,000	0.00
Additional Custodial Supplies	Request for additional funding for custodial supplies. Included in this request is the need for standing vacuums. Reductions in staff over the years have increased the length of time to clean city facilities. The use of wide-standing vacuums would reduce cleaning time and provide efficiencies.	Above Current	58,500	0.00
Hydraulic Scissor Lift	Request for additional funds to purchase a hydraulic scissor lift, radial arm saw, and high power pressure washers for the building maintenance staff. This equipment will provide staff with the ability to better perform their task and responsibilities in a safe manner.	Above Current	56,500	0.00
Addition of a Clerk II	Request for a full time Clerk II position which would be the point of contact for the Facilities Management Office Lenel ID and building access program. Lenel encompasses 41 city facilities and requires setting appointments, creating approximately 100 ID badges monthly for city personnel as well as contractors and volunteers, processing accompanying paperwork, assisting New Member Orientation with badging, and monitoring supply inventories.	Above Current	38,418	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
AED Batteries	Request for additional funds for the replacement/backup batteries for existing Automated External Defibrillator devices found throughout the Municipal Center.	Above Current	5,000	0.00
Beach Wheelchairs	Request for additional funding for the replacement of beach wheel chairs. The city offers the use of all-terrain wheelchairs at the oceanfront free of charge to persons with disabilities during the resort season. The wheelchairs currently in use are 15 years old and are in need of replacement.	Above Current	7,500	0.00
FTE's to Assist in Recreation Center Maintenance	Request for an additional Plumber and Electrical Mechanic Engineer to provide additional maintenance and support to the city's recreation centers. With the addition of Williams Farm Recreation Center, Bow Creek having been rebuilt, and Kempsville Recreation Center in the process of being rebuilt, there is an increased need to address the issues that are inherent with new buildings and with the increased square footage on a large scale.	Above Current	187,356	2.00
Mobile Applications for Citizen Issue Reporting (VBWorks/SCF) Program	Request for three additional positions and operating supplies to support the See Click Fix program. This program allows residents to report non-emergency issues and submit service requests through an online or mobile interface. Two additional FTE's are necessary in order to provide the expected level of service; an Administrative Technician and a Clerk II are required in Public Works Operations to oversee and provide program continuity and provide service to citizens and city management.	Above Current	110,615	2.00
Beach Operations Quality Service - Sandbridge Beach	Request for Motor Equipment Operator positions and contractual manpower positions along with equipment to enhance the level of beach cleaning, grooming and trash collections.	Above Current	676,493	2.00
Traffic Management Center Staff	Request for an Engineer III and a Traffic Signal Electronics Technician I for the Traffic Management Center. The Traffic Signal Electronics Technician I position would have responsibility for monitoring and maintaining the traffic signal communications network. This position would assist in managing the day-to-day operations of the city traffic control system and the Traffic Management Center and would also assist in analyzing driver tendency data and the regular retiming of traffic signals.	Above Current	204,620	2.00
Traffic Signal Rehabilitation Program	Request for additional funds to replace technologically outdated signal intersections. The city currently has 90 intersections that require upgrading and outdated intersections are maintenance intensive, especially in this coastal environment, requiring labor every 6 months. The typical newer model mast are installations that only require inspection every 16 months and are more aesthetically pleasing.	Above Current	750,000	0.00
Traffic Signal Construction Staff	Request for additional FTEs for traffic signal construction. These positions were eliminated four years ago and this function was contracted to a private company. 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	559,476	5.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Street Paving	Reduction of street paving maintenance funding to align with historical paving activities.	Current	1,544,884	0.00
Surface Water Regulatory Compliance Staffing	Request for Engineer IV and Engineer I to address additional requirements anticipated from changes to the City Municipal Separate Storm Sewer System (MS4) Stormwater permit.	Above Current	272,768	2.00
Severe Repetitive Loss Project Management	Request for an Engineer III and Construction Inspector II for the Severe Repetitive Loss Program. This initiative began with federal grants, which will result in raising 16 houses base flood elevation. There are 61 additional houses eligible for grant funding and these positions will manage the future implementation of the program.	Above Current	260,870	2.00
Environmental Maintenance Crew - Storm Water	Request for additional FTEs and operating equipment to maintain city storm water assets. There has been an increase in the number of assets needing to be maintained as three major pump stations and water quality structures are being added throughout the City on an ongoing basis. This program requests six new FTEs (four Motor Equipment Operator III's, one Motor Equipment Operator II, and one Motor Equipment Operator I) specializing in the scheduled and emergency maintenance of these specific assets.	Above Current	774,067	6.00
Virginia Dam Safety Act Compliance Program	Approximately 25 to 30 of the 58 impoundments in the City of Virginia Beach will need to be rehabilitated to meet the updated dam safety regulations from this act. Request for three new FTEs (one each Engineer III, Engineering Technician III, and Construction Inspector II) and equipment. This program also includes funding for consulting efforts by dam professionals for inspections of the existing impoundments with recommendations for rehabilitation efforts.	Above Current	565,516	3.00
Parking Lot Light Poles	Installation of 14 light poles is needed in the parking lot of the collections building. The collections crews do pre-trip inspections of the heavy equipment in the mornings. During the winter months at this time is very dark creating potential safety issues so installing the light poles in this area will be a significant safety and security benefit.	Above Current	66,605	0.00
Landfill Surveillance Camera	Request for additional funding for the purchase and installation of a surveillance camera for front gate at Landfill. A security guard is currently used to monitor the Landfill. Having a surveillance camera would allow for a reduction in security guard services.	Above Current	25,000	0.00
Recycling Drop-off Center	Development of a recycle drop-off center is needed for the Bayside area to replace Princess Anne High School location. This quadrant of the City has inadequate access to recycle drop-off service, which is needed for peak demand, large cardboard boxes, and for multi family residents that do not otherwise have access to recycling services. Increasing recycling will reduce waste disposal.	Above Current	200,000	0.00

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

<u>Title</u>	<u>Description</u>	<u>Service Level</u>	<u>Amount</u>	<u>FTE</u>
Quality Physical Environment				
Enhanced Recycling Marketing Plan	Request for additional funding for a recycling marketing plan. The plan is to give Virginia Beach residents the knowledge and understanding about the importance of recycling and the proper way to recycle. The goal is to increase recycling participation and reduce waste. In addition to the environment benefits, increased recycling also has the added benefit of reducing disposal cost.	Above Current	106,700	0.00
	Total Quality Physical Environment		<u>8,718,474</u>	<u>49.00</u>

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Commonwealth's Attorney				
Technology Increases	Provides funding for the increasing cost of various computer software applications including online legal research tools.	Current	6,300	0.00
Professional Improvement	Restores funding to the FY 2015-16 level for professional improvement training for the Commonwealth Attorney's Office professional staff of 52 employees. These employees no longer receive training due to budget reductions in previous fiscal years.	Current	4,145	0.00
Years-2-4 Police Body Camera Program Impact on CWA	Reflects the remaining staff and support costs needed to provide prosecutorial support the Police Department's body worn camera initiative. This includes five Assistant Commonwealth's Attorneys, three Paralegals and two Clerk II's. This Police Department initiative will create a significant amount of work involving review of all video footage taken for any case to be prosecuted, redaction of sensitive video footage, and court preparation.	Above Current	781,085	9.00
Emergency Medical Services				
Additional Career Medics	This request would provide six additional career medics (for eight shifts and leave of absences) for continual augmentation of the Volunteer Rescue Squads. This would help meet existing/future service demands due to increasing ALS calls for services, increasing requests for EMS standby services at special events and mass gatherings, and reduction in volunteers given improvements in the economy and generational and cultural changes. With reduction in volunteers, career medics are strained as they are required to work more over time hours and are unable to use annual or other leave in order to maintain minimal staffing to meet EMS service demands.	Above Current	197,479	1.00
Replacement EMR Medical Computers	Provides 40 Panasonic CF-19 Toughbook computers to replace the remainder of the aging inventory used in the field, some of which are damaged and underperforming. EMS has been using Toughbook computers in the field since 2010, which are nearing the end of their useful lives (three to five years in the office or less in the field). The computers are at higher risk of hard disk failure (the failure rate is 11.8% after three years, and 12% after four years).	Above Current	190,000	0.00
Fire				
Restoration of Overtime Funding	The fire department requests restoration of overtime funding. The loss of this money, dedicated to overtime, may reduce the fire department's ability to staff operational fire apparatus, perform required training, and provide targeted coverage for special events.	Current	215,298	0.00
Asset Management Program	The department is requesting a multi-echelon asset management system.	Above Current	80,000	0.00
Turnout Gear	This request is for funding to purchase a second set of turnout gear for operational members.	Above Current	855,000	0.00
Extractors and Dispensing Systems	This request is for funding to purchase gear extractors and dryers for five remaining fire stations, and improving the laundry dispensing systems for all the gear extractors.	Above Current	217,000	0.00

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Fire				
Emergency Response Medical Equipment Maintenance	The Fire Department is requesting additional funding for maintenance of the defibrillators and accessories that were provided in December 2009 through a multi-year contract that was awarded to Physio Control. The City and both the Fire and EMS departments are committed to maintaining and investing in this product line to provide life-saving capabilities to the citizens of Virginia Beach.	Above Current	55,815	0.00
Emergency Response Medical Equipment Upgrades	This funding request is for upgrading (from 3-lead to 12-lead) and obtaining maintenance plans for sustainability of the Department's electrocardiogram [ECG] monitors.	Above Current	103,200	0.00
Emergency Management Vehicle	Funding will be used to purchase a 4WD pickup truck with towing capabilities for use in Emergency Management for multiple purposes; Sheltering/Towing, Snow Storms, Severe Weather (tornado, hurricane, tropical storm), Construction Sites.	Above Current	33,049	0.00
Police				
Neighborhood Community Policing Resources	These officers would be assigned full time to community policing efforts to reduce crime and enhance the feeling of safety.	Above Current	1,047,715	6.00
Central Business District (CBD) Community Policing Initiative	Police are requesting one sergeant, 14 officers, a part-time community service officer, and related equipment to be used in the mixed-use Central Business District.	Above Current	1,524,836	15.70
Oceanfront Resources	This proposal includes two Sergeants, 20 police officers, and four intelligence officers to be dedicated to the oceanfront.	Above Current	2,662,337	26.00
VCIN/NCIC/Warrant Compliance Positions	Police are requesting three warrant clerks and one compliance officer to assist with validations. The Federal Bureau of Investigation and Virginia State Police regulate the National Crime Information Center (NCIC) and Virginia Crime Information Network (VCIN).	Above Current	175,038	4.00
Police Workforce Development Implementation	A program that would allow for a long-term career development program. It would eventually be for all personnel but initially for non-supervisory officers it would,enhance opportunities for training and assignments, develop a rotation schedule for supervisors, develop a more robust mentoring program, and allow officers to better select their own career path through job shadowing and mentoring. The program would give automatic salary increases when requirements are met.	Above Current	116,000	0.00
Civilian Freedom of Information Act Paralegals	Police are requesting one administrative technician position for FOIA.	Above Current	55,093	1.00
Police Overtime	The Police Department is requesting an additional \$451,489 in additional over time funds for FY 2016-17.	Above Current	451,489	0.00
Electronic Control Device Replacements	Police are requesting a formal replacement and funding schedule for the 475 electronic control devices, which are non-lethal electroshock devices, deployed to patrol officers, operational specialty units, and some detectives.	Above Current	224,000	0.00
Part Time Account Clerk Police Supply	Police are requesting a part time account clerk to help the Uniform and Supply Storekeeper process several hundreds of thousands of dollars in clothing, protective apparel, and equipment purchases each fiscal year.	Above Current	24,994	0.70

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Animal Care and Adoption Center Positions	Shelter staff are requesting two full time clerical positions to fully cover all four lobbies and provide data entry assistance. They are also requesting two full time caretaker positions to address shortcomings in caretaker coverage.	Above Current	144,458	4.00
Part-Time Cold Case Investigations Expansion	Police are requesting that each of our two part-time cold case investigators be increased from 20 hours to 28 hours per week.	Above Current	19,265	0.40
Overweight Vehicle Scales Replacement	Police are requesting \$60,000 to replace one of the three overweight vehicle scales in FY 2016-17 and anticipated phasing the other two in subsequent budget years.	Above Current	60,000	0.00
Overtime - Integrated Public Safety Training	Police are requesting funds to be used for training with the new CAD and Mobile CAD systems during the spring of 2017 due to staffing limitations that will require half of the 825 police officers and animal control officers to be scheduled on an overtime basis in order to maintain regular staffing requirements.	Above Current	157,270	0.00
Building 11 UPS Replacement	Police are requesting funds to replace the Uninterrupted Power Supply (UPS) in Building 11.	Above Current	125,000	0.00
Requested but not Funded Position	Police Department requests an additional one full time Lieutenant for Body Worn Cameras to be funded in later phases of this program.	Above Current	85,708	1.00
Sheriff's Office				
Job Task Analysis	This request would assist the VB Sheriff's Office in promotional testing process, training assessments and entry-level testing to determine whether candidates possess the basic skills necessary to perform effectively.	Above Current	260,000	0.00
Moving Toward Pay Parity	The Sheriff's Office proposes that Deputy Pay ranges begin to reflect a competitive pay range for recruits that will include a salary adjustment after successfully completing the OTJT and probation period. We request a Deputy Recruit (C7) at the current entry pay range, after 12 months they receive 4.56% increase (which the state provides) to Deputy (C8).	Above Current	1,000,000	0.00
Visitation System	This project is requested to renovate the existing inmate visitation system. The upgrade and renovations to the visitation equipment would include renovation and installation of necessary infrastructure, including but not limited to electrical needs. The current system requires visitors to be on site to conduct their visit. The upgraded system capable of remote visits would allow attorneys, law enforcement officers, and inmate family members to visit from their home or office.	Above Current	500,000	0.00
Security Tracking Software	A funding request for a security tracking system that interfaces with the jail management system that will track and electronically record security checks, inmate movement, recreation, feeding and administrative segregation activities.	Above Current	227,000	0.00

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

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff's Office				
Epoxy for Inmate Showers	The Sheriff's Office is requesting the application of an epoxy coating in the showers of VBCC. Application of the epoxy coating in the inmate showers would provide a permanent solution to the peeling/bubbling paint that allows for the growth of mold in the showers. The epoxy would withstand power washing, scrubbing, and application of cleaning chemicals and make it easier for the Sheriff's Office to maintain compliance with Minimum Standards and Health Department standards.	Above Current	280,000	0.00
Renovations of Guard Shacks and Alpha 1	The Sheriff's Office is requesting funds to renovate the Guard Shacks and Alpha 1. These renovations include new chairs and desk tops. The renovations to Alpha 1 would include equipment updates specifically a magnetometer to screen person, bags, and packages entering the facility.	Above Current	45,000	0.00
	Total Safe Community		11,923,574	68.80
	Total Requested But Not Funded		23,037,013	137.25

AGRICULTURE



The mission of the Agriculture Department 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.

Department Overview

Director's Office

Provides overall direction, coordination, and administrative support to the department, as well as technical assistance to the agricultural community to ensure that agriculture is a viable segment of the city's economy.

Virginia Beach Agricultural Reserve Program (ARP)

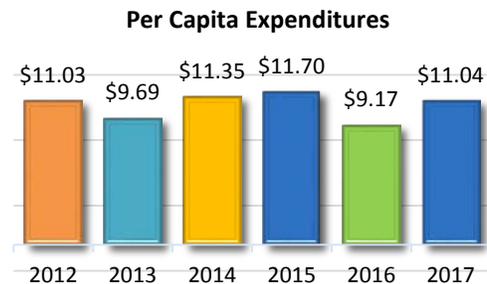
Established by City Council in May 1995, the goal of this program is to preserve and protect 20,000 acres of farm and forested lands in the southern part of the city. The ARP provides for the continued growth and sustainability of agriculture, the 3rd largest industry in Virginia Beach, protects agricultural 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. This program is funded by 0.56-cents of the real estate tax.

Virginia Beach Farmers Market

Leases space to vendors to sell agricultural and complimentary products and provides agricultural-based education programs (K-5th grade) with over 1,800 children participating annually. A weekly fruit and vegetable auction is open to the public, which benefits local and regional farms, local businesses, and citizens. The market staff provides programming that is agriculturally based, educational, and within a safe family-friendly environment.

Cooperative Extension Program

Provides research, technical marketing assistance, and community education for all residents regarding agriculture, horticulture, soils, family issue programming, and home management. It also administers two mandated programs, Agriculture Disaster Reporting and Pesticide Applicator Certification Recertification education.



Key Performance Measures

Goal: Be a Competitive, First Class Resort for Residents, Businesses and Tourists

Means to Residence: Local economy more insulated from an economic downturn

Means to Residence: Quality leisure activities for families

14% of residents live in a food desert

\$129.3 million of economic impact from agriculture

92.4% of residents satisfied with agricultural and horticultural services

81.4% of residents want to protect natural resources/environment/green space

100% of farmers market space leased

8,500 children/students attend farmers market events annually

11,066 low-income residents reached through the food & nutrition program

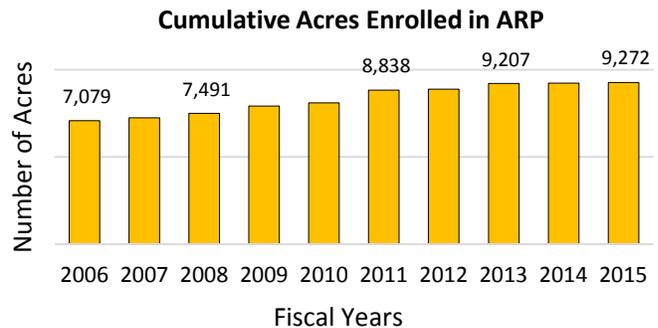
2,400 annual visitors to the Agriculture Heritage Center

4,887 youth in agriculture school enrichment programs

9,272 acres in the Agricultural Reserve Program

Trends and Issues

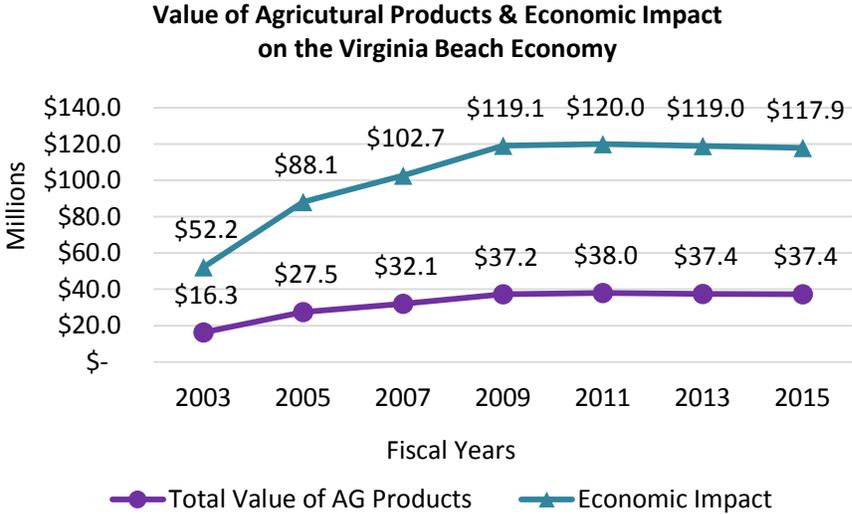
➔ The Farmers Market is fully occupied with 14 leaseholders and two permanent vendors, who have located their own buildings on site. In 2015, business license gross dollars exceeded \$2.9 million. Special events and family activities are very popular at the market and include hoedowns, with a total estimated attendance of over 500,000 visitors per year. Through ARP, by the end of FY 2014-15, the city had purchased 815 development rights involving



9,272 acres. The chart illustrates the number of acres in ARP over the past 10-years. Approximately 50% of applications submitted for ARP have been closed. In addition to the dedicated real estate tax of 0.56-cent to fund ARP, the city occasionally receives grant funding from the Virginia Department of Agriculture and Consumer Services (VDACS) to help offset ARP easement acquisition costs. To date, the city has received \$934,407 of reimbursement from VDACS, with additional reimbursement anticipated in the future. The ARP has allowed for the addition of 300 acres in FY 2016-17.

➔ In FY 2014-15, the Family and Consumer Sciences (FCS) program continued to strive reaching more than 3,500 adults and youth through educational programs including financial management, consumer education, professional development, nutrition and wellness. This was made possible with the help of 557 volunteers who worked 2,542 hours to assist in the marketing and delivering of FCS programs.

- In the Master Gardener program in FY 2014-15, 253 active volunteers contributed approximately 31,000 hours of service valued at \$604,500 and provided research-based horticultural information to over 37,000 residents. The volunteers worked in 24 program areas including youth programming that reached over 6,200 youth, and delivered 83 presentations to 1,936 members of civic groups.
- The city continues to support the agricultural industry through programs and services offered by the department. As illustrated in the chart, in 2015, agricultural products had an economic impact of over \$117.9 million on the Virginia Beach economy. The department works with the Virginia Department of Agriculture and Consumer Services, the General Assembly, and the Senate on state and federal agriculture issues and opportunities.



Agriculture - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	296,137	302,224	295,193	(7,031)
Cooperative Extension Program	265,978	304,460	303,561	(899)
Farmers Market	198,726	238,209	236,913	(1,296)
Total Expenditures	<u>760,841</u>	<u>844,893</u>	<u>835,667</u>	<u>(9,226)</u>
<u>Revenues</u>				
Fees	225,348	213,004	241,867	28,863
Total Revenues	<u>225,348</u>	<u>213,004</u>	<u>241,867</u>	<u>28,863</u>
General City Support	<u>535,493</u>	<u>631,889</u>	<u>593,800</u>	<u>(38,089)</u>
<u>161 Agriculture Reserve Program Special Revenue Fund</u>				
<u>Expenditures</u>				
Agricultural Reserve Program	159,005	224,980	223,035	(1,945)
Debt Service	2,238,640	3,089,564	3,972,051	882,487
Reserve for Contingencies - ARP	0	0	2,521	2,521
Total Expenditures	<u>2,397,645</u>	<u>3,314,544</u>	<u>4,197,607</u>	<u>883,063</u>
<u>Revenues</u>				
Local Taxes	4,476,802	2,869,337	2,945,029	75,692
Fees	0	0	31,917	31,917
Fund Balance	0	445,207	1,220,661	775,454
Total Revenues	<u>4,476,802</u>	<u>3,314,544</u>	<u>4,197,607</u>	<u>883,063</u>
General City Support	<u>(2,079,157)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	3,158,485	4,159,437	5,033,274	873,837
Total Department Revenue	4,702,149	3,527,548	4,439,474	911,926
Total General City Support	<u>(1,543,664)</u>	<u>631,889</u>	<u>593,800</u>	<u>(38,089)</u>

Position Summary by Program

<u>002 General Fund</u>				
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	<u>10.52</u>	<u>10.52</u>	<u>10.52</u>	<u>0.00</u>
<u>161 Agriculture Reserve Program Special Revenue Fund</u>				
Agricultural Reserve Program	1.48	1.48	1.48	0.00
Total	<u>1.48</u>	<u>1.48</u>	<u>1.48</u>	<u>0.00</u>
Total Position Summary	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>0.00</u>

Expenditure Category by Department

Personnel	797,097	868,815	861,206	(7,609)
Operating	117,202	201,058	197,496	(3,562)
Capital	5,546	0	0	0
Debt Service	2,238,640	3,089,564	3,972,051	882,487
Reserves	0	0	2,521	2,521
Total Expenditures:	<u>3,158,485</u>	<u>4,159,437</u>	<u>5,033,274</u>	<u>873,837</u>

Agriculture - Departmental Resource Summary

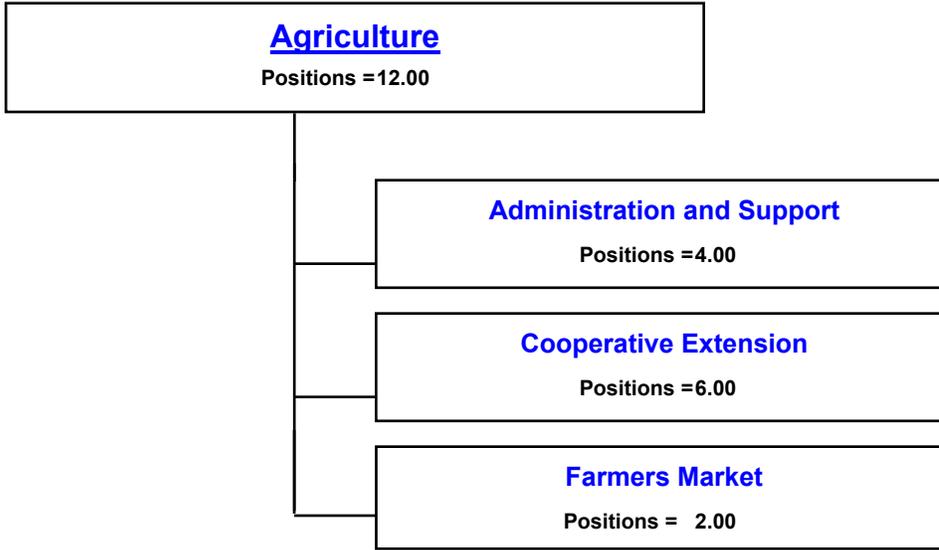
	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Revenue Category by Department</u>				
Real Estate	4,476,802	2,869,337	2,945,029	75,692
From the Use of Money and Property	203,898	199,054	251,334	52,280
Miscellaneous Revenue	21,450	13,950	22,450	8,500
Specific Fund Reserves	0	445,207	1,220,661	775,454
Total Revenue:	<u>4,702,149</u>	<u>3,527,548</u>	<u>4,439,474</u>	<u>911,926</u>

Resource Summary Notes

The reduction of ARP real estate revenue in FY 2015-16 is a result of a 0.34-cent reduction (from 0.90 cents to 0.56 cents) in the real estate tax rate dedicated for ARP, which was reallocated to support transportation.

The increase in debt service for FY 2016-17 in the ARP Fund is due to the anticipated acquisition of 300 acres for ARP, 150 acres more than the amount for FY 2015-16.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

The department supports, maintains, and expands the leisure travel, meeting, and convention markets in the city in order to promote Virginia Beach as a first-class, year-round travel destination. The three core program areas of the Convention and Visitors Bureau (CVB) are:

Convention Promotion and Facility Management

These staff members 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 of quality events.

Tourism and Sports Marketing Promotion

These services include developing domestic and international tours, family reunions, travel agent sales contacts and leads, sales opportunities, developing/servicing sporting 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 and visitor information is provided through a dedicated funding stream, the Tourism Advertising Program (TAP) fund. The fund receives revenue from a dedication of one percent of the transient lodging tax, one-half of a percent of the restaurant meals tax, and a flat lodging tax of \$1 per room 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 charged with building relationships on a local and regional level, and disseminating tourism-related information to our residents, and industry and regional partners. This includes overseeing the public relations efforts to encourage out-of-market tourism, targeting leisure, meetings and conventions, sports marketing, group tours, and international visitors.

Per Capita Expenditures



Key Performance Measures

Goal: Be A Competitive, First Class Resort for Residents, Businesses and Tourists

Means to Residents: New tourist dollars to the local economy

24.7% of visitors to the city are here for the first time
75.3% are return visitors

4.9% increase in visitor spending

94% of visitors "extremely" or "quite" satisfied with the number of things to see & do

340 convention center events drawing 573,283 visitors

Hotel room demand 815,156 summer 1,508,893 non-peak

Total visitation (in millions) 7.5 day visitors 6.2 overnight visitors

5.3% of visitors traveling from outside of the U.S.

163,172 visitors served at visitor center information locations

Trends and Issues

➤ **Arena Development Raises the City's Profile as a Year Round Destination**

With the agreement between the city and United States Management, LLC (USM) to construct an 18,000 seat arena adjacent to the Convention Center, the city will take a major step forward in tourism product development. Virginia Beach is the top market in the country without a state of the art arena and the construction of a privately financed 500,000 square foot venue will generate tourism from regional day trips to overnight international visitors with its wide variety of events.

As part of the agreement between the city and USM, the city will invest approximately \$78 million in infrastructure including roadway and intersection improvements, streetscape improvements including lighting and landscaping, storm water improvements, and water and sewer connections to the facility. All of these public improvements will contribute not only to the arena project, but are important enhancements for residents who live in that area of city.

During the construction phase of the project, there could be some adverse impacts on parking for the Convention Center that will be remedied through the provision of shuttle service from off-site parking during large scale events at the Convention Center.

➤ **Dome Site Development Still a Top Priority for City Council**

In addition to the arena project, the potential development of the Dome site property will also enhance the city's profile as a year-round tourism destination. The site provides an opportunity to bring another top quality development to the oceanfront which will make the resort area one of the best family friendly destinations on the East Coast.

➤ **Projections for Future International Tourism Remain Strong**

World demographic trends continue to point towards strong future growth regarding inbound International visitors. The CVB proceeds with an ongoing strategic focus on diversifying out market segments and has placed a major emphasis towards future visitation from this lucrative market segment.

One potential exception to this is the Canadian market. There is a growing concern over the currency exchange rates between US and Canada that may affect Canadian tourism in the coming year. The strong value of the US dollar may make a vacation to Virginia Beach a tough decision for some Canadian families, which typically comprise 8-12% of all visitors during the summer season.

➔ **Meeting and Convention Sales Efforts to Expand with Contractual D.C.-Based Office**

In FY 2016-17, Convention and Visitor’s Bureau Meeting/Convention Sales and Marketing will be seeking to expand their sales efforts in the Washington D.C. area by securing a contracted DC-based sales person. This initiative will be focused on increasing lead opportunities for individual hotel properties and the convention center.

➔ **Sports Marketing Conducting Venue Assessment and Capacity Analysis**

As a strategy towards future growth in this productive market segment, Convention and Visitor’s Bureau Sports Marketing has partnered with a third-party firm to conduct an assessment of existing and potential venues for sporting events within the city. A capacity analysis will also be conducted to determine and strategically target future venue opportunities.

Major Budget Changes

	Change	Impact
↔	9 FTEs Transitioned from the General Fund to the Tourism Advertising Program (TAP) Fund	The transition of 9 FTEs from the General Fund to the TAP fund is in an effort to align resources related to marketing the city as a year-round destination. In the ordinance that established the TAP fund, it states that “... the Special Revenue Fund be utilized for the Advertising Program for advertising, promotion, marketing and related activities...”. Each of the positions being transitioned to the TAP fund play an integral role, either directly or through support functions, to this program.

Convention and Visitors Bureau - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	1,168,756	854,004	1,205,609	351,605
Tourism Marketing and Sales	473,972	502,447	94,858	(407,589)
Sports Marketing	251,582	266,405	388,349	121,944
Convention Marketing and Sales	798,640	1,101,914	934,644	(167,270)
Virginia Beach Convention Center	5,860,385	6,610,563	6,387,020	(223,543)
Total Expenditures	8,553,334	9,335,333	9,010,480	(324,853)
<u>Revenues</u>				
Fees	3,990,936	3,745,581	3,845,581	100,000
Total Revenues	3,990,936	3,745,581	3,845,581	100,000
General City Support	4,562,398	5,589,752	5,164,899	(424,853)
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
TIP - Oceanfront Special Events	43,107	100,000	100,000	0
Total Expenditures	43,107	100,000	100,000	0
<u>Revenues</u>				
Local Taxes	100,664	100,000	100,000	0
Total Revenues	100,664	100,000	100,000	0
General City Support	(57,557)	0	0	0
<u>163 Tourism Advertising Program Special Revenue Fund</u>				
<u>Expenditures</u>				
Visitor Information Center	1,111,222	1,347,928	814,126	(533,802)
Marketing, PR & Communications	9,621,985	9,671,311	5,558,305	(4,113,006)
Sports Marketing & Sales	0	0	1,310,897	1,310,897
Tourism Marketing & Sales	0	0	1,709,641	1,709,641
Administration	0	0	532,848	532,848
Convention Marketing & Sales	0	0	852,871	852,871
Convention Center Marketing	0	0	37,154	37,154
Convention Services	0	0	496,358	496,358
Reserve for Contingencies	0	0	274,138	274,138
Transfer to Other Funds	56,838	56,838	56,838	0
Total Expenditures	10,790,045	11,076,077	11,643,176	567,099
<u>Revenues</u>				
Local Taxes	10,761,697	10,901,780	11,468,879	567,099
Fees	94,565	174,297	174,297	0
Total Revenues	10,856,263	11,076,077	11,643,176	567,099
General City Support	(66,218)	0	0	0
<u>253 Parking Enterprise Fund</u>				
<u>Revenues</u>				
Fees	184,191	0	0	0
Total Revenues	184,191	0	0	0
General City Support	(184,191)	0	0	0

Convention and Visitors Bureau - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
Total Department Expenditure	19,386,486	20,511,410	20,753,656	242,246
Total Department Revenue	15,132,054	14,921,658	15,588,757	667,099
Total General City Support	4,254,432	5,589,752	5,164,899	(424,853)

Position Summary by Program

002 General Fund

Director's Office	12.00	8.00	9.00	1.00
Tourism Marketing and Sales	6.00	6.00	0.00	-6.00
Sports Marketing	3.00	3.00	4.00	1.00
Convention Marketing and Sales	10.00	13.00	9.00	-4.00
Virginia Beach Convention Center	64.32	63.89	62.89	-1.00
Total	95.32	93.89	84.89	-9.00

163 Tourism Advertising Program Special Revenue Fund

Visitor Information Center	11.39	12.39	7.39	-5.00
Marketing, PR & Communications	0.00	0.00	4.00	4.00
Tourism Marketing & Sales	0.00	0.00	6.00	6.00
Administration	0.00	0.00	1.00	1.00
Convention Services	0.00	0.00	3.00	3.00
Total	11.39	12.39	21.39	9.00
Total Position Summary	106.71	106.28	106.28	0.00

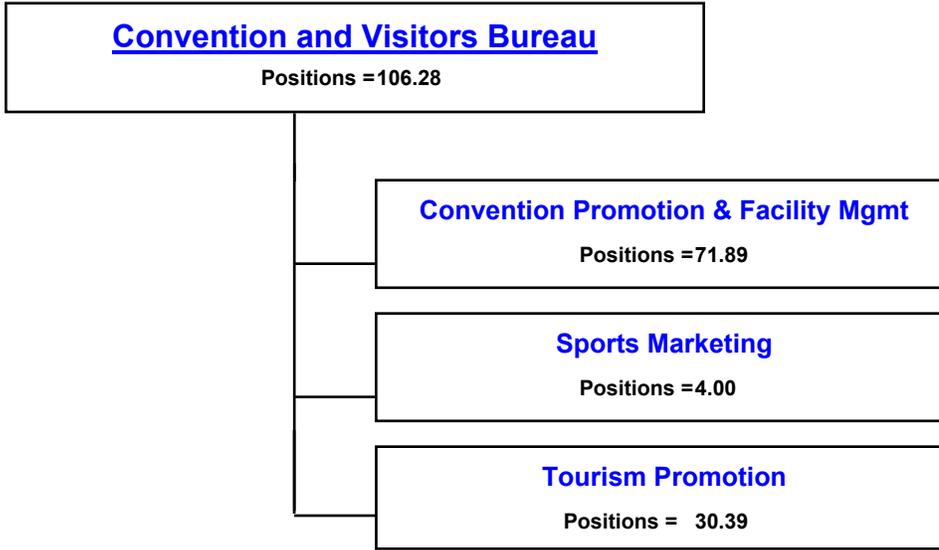
Expenditure Category by Department

Personnel	6,707,355	7,303,775	7,403,003	99,228
Operating	12,620,814	13,150,797	13,019,677	(131,120)
Capital	1,479	0	0	0
Reserves	0	0	274,138	274,138
Transfers	56,838	56,838	56,838	0
Total Expenditures:	19,386,486	20,511,410	20,753,656	242,246

Revenue Category by Department

Hotel Room Tax	5,320,993	5,390,974	5,584,187	193,213
Restaurant Meal Tax	5,541,368	5,610,806	5,984,692	373,886
Permits, Privilege Fees, and Regulatory Licenses	725	1,450	725	(725)
From the Use of Money and Property	3,154,797	2,815,700	2,898,700	83,000
Charges for Services	1,074,377	1,059,198	1,076,198	17,000
Miscellaneous Revenue	39,792	43,530	44,255	725
Total Revenue:	15,132,054	14,921,658	15,588,757	667,099

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

Economic Development 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 3) revenue growth to fund city services.

Economic Development Administration and Staff

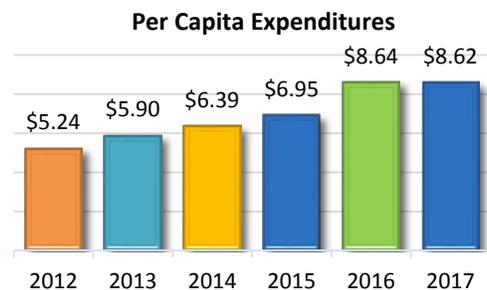
Staff work year round with the aim to expand and diversify the tax base and employment opportunities for the city through business development. They work closely with the business community to provide site selection, market information, financial guidance, and business assistance. Regular assessments of market needs are evaluated providing staff with the knowledge of market voids and necessities. Special interest is placed on key industries such as Biomedical & Life Sciences, Defense, Information Services, Retail, Maritime & Logistics, Small Women-owned and Minority (SWaM) businesses etc.

Workforce Development

A well-educated and skilled population is vital for a thriving community. Virginia Beach residents and employers benefit from an excellent public and private education system. The GrowSmart program works with VBCPS and community partners to ensure the children's healthy development and access to high-quality education in the first five years of life, which prepares them to be ready to learn and succeed in school. The local colleges and exiting members of the military provide talented individuals to meet the employment needs of the business community. Economic Development dialogues with the business community to assess if the educational community is meeting the needs of employers.

Virginia Beach Development Authority (VBDA) Staff Support

The VBDA is appointed by City Council with the goal of facilitating the expansion of the tax base through increased business investment. The VBDA administers the Economic Development Investment Program (EDIP) that is funded through the city's CIP. The funding source for this program is a dedicated 16-cent of the cigarette tax. Economic Development staff provides support and implements decisions made by the VBDA.



Key Performance Measures



Trends & Issues

Annually City Council assesses and establishes their top priorities. Funding is included in Economic Development's FY 2016-17 Operating Budget to further the following initiatives identified by City Council as being a top priority:

- ➔ Brand/Market Virginia Beach's bio-medical potential and implement the BioAccelerator.
- ➔ Continue initiatives in developing the Dome Site, the Arena, and Town Center.
- ➔ Continual support of boards to improve citywide workforce development with particular attention being given to SWaM businesses.
- ➔ The GrowSmart program continues to grow its number of community partnerships.

Major Budget Changes

	Change	Impact
↔	FTE moved from Capital Projects Fund to General Fund	A Business Development Representative position that previously worked on BRAC project initiatives is now funded through the General Fund.

Economic Development - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	2,807,196	3,551,849	3,631,457	79,608
GrowSmart	229,696	297,224	297,594	370
Total Expenditures	<u>3,036,893</u>	<u>3,849,073</u>	<u>3,929,051</u>	<u>79,978</u>
General City Support	<u>3,036,893</u>	<u>3,849,073</u>	<u>3,929,051</u>	<u>79,978</u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Economic Development Grants	6,100	0	0	0
Total Expenditures	<u>6,100</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Fees	20,000	0	0	0
Total Revenues	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>(13,900)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>610 Capital Projects Internal Service Fund</u>				
<u>Expenditures</u>				
Capital Projects - Economic Development	65,256	69,304	0	(69,304)
Total Expenditures	<u>65,256</u>	<u>69,304</u>	<u>0</u>	<u>(69,304)</u>
<u>Revenues</u>				
Fees	65,256	69,304	0	(69,304)
Total Revenues	<u>65,256</u>	<u>69,304</u>	<u>0</u>	<u>(69,304)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	3,108,249	3,918,377	3,929,051	10,674
Total Department Revenue	85,256	69,304	0	(69,304)
Total General City Support	<u>3,022,992</u>	<u>3,849,073</u>	<u>3,929,051</u>	<u>79,978</u>

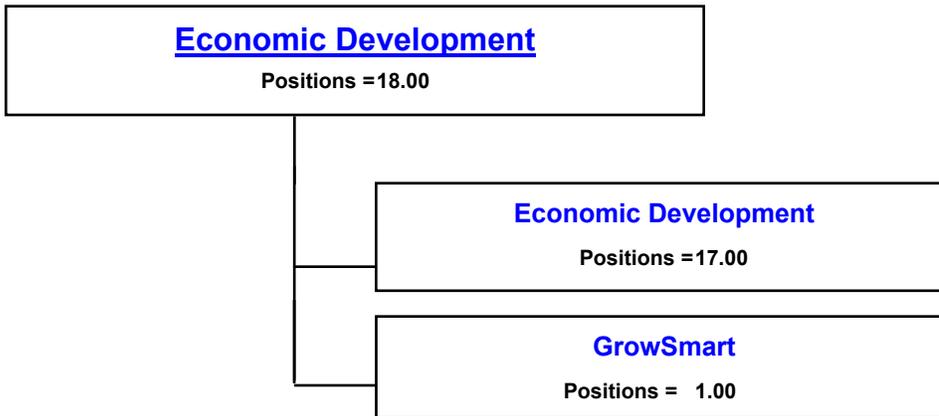
Position Summary by Program

<u>002 General Fund</u>				
Director's Office	16.00	16.00	17.00	1.00
GrowSmart	1.00	1.00	1.00	0.00
Total	<u>17.00</u>	<u>17.00</u>	<u>18.00</u>	<u>1.00</u>
<u>610 Capital Projects Internal Service Fund</u>				
Capital Projects - Economic Development	1.00	1.00	0.00	-1.00
Total	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>-1.00</u>
Total Position Summary	<u>18.00</u>	<u>18.00</u>	<u>18.00</u>	<u>0.00</u>

Economic Development - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel	1,775,395	1,835,353	1,864,735	29,382
Operating	1,325,380	2,083,024	2,064,316	(18,708)
Capital	7,473	0	0	0
Reserves	0	0	0	0
Total Expenditures:	<u>3,108,249</u>	<u>3,918,377</u>	<u>3,929,051</u>	<u>10,674</u>
<u>Revenue Category by Department</u>				
Charges for Services	65,256	69,304	0	(69,304)
Miscellaneous Revenue	20,000	0	0	0
Total Revenue:	<u>85,256</u>	<u>69,304</u>	<u>0</u>	<u>(69,304)</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

Code Enforcement

This division is responsible for the enforcement of the Virginia Maintenance Code and the city's property maintenance codes. Duties and responsibilities include: citywide 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 hotels and motels, 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

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.

Housing Development

This division is responsible for the achievement of the goals of the city's strategic plan to end homelessness. As part of that, the division oversees contracts for services for multiple nonprofits, coordinates the work of the BEACH Community Partnership and sub-groups, coordinates the community-wide application for funds under the Continuum of Care grant, and is responsible for the successful design, construction, and operation of the Housing Resource Center which is funded in the CIP. In addition, this division oversees construction activity funded by the department including the homeowner rehabilitation program sub-contract; coordinates the Workforce Housing program, and carries out the asset management functions of the department.

Director's Office

This office contracts for key services, provides 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. Duties include: accounting, budgeting and reporting for one of the most complex finance systems in the city; obtaining information, performing analysis and creating reports 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

Per Capita Expenditures

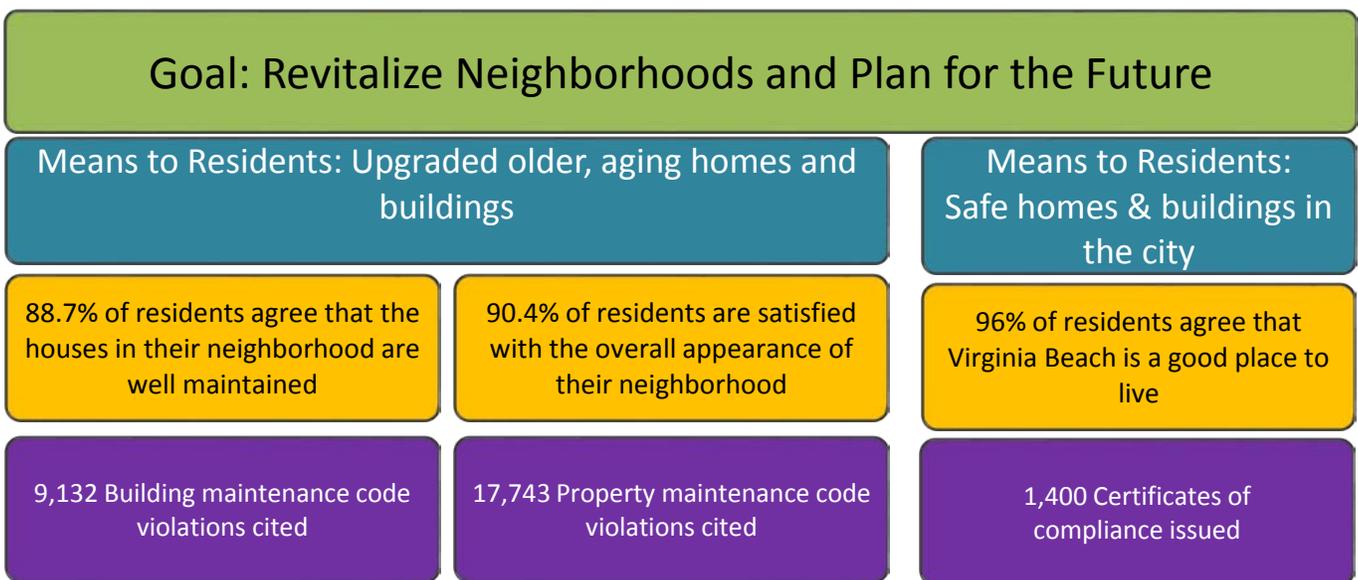


People with Aids grant which provides short and long- term housing assistance and support services to over 290 households regionally.

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 a 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.

Key Performance Measures

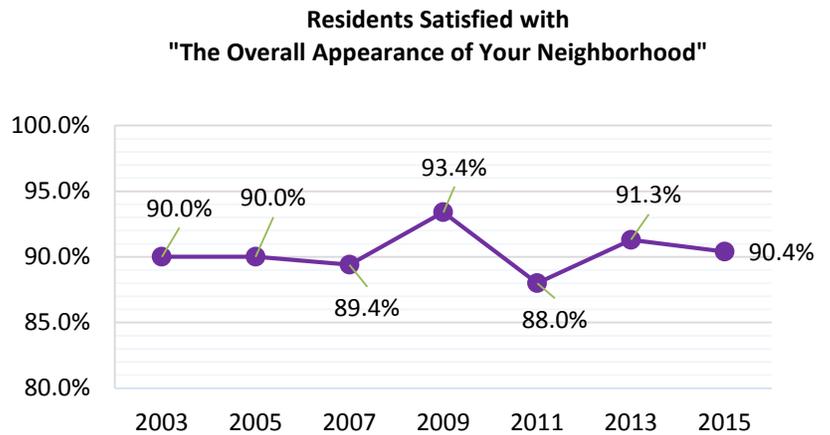


Trends and Issues

- ➔ Finance plans for the Housing Resource Center are complete. Construction is expected to begin in the summer of 2016.
- ➔ Code enforcement operations continue to be a critical tool for the preservation and enhancement of neighborhoods.
- ➔ Funding from the federal government increased slightly this year over FY 2015-16. However, funding in the key CDBG and HOME programs is down by \$1.5 million since 2010-11, a decrease of 41%.

The department continues to use available capital funds and “project-based” Housing Choice Vouchers to help create new affordable housing. Approximately 330 units currently in the pipeline depend in part on DHNP funding or vouchers.

Without the property maintenance and building improvements that are undertaken due to code enforcement, the city’s housing and neighborhoods would not be as well-maintained and attractive as they are. From 2003 to 2015, there have been six Citizen Satisfaction Surveys conducted every two years to gauge residents’ level of satisfaction with a number of services provided by the city. One of the 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 from the most recent survey in 2015.



Major Budget Changes

	Change	Impact
↓	Elimination of One Code Enforcement Inspector	Through adjusting assignments and eliminating an activity that is no longer needed except on an issue-by-issue basis, the department is able to maintain effective code enforcement with one less inspector.
↑	Addition of a Housing Resource Center Coordinator	The department is adding a Volunteer Resource Manager to start work on January 1, 2017. This position is needed in advance of the opening of the center. The responsibilities of this position will be to solicit and coordinate the work of volunteers and faith-based groups who wish to provide services at the Housing Resource Center; and will manage the reservations, scheduling and allocation of classrooms and offices at the center.

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Code Enforcement	1,781,006	1,844,142	1,814,986	(29,156)
Total Expenditures	<u>1,781,006</u>	<u>1,844,142</u>	<u>1,814,986</u>	<u>(29,156)</u>
<u>Revenues</u>				
Fees	175,647	190,800	177,800	(13,000)
Total Revenues	<u>175,647</u>	<u>190,800</u>	<u>177,800</u>	<u>(13,000)</u>
General City Support	<u>1,605,358</u>	<u>1,653,342</u>	<u>1,637,186</u>	<u>(16,156)</u>
<u>147 Federal Section 8 Program Special Revenue Fund</u>				
<u>Expenditures</u>				
Mainstream Vouchers	1,344,468	0	0	0
VASH Vouchers	783,082	0	0	0
Section 8 Operating	1,536,434	1,556,962	1,649,777	92,815
Cloverleaf SRO Vouchers	88,505	103,460	103,437	(23)
Portability Payments	2,060,865	2,569,500	2,569,500	0
Section 8 Vouchers - Housing Choice	13,942,533	16,443,510	16,783,649	340,139
Total Expenditures	<u>19,755,887</u>	<u>20,673,432</u>	<u>21,106,363</u>	<u>432,931</u>
<u>Revenues</u>				
Fees	2,170,118	2,706,766	2,706,766	0
Federal	17,217,280	17,644,619	18,139,187	494,568
Transfers	250,050	322,047	260,410	(61,637)
Total Revenues	<u>19,637,448</u>	<u>20,673,432</u>	<u>21,106,363</u>	<u>432,931</u>
General City Support	<u>118,439</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>180 Community Development Special Revenue Fund</u>				
<u>Expenditures</u>				
Certificate of Compliance Program	611,181	658,090	644,371	(13,719)
Rehabilitation and Construction	430,226	444,100	524,468	80,368
Director's Office	639,793	657,970	664,647	6,677
Transfer to Other Funds	128,858	128,858	128,858	0
Total Expenditures	<u>1,810,058</u>	<u>1,889,018</u>	<u>1,962,344</u>	<u>73,326</u>
<u>Revenues</u>				
Federal	1,143,797	1,195,539	1,191,257	(4,282)
Transfers	752,604	693,479	771,087	77,608
Total Revenues	<u>1,896,401</u>	<u>1,889,018</u>	<u>1,962,344</u>	<u>73,326</u>
General City Support	<u>(86,343)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>181 CD Loan and Grant Fund</u>				
<u>Expenditures</u>				
Loan and Grants	948,139	1,030,331	956,477	(73,854)
Total Expenditures	<u>948,139</u>	<u>1,030,331</u>	<u>956,477</u>	<u>(73,854)</u>
<u>Revenues</u>				
Fees	112,622	90,000	90,000	0
Federal	476,016	565,099	586,444	21,345
Transfers	244,124	375,232	280,033	(95,199)
Total Revenues	<u>832,762</u>	<u>1,030,331</u>	<u>956,477</u>	<u>(73,854)</u>
General City Support	<u>115,377</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>182 Federal Housing Assistance Grant Fund</u>				
<u>Expenditures</u>				
Federal HOME Grants	1,291,643	944,501	882,798	(61,703)
Total Expenditures	<u>1,291,643</u>	<u>944,501</u>	<u>882,798</u>	<u>(61,703)</u>
<u>Revenues</u>				
Fees	41,081	100,000	75,000	(25,000)
Federal	1,234,196	842,891	807,798	(35,093)
Transfers	0	1,610	0	(1,610)
Total Revenues	<u>1,275,276</u>	<u>944,501</u>	<u>882,798</u>	<u>(61,703)</u>
General City Support	<u>16,366</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Housing Grants	949,751	1,079,102	1,180,789	101,687
Housing Grants - ESG	218,149	150,110	156,528	6,418
COC Permanent Housing Bonus	62,436	62,935	103,560	40,625
Total Expenditures	<u>1,230,336</u>	<u>1,292,147</u>	<u>1,440,877</u>	<u>148,730</u>
<u>Revenues</u>				
Federal	1,075,322	1,291,399	1,440,877	149,478
Transfers	467	748	0	(748)
Total Revenues	<u>1,075,789</u>	<u>1,292,147</u>	<u>1,440,877</u>	<u>148,730</u>
General City Support	<u>154,546</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>910 Parking Meters - Homeless Donation Fund</u>				
<u>Expenditures</u>				
Parking Meter Donations	6,000	5,000	5,000	0
Total Expenditures	<u>6,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	482	5,000	5,000	0
Total Revenues	<u>482</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
General City Support	<u>5,518</u>	<u>0</u>	<u>0</u>	<u>0</u>

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
Total Department Expenditure	26,823,067	27,678,571	28,168,845	490,274
Total Department Revenue	24,893,806	26,025,229	26,531,659	506,430
Total General City Support	1,929,261	1,653,342	1,637,186	(16,156)

Position Summary by Program

002 General Fund

Code Enforcement	21.20	21.20	20.20	-1.00
Total	21.20	21.20	20.20	-1.00

147 Federal Section 8 Program Special Revenue Fund

Section 8 Operating	19.01	17.92	18.19	0.27
Cloverleaf SRO Vouchers	0.00	0.20	0.20	0.00
Total	19.01	18.12	18.39	0.27

180 Community Development Special Revenue Fund

Certificate of Compliance Program	8.02	8.02	8.02	0.00
Rehabilitation and Construction	5.39	5.54	5.75	0.21
Director's Office	6.97	6.54	6.54	0.00
Total	20.38	20.10	20.31	0.21

182 Federal Housing Assistance Grant Fund

Federal HOME Grants	0.97	1.06	0.98	-0.08
Total	0.97	1.06	0.98	-0.08

183 Grants Consolidated Fund

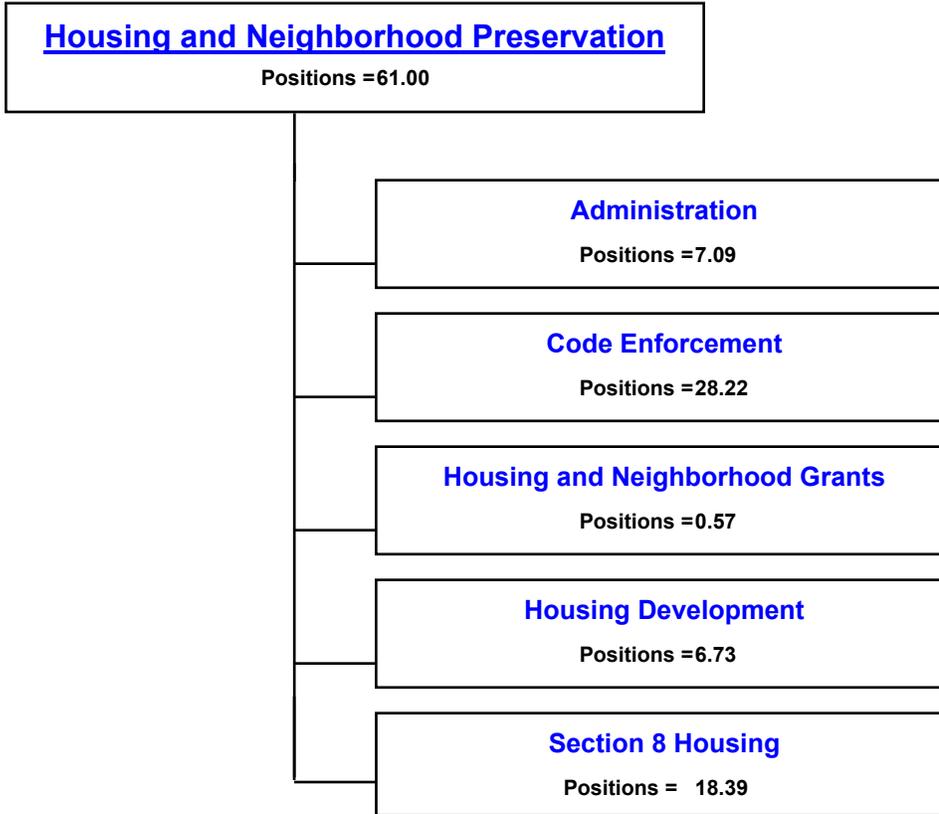
Housing Grants	0.29	0.37	0.40	0.03
Housing Grants - ESG	0.11	0.15	0.15	0.00
COC Permanent Housing Bonus	0.04	0.00	0.57	0.57
Total	0.44	0.52	1.12	0.60
Total Position Summary	62.00	61.00	61.00	0.00

Expenditure Category by Department

Personnel	4,492,992	4,662,833	4,808,069	145,236
Operating	22,201,217	22,886,880	23,231,918	345,038
Transfers	128,858	128,858	128,858	0
Total Expenditures:	26,823,067	27,678,571	28,168,845	490,274

Revenue Category by Department

From the Use of Money and Property	16,360	0	0	0
Charges for Services	2,323,144	2,888,766	2,875,766	(13,000)
Miscellaneous Revenue	22,487	13,800	13,800	0
Revenue from the Federal Government	21,146,611	21,539,547	22,165,563	626,016
Non-Revenue Receipts	137,960	190,000	165,000	(25,000)
Transfers from Other Funds	1,247,245	1,393,116	1,311,530	(81,586)
Total Revenue:	24,893,806	26,025,229	26,531,659	506,430



COMMONWEALTH'S ATTORNEY

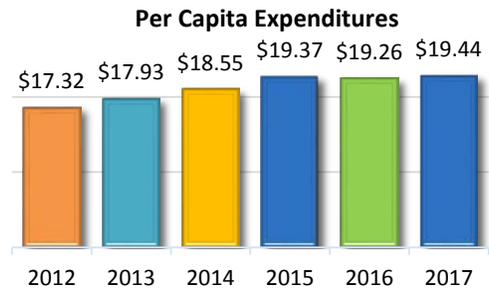


The Office of the Commonwealth's Attorney is responsible for reviewing and prosecuting all felony cases as well as some misdemeanors and civil matters. At the discretion of the Commonwealth's Attorney, the office also prosecutes all DUI's, city and state misdemeanor appeals, domestic violence cases, and other misdemeanors upon request. The office also provides legal training and advice to all local law enforcement officers, magistrates, and other local officials. In addition, the office provides services and support for the victims and witnesses involved in the various cases handled by the office.

Department 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 primary responsibilities of the Commonwealth's Attorney's Office are:

- ➔ To review all felony, selected misdemeanor cases, and to pursue the prosecution of those cases where there is sufficient evidence.
- ➔ To handle many civil matters to include forfeitures, extraditions, and mental health appeals.
- ➔ At the Commonwealth's Attorney's discretion, to handle all city and state misdemeanor appeals, all DUI's, domestic violence cases, and complicated misdemeanor cases upon request.
- ➔ At the Commonwealth's Attorney's discretion, 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 as well as the General District Court DUI docket and handle preliminary hearings on felony cases in the General District and Juvenile and Domestic Relations Courts.



Key Performance Measures

**Goal: Create a Financially Sustainable City
Providing Excellent Services**

**Means to Residents: Feeling safe and secure
within Virginia Beach – any place, anytime**

90.2% of residents agree with the statement "my neighborhood is a safe place to live"

94% of residents agree with the statement "Virginia Beach, in general, is a safe place to live"

Domestic Violence:
84% conviction rate
1,560 Defendants prosecuted
78% open cases closed

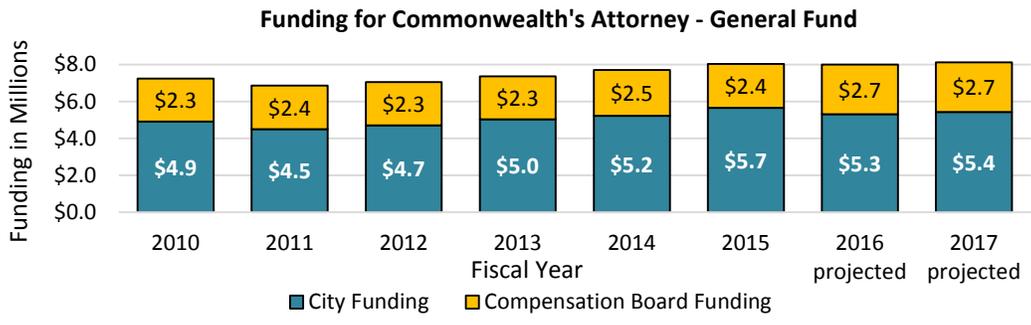
Property Crime:
94% conviction rate
1,179 Defendants prosecuted
82% open cases closed

Serious Narcotic Violations:
95% conviction Rate
638 Defendants Prosecuted
88% open cases closed

Violent Felonies:
90% conviction rate
526 Defendants prosecuted
71% open cases closed

Trends & Issues

- ➔ Efforts to transition to a paperless operation progressing with the anticipated implementation of a replacement case management software system that has improved functionality.
- ➔ Worked in conjunction with the Virginia Beach General District Court and other agencies to implement a mental health docket to ensure that all appropriate defendants are evaluated quickly and receive necessary treatment.
- ➔ Significant increase in workload is anticipated with implementation of Police Body Worn Cameras (i.e. video reviewing and redacting, case preparation, and presentation).
- ➔ The State Compensation Board provides funding for a portion of personnel costs for 50 of the 91.43 CWA staff members. To attract and retain personnel, the city has provided salary supplements for many years. Over the years, the trend has been for the city to provide increased funding while the state reduced its share of funding for the General Fund portion of the Operating Budget for the Commonwealth’s Attorney’s Office. Over the past 8 years, the city has provided an average of \$5.1 million per year or 67.6% of the funding for the General Fund portion of the Operating Budget, whereas the State Compensation Board has provided on average \$2.4 million per year or 32.4%.



Major Budget Changes

	Change	Impact
↑	Commonwealth's Attorney Support for Police Body Worn Camera Initiative	Additional costs totaling \$220,622 for 4 new FTEs (2 Assistant Commonwealth's Attorneys, 1 Paralegal, and 1 Clerk II) and related support costs to prosecutorial support Phase I of a four-year phase (Police Department Body Worn Camera initiative). The cost for renovations to the Commonwealth's Attorney's office is \$1.5 million and is budgeted in the Capital Improvement Program.

Commonwealth's Attorney - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Commonwealth's Attorney	7,690,128	7,996,576	8,124,911	128,335
Victim/Witness	375	0	0	0
Total Expenditures	<u>7,690,503</u>	<u>7,996,576</u>	<u>8,124,911</u>	<u>128,335</u>
<u>Revenues</u>				
Fees	390	0	0	0
State	2,377,810	2,679,405	2,683,181	3,776
Total Revenues	<u>2,378,200</u>	<u>2,679,405</u>	<u>2,683,181</u>	<u>3,776</u>
General City Support	<u>5,312,303</u>	<u>5,317,171</u>	<u>5,441,730</u>	<u>124,559</u>
<u>140 Commonwealth Attorney's Fed & State Seized Assets SRF</u>				
<u>Expenditures</u>				
DEA - Commonwealth's Attorney	54,219	400,000	400,000	0
Total Expenditures	<u>54,219</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	10,438	0	0	0
State	75,814	0	0	0
Fund Balance	0	400,000	400,000	0
Total Revenues	<u>86,253</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
General City Support	<u>(32,033)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Commonwealth's Attorney - Grants	300,189	337,968	338,517	549
Total Expenditures	<u>300,189</u>	<u>337,968</u>	<u>338,517</u>	<u>549</u>
<u>Revenues</u>				
State	261,080	273,771	273,771	0
Federal	803	0	0	0
Transfers	41,582	64,197	64,746	549
Total Revenues	<u>303,465</u>	<u>337,968</u>	<u>338,517</u>	<u>549</u>
General City Support	<u>(3,276)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	8,044,911	8,734,544	8,863,428	128,884
Total Department Revenue	2,767,917	3,417,373	3,421,698	4,325
Total General City Support	<u>5,276,994</u>	<u>5,317,171</u>	<u>5,441,730</u>	<u>124,559</u>

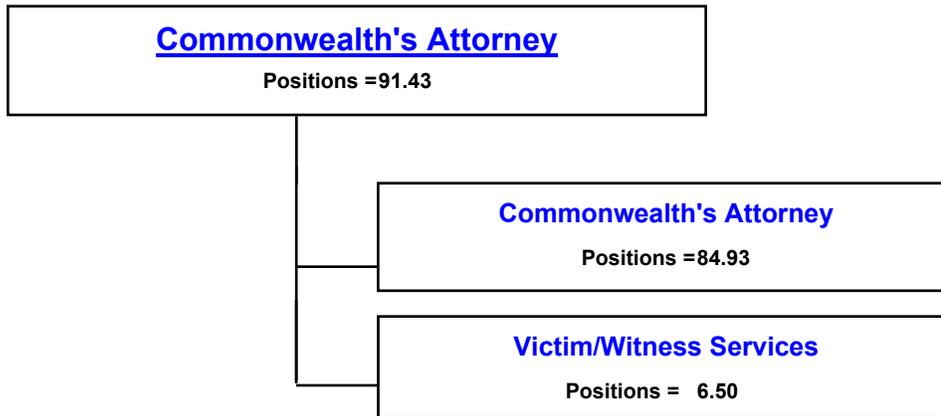
Position Summary by Program

<u>002 General Fund</u>				
Commonwealth's Attorney	80.20	80.93	84.93	4.00
Total	<u>80.20</u>	<u>80.93</u>	<u>84.93</u>	<u>4.00</u>
<u>183 Grants Consolidated Fund</u>				
Commonwealth's Attorney - Grants	6.50	6.50	6.50	0.00
Total	<u>6.50</u>	<u>6.50</u>	<u>6.50</u>	<u>0.00</u>
Total Position Summary	<u>86.70</u>	<u>87.43</u>	<u>91.43</u>	<u>4.00</u>

Commonwealth's Attorney - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel	7,586,740	7,979,797	8,076,668	96,871
Operating	458,171	754,747	782,140	27,393
Capital	0	0	4,620	4,620
Total Expenditures:	<u>8,044,911</u>	<u>8,734,544</u>	<u>8,863,428</u>	<u>128,884</u>
<u>Revenue Category by Department</u>				
From the Use of Money and Property	2,815	0	0	0
Miscellaneous Revenue	8,013	0	0	0
Other Sources from the Commonwealth	2,714,704	2,953,176	2,956,952	3,776
Revenue from the Federal Government	803	0	0	0
Transfers from Other Funds	41,582	64,197	64,746	549
Specific Fund Reserves	0	400,000	400,000	0
Total Revenue:	<u>2,767,917</u>	<u>3,417,373</u>	<u>3,421,698</u>	<u>4,325</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



COURTS AND COURT 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.

Department Overview

Courts and Court Support is comprised of six divisions, each with responsibilities focused on different aspects of the local judicial process. Each division has a separate state and city budget since the state provides a large portion of the total funding for all of them. The responsibilities for each division are detailed below:

Virginia Beach Circuit Court

This is the trial court for the City with the authority to try both civil and criminal cases. They have jurisdiction over all felonies and misdemeanors originating from grand jury indictments and hear appeals from the General District and Juvenile and Domestic Relations District Courts.

General District Court

GDC hears cases involving traffic violations, civil disputes (for claims up to \$25,000), criminal misdemeanors, the preliminary hearings for criminal felonies, and bond hearings.

Juvenile and Domestic Relations District Court

JDR is responsible for cases involving juveniles as well as adults involved in issues concerning support, visitation, parentage, abuse, or custody of children.

Clerk of the Circuit Court

They are 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 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

This division provides an independent review of complaints from law enforcement officers and citizens to determine if there is probable cause for criminal charges. Magistrates issue arrest and search warrants and can set bail or commit individuals to custody following an arrest.

Court Services Unit (Juvenile Probation)

They provide 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 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.

Per Capita Expenditures



Note: Decrease in 2014 due to payment from Pendleton Child Service Center being moved to Human Services. Increase in 2015 due to more funding for pre-dispositional services for juveniles affected by family violence cases.

Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: Feeling safe and secure within Virginia Beach - any place, anytime

Means to Residents: City services that are readily accessible and are provided in a customer friendly manner

Increase the percentage of youth receiving detention alternative placement by 3%

14,066 new cases commenced in Circuit Court

37.5 Circuit Court Clerk customer service hours per week

78% of youth assessed for detention

529 youth receiving supervision or unofficial counseling

302 shelter care placements

14,633 total civil and criminal cases concluded

81,708 deeds recorded; 100% of deeds returned within 3 days

Trends and Issues

- ➔ The use of pre & post dispositional funds have been in decline over the previous three years with pre-dispositional expenditures at \$1,071,735 in FY 2012-13, \$983,444 in FY 2013-14, and \$796,588 in FY 2014-15. Post dispositional expenditures were \$19,862 in FY 2012-13, \$4,651 in FY 2013-14, and \$0 in FY 2014-15.
- ➔ The number of clients using pre-dispositional funds has declined by 22%, or a total of 23 clients for FY 2015-16. This decline has resulted in the reduction of the use of pre-dispositional funds.

Major Budget Changes

	Change	Impact
↓	Reduction of Post-Dispositional Funds in Juvenile Probation	Post-dispositional funds were reduced by \$134,512 for FY 2016-17.

Courts and Courts' Support - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Circuit Court	1,073,532	1,100,670	1,085,355	(15,315)
General District Court	371,470	401,081	452,413	51,332
Juvenile and Domestic Relations District Court	136,816	129,355	181,768	52,413
Clerk of the Circuit Court	3,141,465	3,320,836	3,310,116	(10,720)
Magistrates	85,309	91,154	80,483	(10,671)
Juvenile Probation	957,517	1,379,187	1,212,423	(166,764)
Juvenile Probation CHINS Unit	233,671	300,389	294,943	(5,446)
Total Expenditures	<u>5,999,782</u>	<u>6,722,672</u>	<u>6,617,501</u>	<u>(105,171)</u>
<u>Revenues</u>				
Fees	493,922	154,811	184,049	29,238
State	2,132,110	1,929,288	2,011,367	82,079
Total Revenues	<u>2,626,032</u>	<u>2,084,099</u>	<u>2,195,416</u>	<u>111,317</u>
General City Support	<u>3,373,750</u>	<u>4,638,573</u>	<u>4,422,085</u>	<u>(216,488)</u>
Total Department Expenditure	5,999,782	6,722,672	6,617,501	(105,171)
Total Department Revenue	2,626,032	2,084,099	2,195,416	111,317
Total General City Support	<u>3,373,750</u>	<u>4,638,573</u>	<u>4,422,085</u>	<u>(216,488)</u>

Position Summary by Program

<u>002 General Fund</u>				
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	<u>75.00</u>	<u>75.00</u>	<u>75.00</u>	<u>0.00</u>
Total Position Summary	<u>75.00</u>	<u>75.00</u>	<u>75.00</u>	<u>0.00</u>

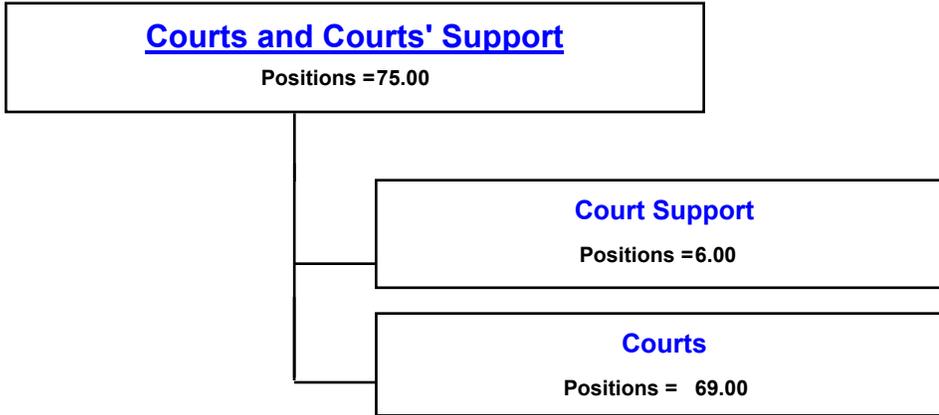
Expenditure Category by Department

Personnel	4,326,669	4,538,729	4,492,170	(46,559)
Operating	1,673,113	2,183,943	2,125,331	(58,612)
Total Expenditures:	<u>5,999,782</u>	<u>6,722,672</u>	<u>6,617,501</u>	<u>(105,171)</u>

Revenue Category by Department

Permits, Privilege Fees, and Regulatory Licenses	18,202	16,665	18,102	1,437
From the Use of Money and Property	136,517	0	0	0
Charges for Services	182,455	138,146	165,947	27,801
Miscellaneous Revenue	1,000	0	0	0
Fines and Forfeitures	155,749	0	0	0
Other Sources from the Commonwealth	2,132,110	1,929,288	2,011,367	82,079
Total Revenue:	<u>2,626,032</u>	<u>2,084,099</u>	<u>2,195,416</u>	<u>111,317</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



EMERGENCY COMMUNICATIONS AND CITIZEN SERVICES



The mission of Emergency Communications and Citizen Services (ECCS) 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.

Department Overview

The Department has six main program areas:

VB 9-1-1- Emergency Communications

Receives and processes citizens' calls for emergency and non-emergency public safety service requests requiring response from emergency personnel including police, fire, and emergency medical services.

VB 3-1-1- Citizen Services

Processes general government information and service requests via multiple communication channels including telephone, online assistance, email, walk-ins, print, radio dispatching, and emergency notifications. Assistance is provided for service and information requests to other city agencies including the Real Estate Assessor, Public Safety, "after hours" Public Utilities, Public Works, Parks and Recreation/Landscape Services, and Information Technology/Telecommunications.

Director's Office

Provides oversight, leadership, executive level assistance for ECCS, as well as management of the Commission on Accreditation for Law Enforcement accreditation program, which consists of tri-annual on-site assessment, renewal, and annual mandatory training conferences.

Administration

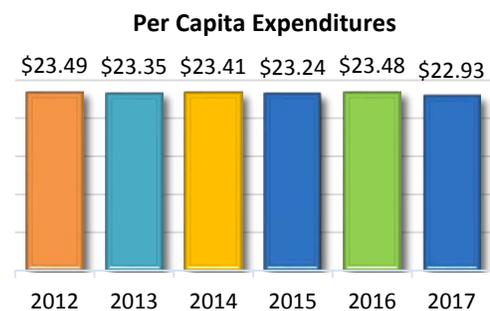
Provides support for the day-to-day business affairs for ECCS including payroll, accounts payable/receivable, human resources, and departmental inventory.

Training

This 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

Provides support and maintenance of ECCS' business applications to ensure optimal operation to enable ECCS to provide services efficiently and effectively.



Key Performance Measures

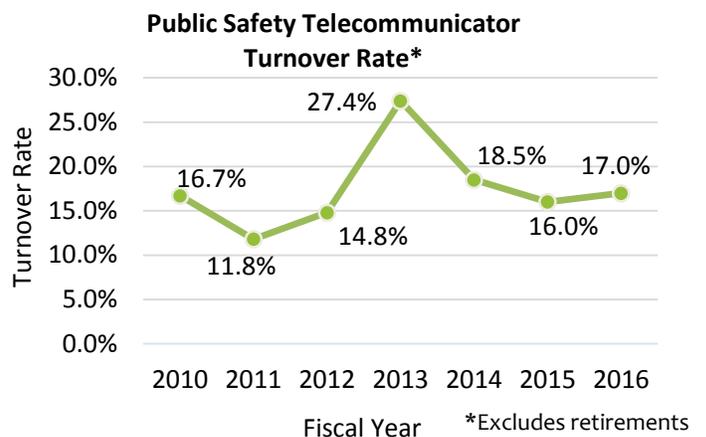
Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services that are readily accessible and are provided in a customer friendly manner	Means to Residents: Feeling safe and secure within Virginia Beach – any place, anytime	Means to Residents: Timely response to an emergency call for service
89.8% of citizens satisfied with the 3-1-1 system	94.8% of residents agree with the statement " Virginia Beach, in general, is a safe place to live" 90.7% of residents agree with the statement "my neighborhood is a safe place to live"	95.9% of citizens are satisfied with 911 emergency telephone center services
20 second average wait time for VB 3-1-1 calls	28,000 VB 3-1-1 online inquiries	20,500 service requests handled for city agencies
435,000 public safety calls recieved, entered, & dispatched	547,000 incoming VB911 phone calls and 729,000 total VB911 phone calls handled (incoming & outgoing calls)	10 second average wait time for 9-1-1 calls
		93% of priority 1 EMS calls dispatched within 90 seconds & 81% processed in under 2 minutes

Trends & Issues

➔ For FY 2017-18, State E911 wireless service funding is anticipated to decrease by approximately \$500,000 from \$1.7 million to \$1.2 million due to a change in the funding formula based on wireless 911 call volume and cost for salaries of 911 staff. This will result in reductions to VB 911 staffing levels and call wait times or increased cost to the city to ensure current levels of service delivery are maintained.

➔ Turnover rate for Public Safety Telecommunicator positions has been an on-going issue for ECCS, and is projected to be 17% in 2016 (excludes retirements). The most recent data on turnover rates nationwide from 2009 showed the average turnover rate for 911 professionals was 19%. ECCS is addressing this issue by increasing advertising of vacancy announcements through multiple communication channels (social media, public service announcements, contacts with local community colleges and high schools, and participation in career fairs) to increase the pool of applicants, streamlining the hiring process and restructuring new hire training to improve employee retention.



Major Budget Changes

	Change	Impact
↓	VB 311 Center Hours of Operation	Reduces operating hours for VB311 from 16.5-hours (7:00 a.m. to 11:30 p.m.) per day 7 days per week 365 days to 12-hours per day Monday through Friday (7:00 a.m. to 7:00 p.m.), July 4th and up to three selected holidays. This is a reduction of 1 Call Taker position (1 FTE) and support costs totaling \$106,296. This brings the Center in-line with Centers in the region and nationwide for similar sized localities. VB 311 will extend operating hours during emergency situations.

Emergency Communications and Citizen Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	229,956	231,880	220,691	(11,189)
Administration	324,702	390,176	411,008	20,832
Training	38,412	48,868	48,868	0
Emergency Communications	7,350,523	8,524,396	8,431,926	(92,470)
Citizen Services	807,614	805,644	794,877	(10,767)
Technology and Support	234,542	644,297	595,732	(48,565)
Total Expenditures	<u>8,985,750</u>	<u>10,645,261</u>	<u>10,503,102</u>	<u>(142,159)</u>
<u>Revenues</u>				
Fees	53,662	0	0	0
State	1,727,122	1,716,354	1,735,000	18,646
Transfers	141,396	141,396	141,396	0
Total Revenues	<u>1,922,181</u>	<u>1,857,750</u>	<u>1,876,396</u>	<u>18,646</u>
General City Support	<u>7,063,569</u>	<u>8,787,511</u>	<u>8,626,706</u>	<u>(160,805)</u>
 <u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
ECCS Grant	0	2,000	2,000	0
Total Expenditures	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<u>Revenues</u>				
State	130,000	2,000	2,000	0
Total Revenues	<u>130,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
General City Support	<u>(130,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	8,985,750	10,647,261	10,505,102	(142,159)
Total Department Revenue	2,052,181	1,859,750	1,878,396	18,646
Total General City Support	<u>6,933,569</u>	<u>8,787,511</u>	<u>8,626,706</u>	<u>(160,805)</u>

Position Summary by Program

<u>002 General Fund</u>				
Director's Office	1.75	1.75	1.75	0.00
Administration	4.00	4.00	4.00	0.00
Emergency Communications	110.00	108.00	107.00	-1.00
Citizen Services	14.00	14.00	14.00	0.00
Technology and Support	2.00	4.00	4.00	0.00
Total	<u>131.75</u>	<u>131.75</u>	<u>130.75</u>	<u>-1.00</u>
Total Position Summary	<u>131.75</u>	<u>131.75</u>	<u>130.75</u>	<u>-1.00</u>

Expenditure Category by Department

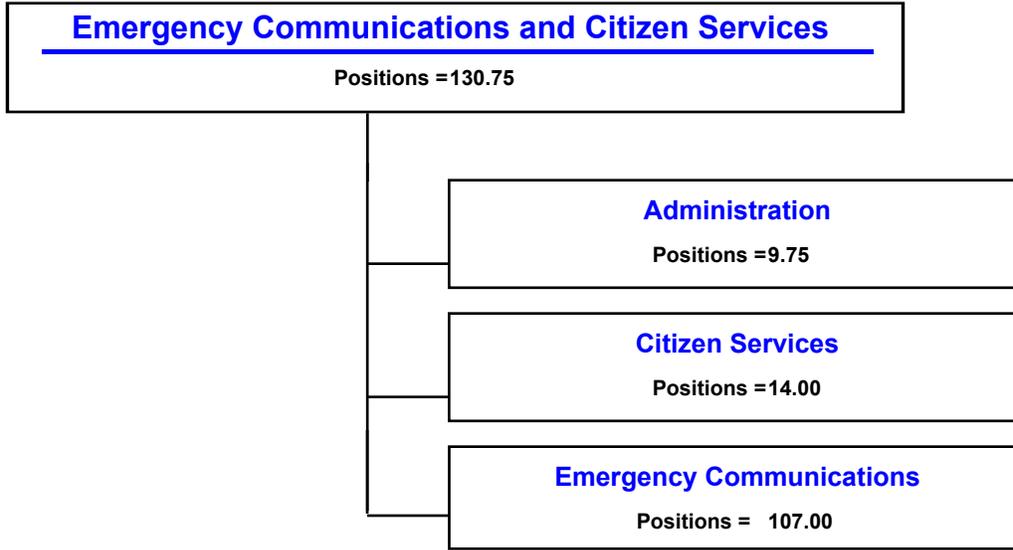
Personnel	7,567,694	9,054,307	8,902,974	(151,333)
Operating	1,405,172	1,591,456	1,602,128	10,672
Capital	12,883	1,498	0	(1,498)
Total Expenditures:	<u>8,985,750</u>	<u>10,647,261</u>	<u>10,505,102</u>	<u>(142,159)</u>

Emergency Communications and Citizen Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Revenue Category by Department</u>				
Charges for Services	198	0	0	0
Miscellaneous Revenue	53,465	0	0	0
Other Sources from the Commonwealth	1,857,122	1,718,354	1,737,000	18,646
Transfers from Other Funds	141,396	141,396	141,396	0
Total Revenue:	<u>2,052,181</u>	<u>1,859,750</u>	<u>1,878,396</u>	<u>18,646</u>

Resource Summary Notes

The overall decrease in expenditures for Emergency Communications and Citizens Services is due to the combination of decreased salary and fringes due to staff turnover and reduction in the VRS rate from 17.35% to 13.88%; and reduction in 1 Call Taker FTE, over-time and contracted manpower for VB 311 Center for reduced operating hours to 12 hours per day 7am to 7pm Monday through Friday, up to 3 holidays, and during emergency conditions from 16.5 hour days 365 days per year. The "Position Summary" list reflects the transfer of one Administrative Technician from VB 911/Emergency Communications to VB-311/Citizen Services.



EMERGENCY MEDICAL SERVICES



The mission of the Department of Emergency Medical Services (EMS) is to provide quality services to the community, which preserve life, reduce suffering, improve health, and promote the safety of citizens and visitors, who live, learn, work, and play in our community. This mission is accomplished through a systems approach focused on providing high quality patient care services, organizational sustainment, public awareness and education, proactive safety interventions, and all-hazards readiness.

City Council Amendment

- Provide \$362,877 for four career medics citywide.
- Additional \$40,000 for Emergency Medical Technician training with supplies and equipment.

Department Overview

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.

Per Capita Expenditures



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 529 highly trained and certified volunteer medics (varies daily) distributed throughout the 18 EMS stations augmented by 28 field career paramedics to ensure staffing of a minimum of 9 ambulances daily with the goal of 1 ambulance per 3,000 calls for service (totaling 14 ambulances). In addition, EMS provides specialized rescue teams utilizing volunteers (marine rescue, bike medics, SWAT tactical medical and rescue, squad truck technical rescue, and flight medics), mass casualty operations, and disaster preparedness and response.

Regulation and Enforcement

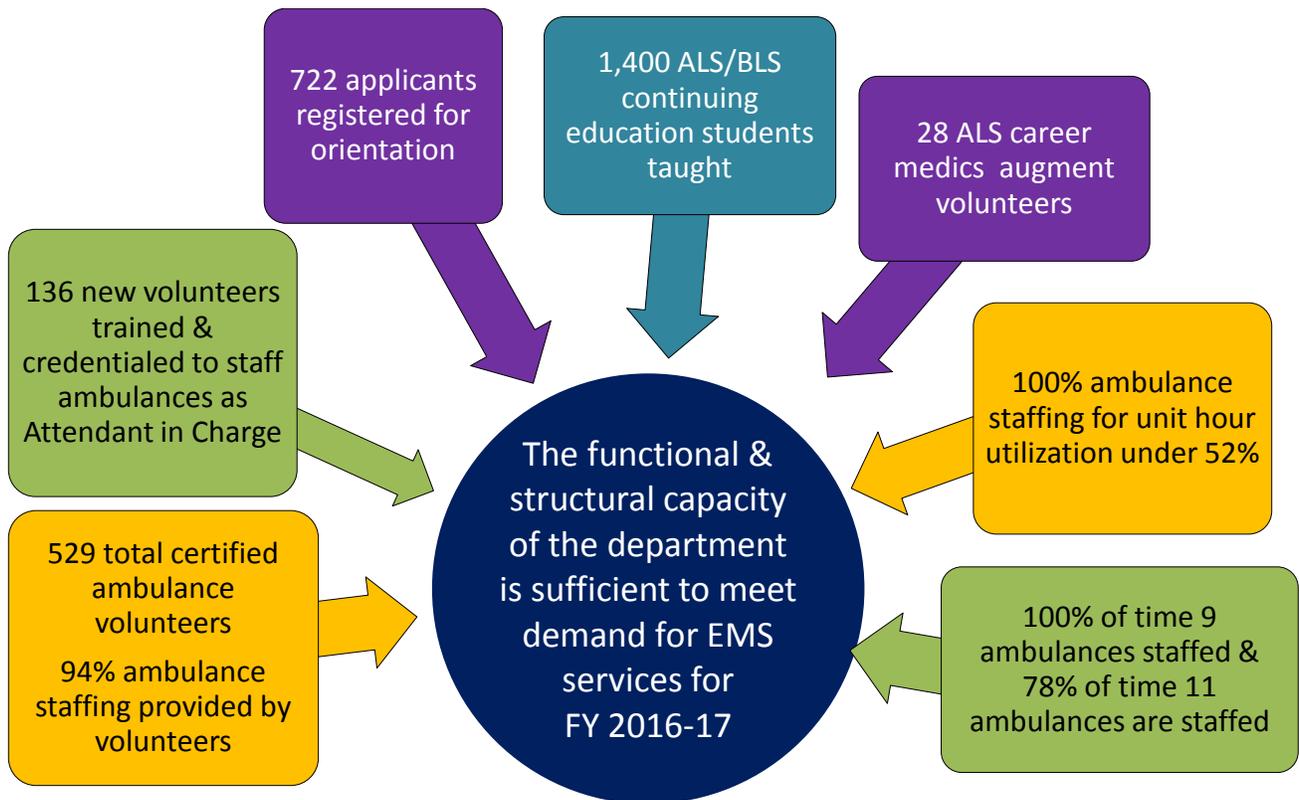
Provides the oversight of medical control to ensure medical protocols are followed; conducts quality assurance assessments, inspects commercial EMS ambulance agencies operating in the city, and provides oversight for infection control as well as mandates promulgated by the federal and state governments.

Training

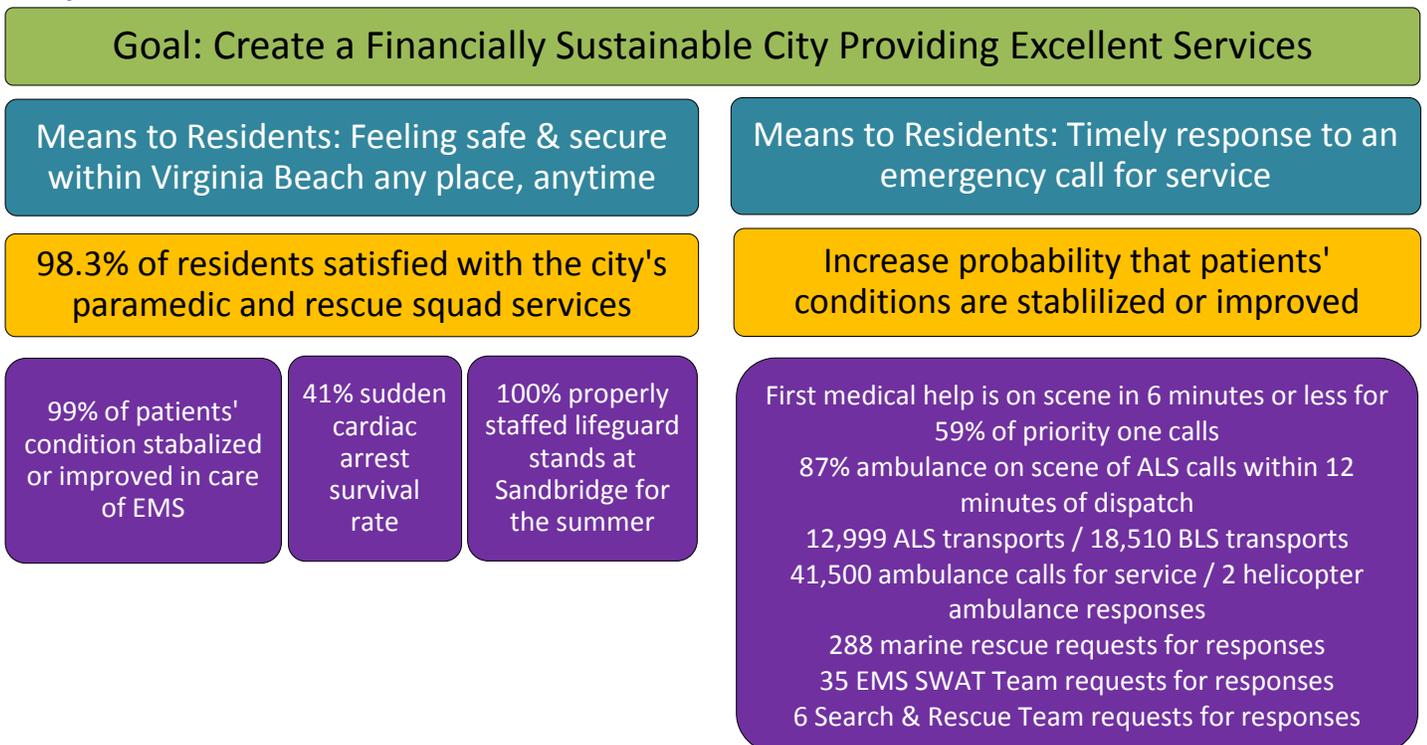
Provides basic life support (BLS), advanced life support (ALS) and specialized training for EMS volunteers, career medics and specialty team members, Fire, Police, emergency dispatchers, and hospital personnel. Keeps personnel certified, in compliance with state requirements, to work on ambulances and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

EMS Lifeguard Services

Provides in-house lifeguard services to Sandbridge Beach from Memorial Day weekend to Labor Day weekend from 9:30 a.m. to 6:00 p.m. EMS also manages the lifeguard contract serving the resort area beaches from 2nd Street to 42nd Street including 57th Street and Croatan beaches from the middle of May until the end of September.

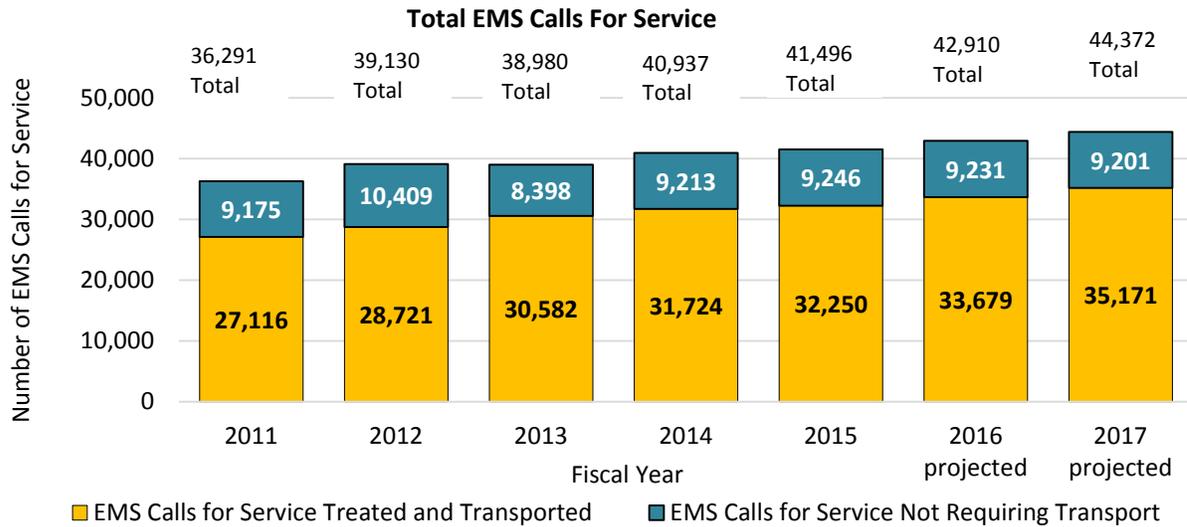


Key Performance Measures

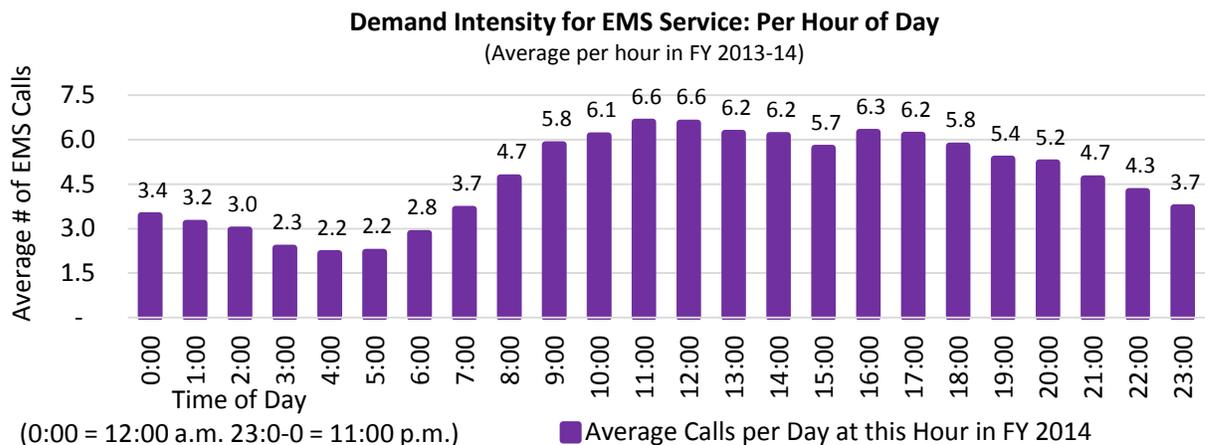


Trends & Issues

- Increased calls for service and transports: Calls for service (includes ambulances and ALS zone cars) are forecasted to reach over 44,370 in FY 2017. Over the last 5-years (FY 2010-11 through FY 2014-15), EMS calls-for-service have increased 14.3% in total or by 3.4% per year on average. Also, an increased amount of these calls for service are requiring transport to area hospitals and other facilities; this trend will continue as the population ages requiring more ALS services. In 2015, 79% of EMS calls required transport compared to 75% in 2011. This results in units being unavailable for calls more often as these transports average 48 minutes in duration per call (ALS calls average 1 hour 10 minutes and BLS average 32 minutes).



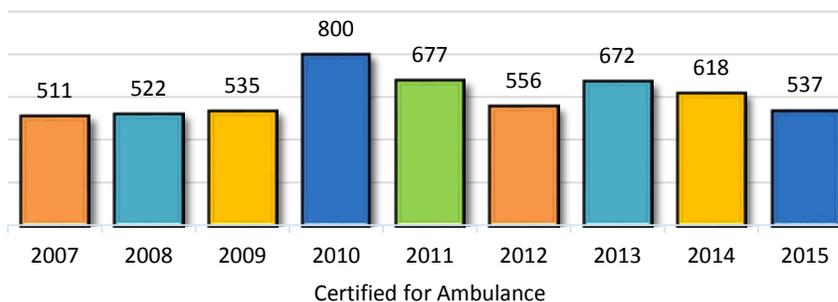
- As calls requiring transport increase, EMS will explore more dynamic scheduling options for both career and volunteer staff. This type of “demand” scheduling will be analyzed and vetted by staff and members throughout the organization in an effort to increase staffing in those high demand hours depicted in the chart below. Coinciding with peak call times are calls in which critical medical interventions are necessary by ALS-certified paramedics. EMS requires 14 staffed ambulances during high call-demand periods of the day to ensure an appropriate response rate to critical calls, minimize calls being placed “on-hold” in the call queue, and avoid medic unit hour over-utilization.



- While the number of certified field paramedics has been constant at 28 FTEs, the number of certified volunteers has declined over 13% from FY 2014 to 2015 (see following graph). The decline in volunteerism is occurring nationwide according to data collected from September 2014 to September 2015 by the U.S. Bureau of Labor Statistics. The rate of volunteerism nationwide was 24.9% in 2014/2015 compared with 26.8% in 2011. Multiple theories exist to explain this decrease including: as the economy improves and unemployment rates decrease, volunteerism declines as individuals have less time available to dedicate to volunteer-based activities or do not need vocational training provided by EMS to obtain employment.

With the decline in EMS volunteers, there is additional pressure on the 28 field career medics to augment the staffing for ambulances, which is increasing over-time costs, increasing fatigue and burn-out in medics and lowering employee morale. EMS staff and the volunteer rescue squads have initiated a multi-pronged approach to increase volunteer recruitment and retention, which is a City Council priority. This includes partnership with the Virginia Beach Rescue Squad Foundation for increased media advertising. A Media and Communications Coordinator position was added to EMS in FY 2016-17 to support this initiative. A number of new initiatives are underway to increase volunteer morale, satisfaction and retention. Staff is applying best practices and procedures as well as looking for creative approaches tailored to our unique organization. A review of volunteer time commitment is underway to see if there is a proper balance that can be achieved thereby enhancing retention rates without further reducing staffing levels.

**Total Ambulance Certified Personnel* 2007 through 2015
(*Volunteers and 28 Career Medics)**



Major Budget Changes

	Change	Impact
↑	Addition of a Media and Communications Coordinator I	Funding totaling \$70,493 for one full-time Media and Communications Coordinator I position and related support costs to develop and manage marketing/recruitment and media relations strategies for promoting the volunteer organization and communicating with the public. This position will also support internal communications, coordinate volunteer retention activities, manage special events, and serve as a public information officer.
↑	Increased Operating Support Costs	Funding totaling \$150,000 was added to provide support for uniforms, protective apparel and medical supplies for medics (career and volunteers) as well as the additional EMS lifeguards coming on-line in the Summer of 2016. Also, provides for ALS training for volunteer medics at Tidewater Community College.

Emergency Medical Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Administration	685,033	739,911	823,373	83,462
Operations	2,326,677	2,564,896	2,969,127	404,231
Emergency Response System	3,544,232	3,993,582	4,309,555	315,973
Training	507,145	514,794	561,484	46,690
Regulation and Enforcement	205,425	225,044	234,245	9,201
EMS Lifeguard Services	1,676,525	1,736,012	1,829,624	93,612
Total Expenditures	<u>8,945,038</u>	<u>9,774,239</u>	<u>10,727,408</u>	<u>953,169</u>
<u>Revenues</u>				
Fees	12,450	12,233	52,233	40,000
Total Revenues	<u>12,450</u>	<u>12,233</u>	<u>52,233</u>	<u>40,000</u>
General City Support	<u>8,932,588</u>	<u>9,762,006</u>	<u>10,675,175</u>	<u>913,169</u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
State Four-for-Life Grants	561,353	375,000	375,000	0
Total Expenditures	<u>561,353</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
<u>Revenues</u>				
State	564,485	375,000	375,000	0
Total Revenues	<u>564,485</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
General City Support	<u>(3,132)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	9,506,391	10,149,239	11,102,408	953,169
Total Department Revenue	576,935	387,233	427,233	40,000
Total General City Support	<u>8,929,455</u>	<u>9,762,006</u>	<u>10,675,175</u>	<u>913,169</u>

Position Summary by Program

<u>002 General Fund</u>				
Administration	7.50	7.50	8.50	1.00
Operations	6.00	6.00	6.00	0.00
Emergency Response System	43.00	43.00	47.00	4.00
Training	6.50	6.50	6.50	0.00
Regulation and Enforcement	3.00	3.00	3.00	0.00
EMS Lifeguard Services	7.30	9.05	9.05	0.00
Total	<u>73.30</u>	<u>75.05</u>	<u>80.05</u>	<u>5.00</u>
Total Position Summary	<u>73.30</u>	<u>75.05</u>	<u>80.05</u>	<u>5.00</u>

Expenditure Category by Department

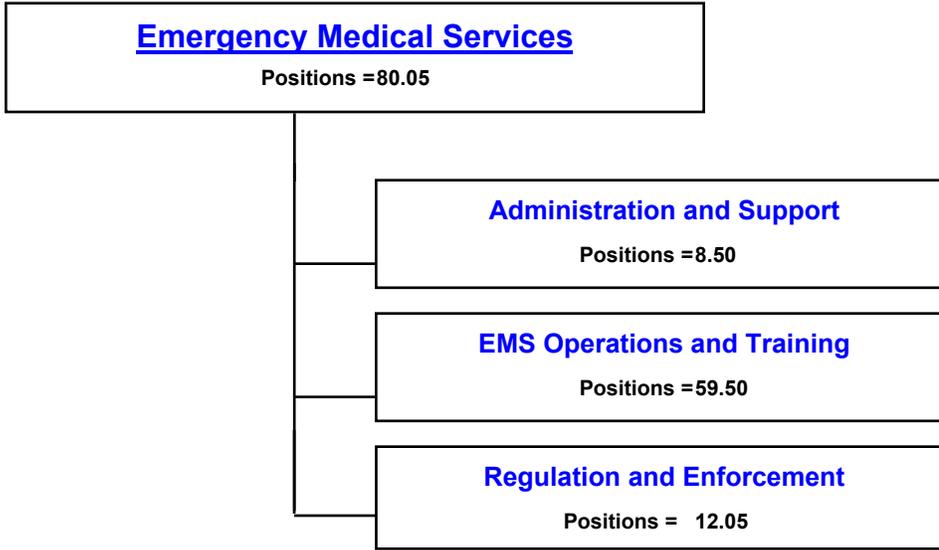
Personnel	5,652,518	6,093,821	6,497,667	403,846
Operating	3,703,849	3,934,400	4,603,496	669,096
Capital	150,024	121,018	1,245	(119,773)
Total Expenditures:	<u>9,506,391</u>	<u>10,149,239</u>	<u>11,102,408</u>	<u>953,169</u>

Emergency Medical Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Revenue Category by Department</u>				
From the Use of Money and Property	12,450	12,233	12,233	0
Charges for Services	0	0	40,000	40,000
Other Sources from the Commonwealth	564,485	375,000	375,000	0
Total Revenue:	<u>576,935</u>	<u>387,233</u>	<u>427,233</u>	<u>40,000</u>

Resource Summary Notes

The overall increase in the FY 2016-17 budget for EMS is due to the net impact of City Garage, risk management costs, increased operating support costs for volunteer and career medics, addition of one full-time Media and Communications Coordinator I position and related support costs, and resort lifeguard contract escalation. Revenue estimates were included for EMS class fees and payments from special events organizers to be passed through EMS to the Volunteer Rescue Squads for support provided to special events.



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.

City Council Amendment

- Provide \$302,294 for four firefighters to the Creeds and Blackwater areas of the city.
- Provide \$302,294 for four additional firefighters at the Little Neck Station 20 to complete four men on a truck staffing of single apparatus stations.

Department Overview

The core services provided by the department are categorized into the following areas:

Fire Administration

This division provides executive direction, guidance, and administrative support in the areas of payroll, budget and finance, grants management, procurement and inventory, research and analysis, and accreditation.

Fire Prevention Bureau

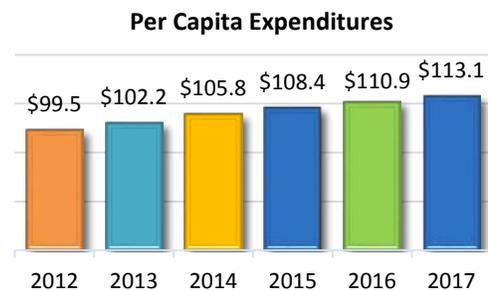
This division administers and enforces the statewide Fire Prevention Code, which includes: providing annual fire maintenance inspections and operational permits for commercial establishments that are considered to pose a higher risk of fire hazard; providing periodic inspections of businesses that pose a lower risk of fire hazard and are not mandated for inspection; 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

This division is distributed among 19 city owned fire stations located throughout Virginia Beach 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 twenty engine companies, eight ladder companies, three tankers, two heavy rescue companies, four command units, and one safety unit. The 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 office's primary goal is to foster emergency preparedness within the city by advocating and advancing a comprehensive program of emergency management including activities that mitigate the impact of potential disasters, that raise the awareness of potential emergencies and disasters, that are related to the response to actual emergencies and threats, and that would assist the community in the recovery period following a disaster. This office is also responsible for the City Emergency Operations Plan and advocating emergency planning, as well as the

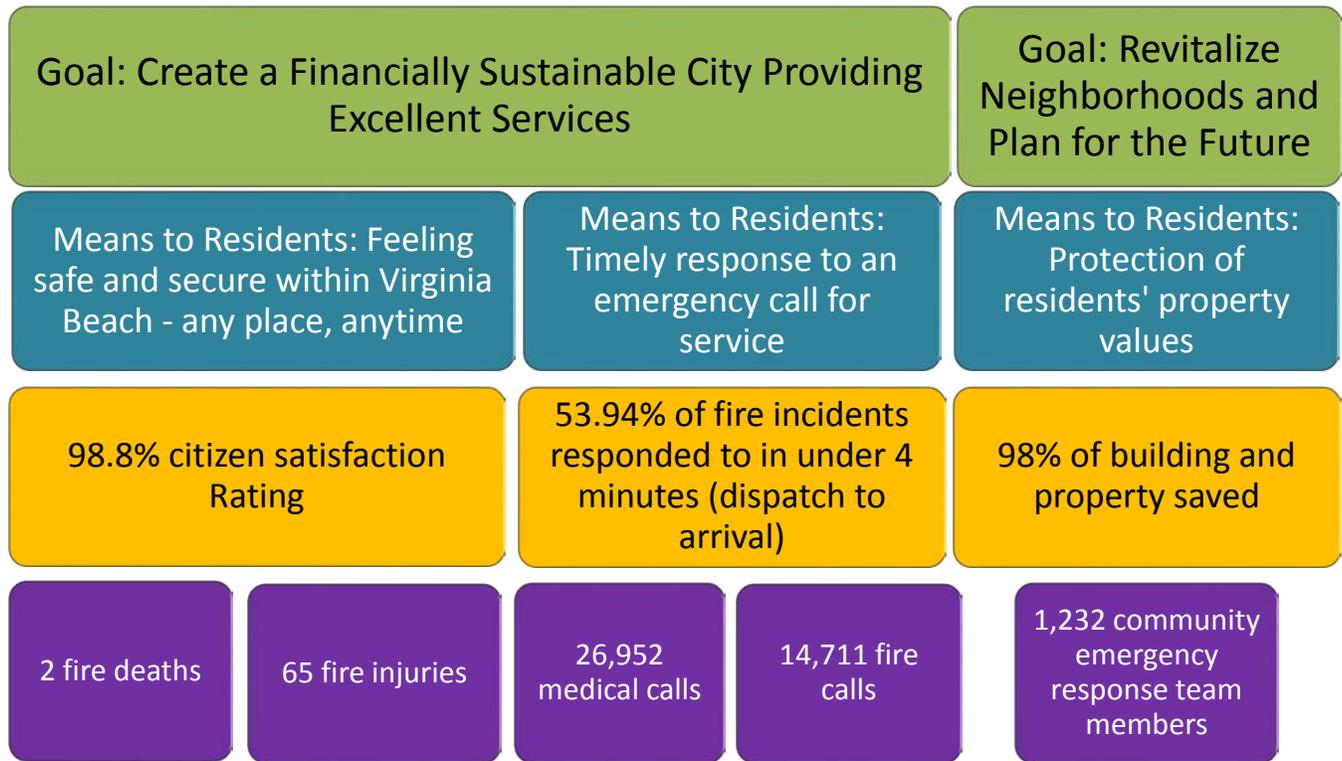


readiness and operations of the Emergency Operations Center in events when emergency management involvement is desirable. OEM supports the Community Emergency Response Team through training, coordination, and management of 1,000 trained volunteers.

Fire Personnel and Development

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.

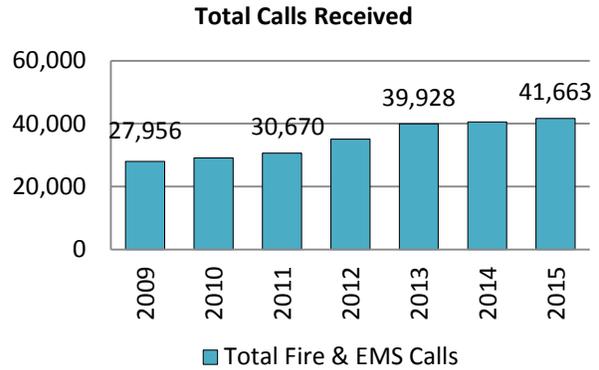
Key Performance Measures



Trends and Issues

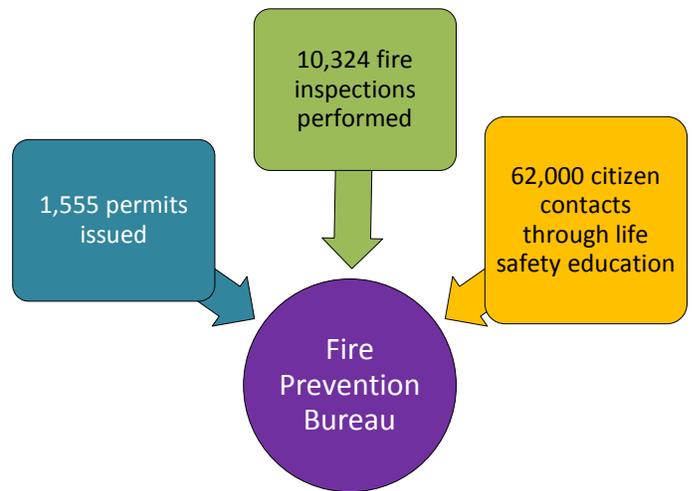
- ➡ The department's cost are covered largely by general city support, with a small percentage generated through fines, fire permits, fire inspection fees, and grants from the State Department of Fire Programs and U.S. Department of Homeland Security Local Emergency Management Planning program. As required by the state, fire program funds are used for enhancements including protective apparel, equipment, training, and fire training center improvements.

- ➔ Total calls for service continues to increase from year to year. The combination of increased call volume and traffic congestion has resulted in a decrease of percentage of time the department has been able to meet its response time goal in metro/urban and suburban areas. 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 twenty seconds to a fire incident.



However, the department is engaged in overall improvements in call processing and dispatch technology. Collaborative efforts between the Fire Department and Emergency Communication and Citizen Services have assisted the department in getting closer to meeting its response time goals.

- ➔ The department continues to see a disproportionate fire injury and death rate among the senior population (>55 y/o) over the past 5 years. The Life Safety Education program is responsible for providing fire and all hazards life safety education to the senior population down to pre-school age children. The Life Safety Education Office impacts the community by direct service involvement with the citizens of Virginia Beach through these programs.
- ➔ It is a core initiative of the department's mission to maintain and support its wellness and safety program. The department has also implemented a mental health program that includes mental health peer counselors. In addition, focusing on health and safety helps the department manage rising risk management charges.



Major Budget Changes

	Change	Impact
↔	Safer Grant	The department was awarded the 2014 SAFER grant in FY 2015-16 which pays the salaries and benefits of 12 firefighters for two years to meet the department's goal of having four firefighters staffed on three additional fire apparatus. This will place four firefighters at First Landing, Chesapeake Beach, and the Kempsville fire stations. At the end of the grant's performance period, these 12 firefighters will be moved to the Burton Station fire station.
↑	Funding for Station Alerting Maintenance	\$132,296 has been added to the departments operating budget for the annual maintenance of the USDD Fire/EMS Station Alerting system identified in CIP 3-606.

Fire - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Fire Administration	2,093,947	2,205,813	2,369,824	164,011
Emergency Management	360,325	362,932	382,344	19,412
Fire Marshal's Office	2,222,916	2,786,171	2,820,836	34,665
Fire Operations	41,227,754	42,309,731	43,833,638	1,523,907
Fire Personnel and Development	1,132,572	1,312,811	1,421,630	108,819
Total Expenditures	<u>47,037,514</u>	<u>48,977,458</u>	<u>50,828,272</u>	<u>1,850,814</u>
<u>Revenues</u>				
Fees	489,132	525,868	525,868	0
Federal	92,586	192,851	192,851	0
Total Revenues	<u>581,718</u>	<u>718,719</u>	<u>718,719</u>	<u>0</u>
General City Support	<u>46,455,796</u>	<u>48,258,739</u>	<u>50,109,553</u>	<u>1,850,814</u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Fire - Grants	1,535,956	0	0	0
Fire Program Grants	620,679	652,767	637,656	(15,111)
Transfer to Other Fund (Fire Programs)	935,508	665,427	665,427	0
Total Expenditures	<u>3,092,142</u>	<u>1,318,194</u>	<u>1,303,083</u>	<u>(15,111)</u>
<u>Revenues</u>				
State	1,387,626	1,315,427	1,303,083	(12,344)
Federal	1,400,035	0	0	0
Transfers	675	2,767	0	(2,767)
Total Revenues	<u>2,788,336</u>	<u>1,318,194</u>	<u>1,303,083</u>	<u>(15,111)</u>
General City Support	<u>303,806</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	50,129,657	50,295,652	52,131,355	1,835,703
Total Department Revenue	3,370,054	2,036,913	2,021,802	(15,111)
Total General City Support	<u>46,759,603</u>	<u>48,258,739</u>	<u>50,109,553</u>	<u>1,850,814</u>

Position Summary by Program

<u>002 General Fund</u>				
Fire Administration	21.00	20.00	22.00	2.00
Emergency Management	4.00	4.00	4.00	0.00
Fire Marshal's Office	30.71	29.71	30.71	1.00
Fire Operations	417.00	419.00	423.00	4.00
Fire Personnel and Development	12.00	12.00	13.00	1.00
Total	<u>484.71</u>	<u>484.71</u>	<u>492.71</u>	<u>8.00</u>
<u>183 Grants Consolidated Fund</u>				
Fire Program Grants	1.00	1.00	1.00	0.00
Total	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total Position Summary	<u>485.71</u>	<u>485.71</u>	<u>493.71</u>	<u>8.00</u>

Fire - Departmental Resource Summary

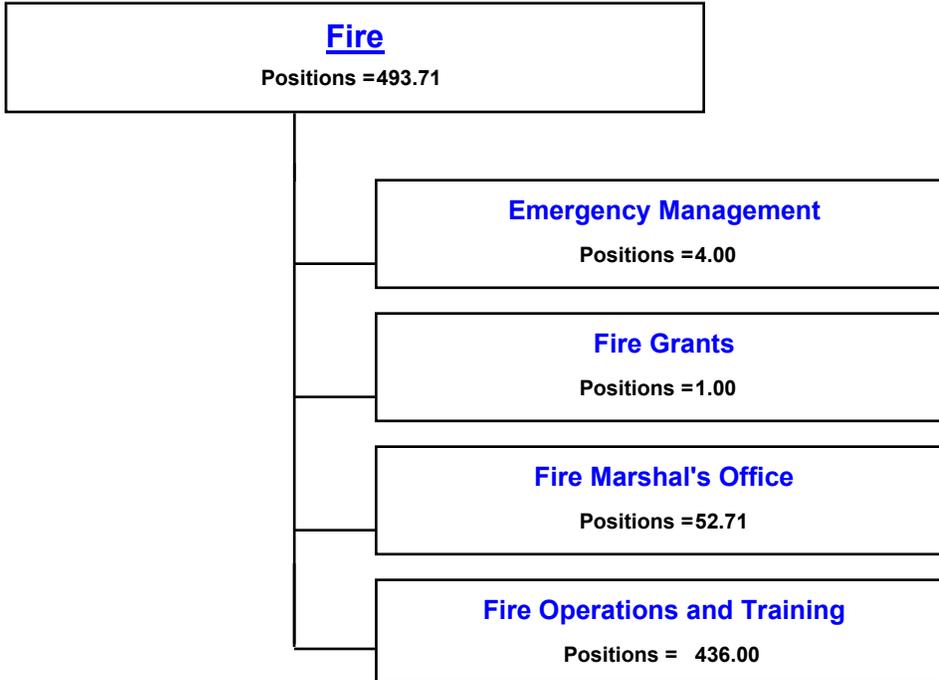
	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel	43,233,265	44,265,805	44,407,012	141,207
Operating	5,631,732	5,314,420	7,008,916	1,694,496
Capital	329,153	50,000	50,000	0
Transfers	935,508	665,427	665,427	0
Total Expenditures:	<u>50,129,657</u>	<u>50,295,652</u>	<u>52,131,355</u>	<u>1,835,703</u>
<u>Revenue Category by Department</u>				
Permits, Privilege Fees, and Regulatory Licenses	152,755	180,045	180,045	0
Charges for Services	279,761	345,823	345,823	0
Miscellaneous Revenue	56,616	0	0	0
Other Sources from the Commonwealth	1,387,626	1,315,427	1,303,083	(12,344)
Revenue from the Federal Government	1,492,621	192,851	192,851	0
Transfers from Other Funds	675	2,767	0	(2,767)
Total Revenue:	<u>3,370,054</u>	<u>2,036,913</u>	<u>2,021,802</u>	<u>(15,111)</u>

Resource Summary Notes

The overall increase in expenditures for the Fire Department is due to a \$1.3M increase in risk management charges and a \$200k increase in city garage charges.

The revenue and 12 new firefighters funded through the SAFER Grant is not reflected in the summary above.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

The Police Department's core areas of operations are:

Administration

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.

Crime Prevention

This division provides for a safer city by preventing and/or reducing crime through various educational programs for the public and forming community partnerships.

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, 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

Staffed by mostly civilians, this division 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.

Per Capita Expenditures



Key Performance Measures



Trends & Issues

- ➔ Mental health related calls for service numbered 4,464 in 2015. Officers spent 12,136 hours on crisis intervention calls for service in 2015 with an average call time of 2.35 hours. This is a 34.1% increase in total hours and 14.6% increase average call time over 2014.
- ➔ There were 135 documented heroin overdoses in 2015, resulting in 34 overdose deaths. Patrol personnel will begin carrying Narcan as first responders to treat overdose victims.
- ➔ 1,770 neighborhood citizen surveys were completed in 2015 to measure perceptions of crime and police relationships with the community.
- ➔ Total sworn officer turnover increased from 8.9% in FY 2013-14 to 9.4% in FY 2014-15. The turnover rate, minus retirements, was 6.5% in FY 2014-15.
- ➔ Total Part I crime rate for 2015 was 23.5 crimes per 1,000 residents, up slightly from 2014, but still the second lowest since 1963. Virginia Beach is still the safest city of its size in the country.
- ➔ Clearance rates for Part I violent and property crimes exceed the national average.

Major Budget Changes

	Change	Impact
↑	10 Additional Police Officers	The department will be adding a total of 10 Police Officer FTEs for FY 2016-17 for a total of \$1,074,299 which includes salaries and equipment. The department has outlined a plan to increase the sworn police officers by a total of 53 new FTEs to help prepare them for expected population and business growth in different areas of Virginia Beach (i.e. Town Center, Ocean Front). The department is aware of the increased amount of overtime being worked by current officers. Officers typically work extra weekends during special events and the tourism season which can lead to burnout.
↑	3 FTEs for the Body Camera Program	On January 1, 2017 the department will begin the first year of a four year phase in for 450 Police Body Cameras which will be completed by FY 2020-21. In order to manage the program, the department is receiving 1 Police Sergeant and 2 Civilian Administrative Technicians for management of the video produced (redaction and FOIA requests). The body camera equipment is being purchased with the help of DEA funds. The Commonwealth Attorney's Office and Information Technology are also receiving resources such as FTEs and equipment to support the implementation of body worn cameras.
↑	Increase in Pawn Shop License Fees to Pay for LEADs Subscription	The department is increasing second hand dealer permits from \$100 to \$200 annually and precious metal permits from \$300 to \$550 annually to pay for the LEADs subscription which will cost approximately \$54,000 in FY 2016-17. It is expected that the increase in fees will generate an additional \$55,000 in annual revenue.
↔	4 FTEs Moved from Mounted Patrol	Move 4 FTEs from Mounted Patrol to Uniform Patrol for FY 2016-17. This is a total expenditure decrease of \$242,473 in the Mounted Patrol budget unit.
↓	Reduction in City Garage Charges	\$347,632 in city garage charges were reduced for FY 2016-17 due to the scheduled helicopter maintenance coming in at a lower price than originally expected.

Police - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	1,962,545	2,048,696	2,203,554	154,858
False Alarms	55,424	70,634	77,956	7,322
Personnel and Training	4,456,413	4,494,003	4,667,095	173,092
Crime Prevention	675,193	862,211	837,997	(24,214)
Support	4,699,949	5,171,630	5,119,744	(51,886)
K-9 Unit	1,836,198	1,809,548	1,838,064	28,516
Helicopter Unit	1,096,685	1,360,504	1,010,390	(350,114)
Uniform Patrol	51,550,444	53,707,102	54,835,644	1,128,542
Red Light Camera Program	1,168,833	1,183,901	1,186,838	2,937
Mounted Patrol	1,362,139	1,613,040	1,253,293	(359,747)
Marine Patrol	1,121,845	1,115,482	1,074,940	(40,542)
School Resource Officer Program	2,362,951	2,574,559	2,487,637	(86,922)
Investigative Division	12,760,025	13,383,954	13,276,580	(107,374)
Special Investigative Unit	4,786,654	5,061,641	4,927,588	(134,053)
Commercial Extraditions	285,674	424,051	387,795	(36,256)
Animal Control	3,406,064	3,667,583	3,614,981	(52,602)
Total Expenditures	93,587,035	98,548,539	98,800,096	251,557
<u>Revenues</u>				
Fees	3,610,281	3,057,110	3,402,750	345,640
State	270,738	380,000	350,000	(30,000)
Federal	40,846	45,000	41,500	(3,500)
Transfers	15,000	15,000	15,000	0
Total Revenues	3,936,864	3,497,110	3,809,250	312,140
General City Support	89,650,171	95,051,429	94,990,846	(60,583)
<u>142 Police Federal & State Seized Assets SRF</u>				
<u>Expenditures</u>				
DEA - Uniform Patrol Grants	59,770	0	0	0
DEA - Personnel and Training	47,909	0	0	0
DEA - K-9	26,400	0	0	0
DEA - Uniform Patrol	225,957	0	260,205	260,205
DEA - Investigative	114,738	0	0	0
DEA - Special Investigative Unit	45,331	0	0	0
Total Expenditures	520,105	0	260,205	260,205
<u>Revenues</u>				
Fees	7,123	0	0	0
State	268,414	0	0	0
Federal	41,803	0	0	0
Fund Balance	0	0	260,205	260,205
Total Revenues	317,340	0	260,205	260,205
General City Support	202,765	0	0	0

Police - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Police - Uniform Patrol Grants	232,172	0	0	0
Total Expenditures	<u>232,172</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Fees	3,000	0	0	0
State	40,611	0	0	0
Federal	165,624	0	0	0
Transfers	58,116	0	0	0
Total Revenues	<u>267,351</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>(35,180)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	94,339,312	98,548,539	99,060,301	511,762
Total Department Revenue	<u>4,521,556</u>	<u>3,497,110</u>	<u>4,069,455</u>	<u>572,345</u>
Total General City Support	<u><u>89,817,756</u></u>	<u><u>95,051,429</u></u>	<u><u>94,990,846</u></u>	<u><u>(60,583)</u></u>

Position Summary by Program

<u>002 General Fund</u>				
Director's Office	16.80	16.80	20.80	4.00
False Alarms	1.75	1.75	1.75	0.00
Personnel and Training	32.72	32.72	33.72	1.00
Crime Prevention	8.00	8.00	8.00	0.00
Support	61.00	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	571.63	571.63	584.63	13.00
Red Light Camera Program	2.40	2.40	2.40	0.00
Mounted Patrol	16.00	16.00	12.00	-4.00
Marine Patrol	10.46	10.46	10.46	0.00
School Resource Officer Program	30.00	30.00	30.00	0.00
Investigative Division	142.00	143.00	142.00	-1.00
Special Investigative Unit	52.00	52.00	52.00	0.00
Animal Control	46.00	46.00	46.00	0.00
Total	<u>1,014.76</u>	<u>1,015.76</u>	<u>1,028.76</u>	<u>13.00</u>
<u>183 Grants Consolidated Fund</u>				
Police - Uniform Patrol Grants	1.00	0.00	0.00	0.00
Total	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Position Summary	<u><u>1,015.76</u></u>	<u><u>1,015.76</u></u>	<u><u>1,028.76</u></u>	<u><u>13.00</u></u>

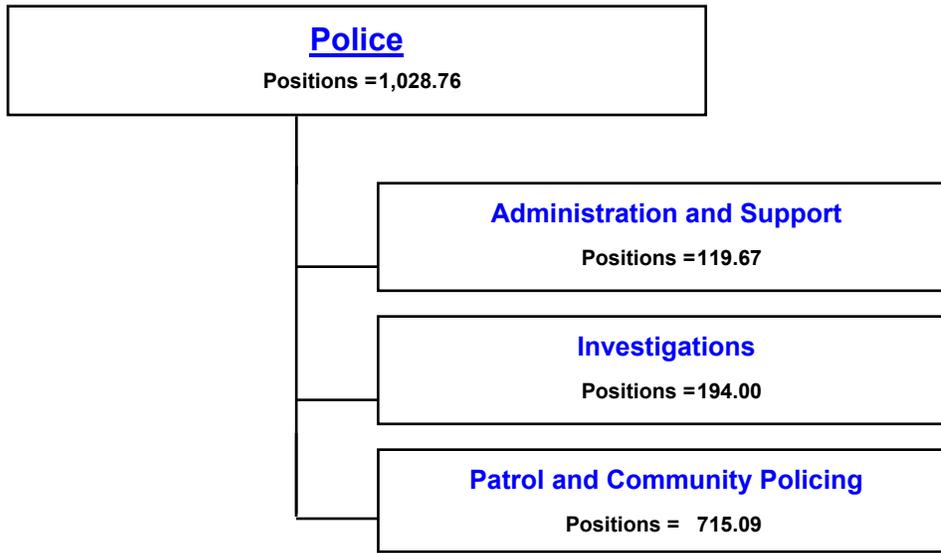
Expenditure Category by Department

Personnel	79,296,846	83,147,795	82,425,133	(722,662)
Operating	14,989,000	15,400,744	15,921,793	521,049
Capital	53,466	0	713,375	713,375
Total Expenditures:	<u><u>94,339,312</u></u>	<u><u>98,548,539</u></u>	<u><u>99,060,301</u></u>	<u><u>511,762</u></u>

Police - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Revenue Category by Department</u>				
Permits, Privilege Fees, and Regulatory Licenses	566,997	550,550	615,775	65,225
From the Use of Money and Property	9,776	2,000	2,700	700
Charges for Services	723,972	647,360	655,875	8,515
Miscellaneous Revenue	15,230	8,700	9,000	300
Fines and Forfeitures	2,304,429	1,848,500	2,119,400	270,900
Other Sources from the Commonwealth	579,763	380,000	350,000	(30,000)
Revenue from the Federal Government	248,273	45,000	41,500	(3,500)
Transfers from Other Funds	73,116	15,000	15,000	0
Specific Fund Reserves	0	0	260,205	260,205
Total Revenue:	<u>4,521,556</u>	<u>3,497,110</u>	<u>4,069,455</u>	<u>572,345</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



SHERIFF'S OFFICE



The mission of the Sheriff's Office is to provide for the public safety of the citizens of Virginia Beach through the efficient and professional operations of the Sheriff's Office as provided for in the Constitution and the Code of Virginia.

Department Overview

The Sheriff's Office is funded through a combination of state, local, and federal revenues. State funding is based on the requirements stipulated in the Code of Virginia. Local funds are currently provided by the city for Central Booking, Workforce Services, state employee salary supplements, and overall jail support. Federal revenues are tied to the number of Federal inmates housed in the facility. The services provided by the Sheriff's Office are divided into two primary divisions:

The Administrative Division

Administration - Provides personnel, training, financial administration, accreditation and compliance for the Office as well as program development.

Court Support - Provides security and order in the various Virginia Beach courts, and processes and serves civil documents.

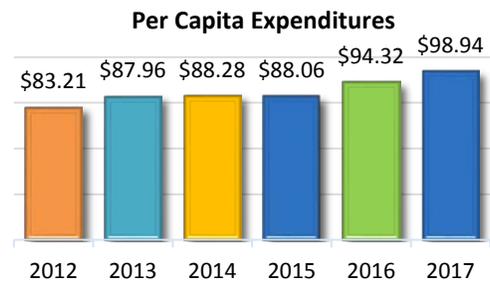
The Operations Division

Correctional Operations - Provides for the care and custody of persons placed in the 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 offenders for all law enforcement agencies utilizing the Correctional Center. This involves fingerprinting and photographing. This is a contract between the City and Sheriff's Office 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.

Workforce Services - Utilizes inmate labor to provide various services to the community at little cost, while providing inmates with the opportunity to learn a skill and self-development.



Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: Feeling safe and secure within Virginia Beach --any place, anytime

Approximately 130,000 civil process documents serviced & 25,000 arrestees processed

Means to Residents: Courtroom security

Security provided for 23 courtrooms

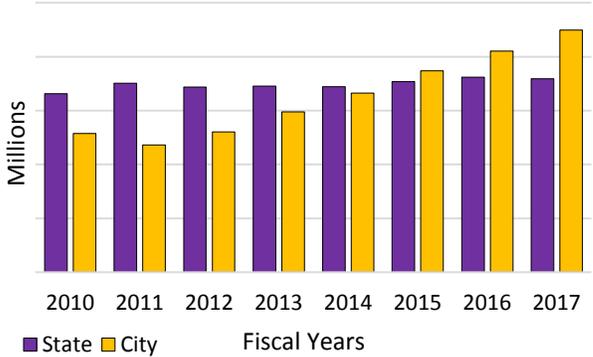
Means to Residents: Correctional operations

Daily cost per inmate approximately \$80 with & average daily population of 1,450

Trends & Issues

➔ The state funding includes amounts from the state Compensation Board and the Department of Corrections. As shown on the chart, state financing has remained relatively steady averaging \$17.4 million per year. Meanwhile, there is an increasing trend in city financing starting with \$12.9 million in FY 2009-10 to \$22.5 million in FY 2016-17, an annual growth rate of 8.3%. FY 2016-17 is the final year of adjusting the General Fund’s contribution for the Sheriff’s Office Operating Budget. The \$1.6 million increase in the budget, with the increase General Fund support to \$3.8 million. This increase does not include additional funding of \$2.5 million in related IT capital improvement projects intended to improve the Sheriff’s Office information technology structure.

State and City Funding for the Sheriff’s Office Operating Budget



➔ The State Compensation Board has authorized funding for 413 state positions for the Sheriff’s Office. The Approved FY 2015-16 Compensation Board budget is used as the basis for preparing the Sheriff’s Office FY 2016-17 budget for the state-funded positions. The Compensation Board has budgeted an average of \$32,381 for salaries, and \$3,258 for fringe benefits, for a total of \$35,640 per position. As with the majority of localities, Virginia Beach supplements the salaries of the Compensation Board positions to attract applicants. For these positions, the city has budgeted an average of \$49,476 for salaries and \$18,045 for fringes for a total of \$67,521. The Code of Virginia requires the city to provide the appointees of the Sheriff’s Office with the same fringe benefits that are provided to city employees. The average city supplement of \$31,882 equates to 89.5% over the state compensation amount. A comparison of the average state and city compensation is shown below.

Cost Element	Average State Compensation	Average City Compensation	City Supplement
Salary	\$ 32,381	\$ 49,476	\$ 17,095
Fringes	3,258	18,045	14,787
Total	\$ 35,639	\$ 67,521	\$ 31,882

- Health care for inmates is the single largest expense item in the Sheriff's Office Operating Budget. Medical services are provided through a medical contractor and budgeted at \$5.3 million for FY 2017. The contract terms places an annual cap of \$20,000 for hospitalization services for each inmate per illness or injury. Any costs incurred by the health contractor beyond that cap would have to be reimbursed by the City. In the first half of FY 2016, care was provided to 11 inmates, which exceeded the per person cap by a total of \$388,858. Two inmates accounted for \$237,587 of the total. Annualized the total would be almost \$800,000 beyond the contract cost.
- Additional costs have incurred due to the increased number of inmates with mental health problems. The Virginia Beach Correctional Center is increasingly being used as an alternative to local mental health services. The Correctional Center was not designed, nor equipped to provide the necessary mental health care to inmates. The ratio of deputies needed to adequately supervise this inmate population is often one-on-one. This leaves other areas of the Correctional Center short-staffed.
- All inmates that are transported to medical appointments and/or hospitalized must be in the custody of a deputy. All hospital watches require at least one-on-one custody. The increased demand has contributed to high overtime costs and greater workload on staff.

Major Budget Changes

	Change	Impact
↓	2 FTEs as a result of the Memorandum of Understanding (MOU) between the Information Technology Department and the Sheriff's Office	Two civilian positions were transferred from the Sheriff's Office to IT to support the Sheriff's information technology infrastructure. In addition to the transfer of two FTEs, two more FTEs are planned to be transferred in FY 2017-18 to support the MOU.
↑	10 city funded FTEs for the Sheriff's Workforce	For FY 2016-17, the existing State-funded deputies were moved to Correctional Operations to help with the increased demand, and were replaced with 10 new City-funded positions. The Workforce unit provides city services that are paid from other Departments' budgets. In addition, the Sheriff's Workforce provides services to non-profits such as the setting up of tents. The funding of the 10 City positions in the Sheriff's Workforce will be contingent on the availability of revenue generated by the Workforce crew.
↑	5 City funded FTEs for Medical Services	Due to the increased inmate medical care 5 FTEs have been added. The new positions have been placed in the Correctional Operations unit.

Sheriff's Office - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>141 Sheriff's Federal & State Seized Assets SRF</u>				
<u>Revenues</u>				
Fees	157	0	0	0
Federal	237,000	0	0	0
Total Revenues	<u>237,157</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>(237,157)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>149 Sheriff's Department Special Revenue Fund</u>				
<u>Expenditures</u>				
Sheriff's Office	2,190,857	2,362,740	3,371,920	1,009,180
Court Support Services	3,556,692	3,554,798	4,561,360	1,006,562
Correctional Operations	31,022,910	31,902,043	29,302,928	(2,599,115)
Sheriff's Care Mart	293,423	425,342	454,981	29,639
Centralized Booking	1,546,946	2,200,085	2,984,176	784,091
D.A.R.E. - Sheriff	569,929	0	0	0
Sheriff's Workforce	862,282	864,175	833,516	(30,659)
Inmate Support	0	0	2,350,850	2,350,850
Inmate Services	978,300	930,649	0	(930,649)
Law Enforcement Training	102,821	154,498	1,255,073	1,100,575
Reserve for Contingencies	0	1,083,514	0	(1,083,514)
Transfer to Other Funds	24,551	0	0	0
Total Expenditures	<u>41,148,710</u>	<u>43,477,844</u>	<u>45,114,804</u>	<u>1,636,960</u>
<u>Revenues</u>				
Fees	4,711,772	4,648,588	4,533,608	(114,980)
State	17,683,480	18,092,672	17,950,000	(142,672)
Federal	230,660	200,750	160,000	(40,750)
Transfers	18,681,103	20,535,834	22,471,196	1,935,362
Total Revenues	<u>41,307,016</u>	<u>43,477,844</u>	<u>45,114,804</u>	<u>1,636,960</u>
General City Support	<u>(158,306)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Sheriff - Grants	44,461	0	0	0
Total Expenditures	<u>44,461</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Federal	56,251	0	0	0
Total Revenues	<u>56,251</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>(11,791)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	<u>41,193,170</u>	<u>43,477,844</u>	<u>45,114,804</u>	<u>1,636,960</u>
Total Department Revenue	<u>41,600,424</u>	<u>43,477,844</u>	<u>45,114,804</u>	<u>1,636,960</u>
Total General City Support	<u>(407,254)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Position Summary by Program

149 Sheriff's Department Special Revenue Fund

Sheriff's Office	22.43	23.06	35.49	12.43
Court Support Services	62.84	62.04	75.64	13.60

Sheriff's Office - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>149 Sheriff's Department Special Revenue Fund</u>				
Correctional Operations	356.60	358.30	297.89	-60.41
Sheriff's Care Mart	13.17	9.09	8.67	-0.42
Centralized Booking	37.00	37.00	44.00	7.00
D.A.R.E. - Sheriff	11.00	0.00	0.00	0.00
Sheriff's Workforce	10.00	10.00	10.00	0.00
Inmate Support	0.00	0.00	42.05	42.05
Inmate Services	11.40	13.95	0.00	-13.95
Law Enforcement Training	1.00	1.00	13.70	12.70
Total	<u>525.44</u>	<u>514.44</u>	<u>527.44</u>	<u>13.00</u>
Total Position Summary	<u>525.44</u>	<u>514.44</u>	<u>527.44</u>	<u>13.00</u>

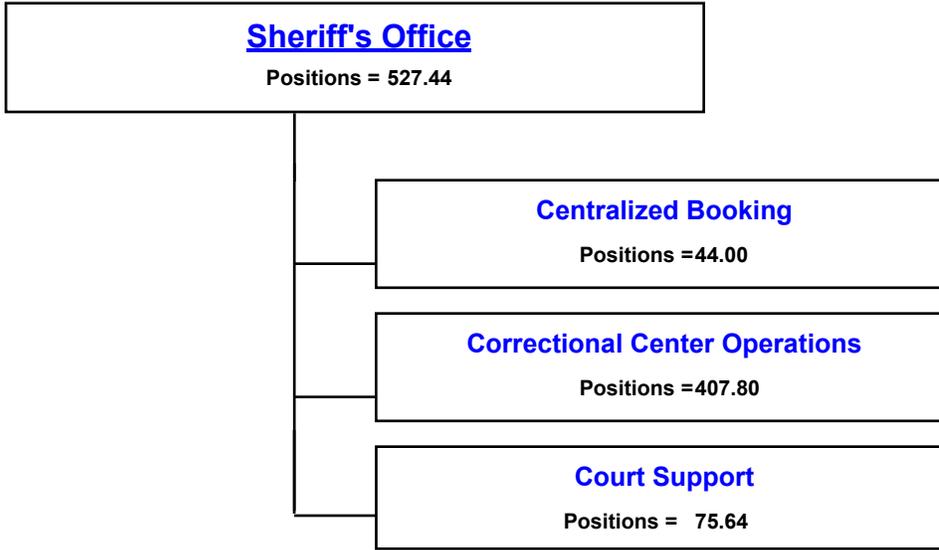
Expenditure Category by Department

Personnel	32,614,769	33,252,442	34,895,358	1,642,916
Operating	8,518,556	9,141,888	10,165,446	1,023,558
Capital	35,293	0	54,000	54,000
Reserves	0	1,083,514	0	(1,083,514)
Transfers	24,551	0	0	0
Total Expenditures:	<u>41,193,170</u>	<u>43,477,844</u>	<u>45,114,804</u>	<u>1,636,960</u>

Revenue Category by Department

From the Use of Money and Property	12,018	11,000	11,000	0
Charges for Services	4,693,752	4,627,588	4,520,608	(106,980)
Miscellaneous Revenue	6,160	10,000	2,000	(8,000)
Other Sources from the Commonwealth	17,683,480	18,092,672	17,950,000	(142,672)
Revenue from the Federal Government	523,912	200,750	160,000	(40,750)
Transfers from Other Funds	18,681,103	20,535,834	22,471,196	1,935,362
Total Revenue:	<u>41,600,424</u>	<u>43,477,844</u>	<u>45,114,804</u>	<u>1,636,960</u>

City of Virginia Beach
Fiscal Year 2017 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.

City Council Amendment

- Historic Preservation – Provide 0.47 FTE to increase staff support to the Historic Preservation program and increase funding for operating costs.
- Increase funding by \$372,657 to hire two new HVAC Inspectors with vehicles and two new Development Project Liaisons to help citizens and businesses navigate the development and permitting processes.
- Reduce the Residential Parking Fee for employees from \$20 a month to \$10 a month per City Council action in April (revenue decrease of \$91,438) and offset the loss of revenue by lowering a parking maintenance reserve and the professional services account.

Department Overview

Planning Services

Includes the Director's Office, which 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, dredging permits, and inspections are also coordinated through this office.

Comprehensive Planning

Prepares and maintains the City of Virginia Beach's Comprehensive Plan, which is City Council's statement regarding the future physical development of the City. This plan must be reviewed and updated every 5 years in accordance with state law. Provides plan interpretation through Comprehensive Plan consistency reviews for all discretionary development applications and some by-right development applications, and for potential property acquisition/disposition in the Accident Potential Zone-1/Clear Zones. Prepares City Design Guidelines as requested and administers the Planning Commission Design Awards Program. Provides staff support to various City Council-appointed boards, commissions and committees including the: Planning Commission, Historical Review Board, Historic Preservation Commission, Old Beach Design Review Committee, and Transition Area-ITA Citizens Advisory Committee.

Per Capita Expenditures



Note: the increase in FY 2016-17 per capita expenditures reflects the reorganization of the SGA Office with the Planning Department, which added costs and revenues for: resort programs and special events, parking operations, mass transit.

Current Planning and Zoning Administration

Provides staff support for the Planning Commission, 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, which ensures land use compliance with ordinances and plans. The zoning staff is responsible for the interpretation and enforcement of the City's Zoning Ordinance.

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 draining 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.

Permits and Inspections

Administers the Uniform Statewide Building Code and associated laws and ordinances. Also issues permits for, and performs inspections of, building construction, plumbing, electrical, and mechanical systems installation and alteration. Administers the Department of Environmental Quality Stormwater and Erosion and Sediment Control regulations as they apply to private development and franchise utilities.

Strategic Growth Areas (SGA)

Utilizes innovative land use planning, design, transportation, parking, marketing, and financial tools to implement the eight SGA Master Plans (Burton Station, Centerville, Hilltop, Lynnhaven, Newtown, Resort, Pembroke, and Rosemont), which will provide strategically located unique centers where people can work, live, and play.

Transportation Planning

Coordinates short and long-range multi-modal transportation issues (pedestrians, bicycles, vehicles, and public transit). Leads an interdepartmental team and works with Hampton Roads Transit (HRT) to study the potential extension of Light Rail into the City. Serves as the City's liaison with HRT, which provides mass transit and paratransit services to residents and visitors. Provides on-going professional planning and program management support to Virginia Beach Commissioners and City Council liaisons to the Transportation District Commission of Hampton Roads and actively participates in long-range strategic planning for regional public transportation. Also, serves as City Planning representatives on Hampton Roads Transportation Planning Organization's various committees reviewing and making recommendations on all regional transportation planning programs, projects and initiatives.

Key Performance Measures

Goal 1: Revitalize Neighborhoods and Plan for the Future
Goal 2: Be a Competitive, First Class Resort for Residents, Businesses & Tourists

Means to Residents:
 Protection of residents' property values, safe homes & buildings in the city, more attractive and inviting city

Means to Residents:
 Tourist amenities for use by residents, add value to the quality of life, and quality leisure activities for families

71.9% of citizens are satisfied with planning for residential development
 91.7% of residents are satisfied with the overall appearance of the city
 79.1% of residents satisfied with city's efforts to protect natural resources, the environment, & open green space

94.6% of residents agree they can conveniently access city services

96,052 permits & inspections with 35,976 permits issued
 29,624 zoning inspections with 1,590 zoning permits issued
 76 cases heard by the Board of Zoning Appeals
 2,868 plans reviewed in Development Services Center
 268 Joint Waterfront Plan Review permit applications

320 applications heard by Planning Commission/ City Council
 96 applications heard by Wetlands Board
 48 Chesapeake Bay Preservation heard

100% of special event applications processed within 15 days

800 vehicles per day for parking garages & 1,100 per day for surface lots with 0.7 parking space turnover rate for garages & parking lots

13,000 enforcement hours equaling 1.2 violations issued per hour
 15,000 parking violations issued

Trends & Issues

- ➡ The Planning Department will be working on multiple initiatives to address City Council priorities including:
 - Further development and review of the SGA assisted where applicable by the State Tourism Gap Financing Program (concrete pier project, etc.)
 - Working with a consultant on the Inter-Facility Traffic Area Master Plan update
 - Providing coordination and staff support for the Light Rail project
 - Coordination of the 19th Street Pedestrian Connection project
 - Working with Hampton Roads Transit on bus shelter expansion project
 - Will work with a consultant on a Resort Parking Strategy Plan
 - Working on rezoning related to Burton Station Development
 - Coordination of the ViBe Arts District project
 - Development of Zoning Code amendments for the Pembroke Strategic Growth Area

Major Budget Changes

	Change	Impact
↑	Reorganized the Strategic Growth Area Office under the Planning Department	The reorganization of the Strategic Growth Areas (SGA) Office consolidates all residential, commercial and transportation planning activities, and funding for mass transit services under the Planning Department. It also places the Parking Management Office, Resort Programs and Special Events Office under the Planning Department given their planning and regulatory activities. This reorganization added \$17.4 million in expenditures, \$16.6 million in department generated revenues, and 20.0 FTEs to the Planning Department Operating Budget. The SGA Departmental Resource Summary is attached to show the historical funding of the SGA Office.
↑	ITA Master Plan	Funding of \$375,000 was provided to update the Interfacility Traffic Area Master (ITA) Plan, which was originally adopted by City Council January 25, 2011. The document sets forth the City's plan for growth and development in the ITA area. The ITA is a flight corridor between Oceana Naval Air Station and the Fentress Landing Field in Chesapeake.
↑	Office Renovations	Funding of \$350,000 was provided to renovate the first floor of the Operations Building occupied by the Planning Department to improve workflow efficiencies and working conditions for employees and customers.
↑	Mass Transit Operations Cost Increase	<p>Total budgeted costs for HRT services increased \$638,097 to \$7,183,999 in FY 2016-17 from \$6,545,902 in FY 2015-16 due to increased service hours, remainder of costs owed to HRT for FY 2014-15 services as part of the annual accounting true-up analysis, and declining revenues from fare-box fees and State and Federal governments.</p> <p>As in FY 2015-16 budget, the FY 2016-17 budget includes the City's share of costs for rolling stock replacement of \$266,655 plus an additional \$90,834 to increase HRT's annual rolling stock capital replacement pool from \$1.5 million to \$2 million. The additional funding is contingent upon the other cities also committing funding to this effort. This effort by the 6-member localities will leverage \$62 million in non-local funding to replace 134 old buses and rebuild and repower an additional 160 buses to reduce the average age of the bus fleet from 9.9 years to the industry-standard average of 7 years by 2022. Reducing the age of the fleet should improve reliability of the fleet and lower operating and maintenance costs.</p>

Planning - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	1,270,791	1,467,877	1,957,139	489,262
Environment and Sustainability Office	347,875	357,717	774,900	417,183
Chesapeake Bay Program	220,645	220,861	0	(220,861)
Wetlands Program	136,330	143,402	0	(143,402)
Comprehensive Planning	524,076	596,773	406,363	(190,410)
Current Planning	437,047	463,578	399,895	(63,683)
Zoning Administration	1,157,817	1,197,311	1,192,066	(5,245)
Development Services Center	1,818,833	1,972,778	2,052,354	79,576
PU / Development Services	285,915	305,513	304,845	(668)
Building Permits and Inspections	3,607,222	3,877,846	3,901,813	23,967
Strategic Growth Areas	0	0	834,804	834,804
Transportation Planning	0	0	228,885	228,885
Chesapeake Bay Preservation Board	9,212	9,756	9,756	0
Wetlands Board	3,530	3,571	5,071	1,500
Planning Commission	22,275	23,687	26,687	3,000
Board of Zoning Appeals	15,029	18,208	16,708	(1,500)
Total Expenditures	9,856,595	10,658,878	12,111,286	1,452,408
<u>Revenues</u>				
Fees	4,879,967	5,004,286	5,214,501	210,215
State	3,540	0	0	0
Transfers	503,390	450,170	455,171	5,001
Total Revenues	5,386,897	5,454,456	5,669,672	215,216
General City Support	4,469,698	5,204,422	6,441,614	1,237,192
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
TIP Resort Programs & Special Events	0	0	4,225,946	4,225,946
Total Expenditures	0	0	4,225,946	4,225,946
<u>Revenues</u>				
Local Taxes	0	0	2,470,365	2,470,365
Fees	0	0	1,730,387	1,730,387
Transfers	0	0	25,194	25,194
Total Revenues	0	0	4,225,946	4,225,946
General City Support	0	0	0	0
<u>179 Multimodal Transportation Special Revenue Fund</u>				
<u>Expenditures</u>				
Mass Transit Operations	0	0	6,351,497	6,351,497
Trolley Mass Transit	0	0	832,502	832,502
Total Expenditures	0	0	7,183,999	7,183,999
<u>Revenues</u>				
Transfers	0	0	7,183,999	7,183,999
Total Revenues	0	0	7,183,999	7,183,999
General City Support	0	0	0	0

Planning - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Planning - Grants	1,150	0	0	0
Total Expenditures	1,150	0	0	0
General City Support	1,150	0	0	0
<u>253 Parking Enterprise Fund</u>				
<u>Expenditures</u>				
Parking Management	0	0	3,677,293	3,677,293
Retiree Health Insurance Expenditures	0	0	9,487	9,487
Parking Enterprise Fund	2,186,772	3,717,121	0	(3,717,121)
Debt Service	679,972	688,054	672,373	(15,681)
Reserve for Contingencies	0	307,252	21,512	(285,740)
Transfer to Other Funds	511,620	722,871	752,765	29,894
Total Expenditures	3,378,364	5,435,298	5,133,430	(301,868)
<u>Revenues</u>				
Fees	4,360,752	5,386,620	5,108,430	(278,190)
Transfers	0	48,678	25,000	(23,678)
Total Revenues	4,360,752	5,435,298	5,133,430	(301,868)
General City Support	(982,388)	0	0	0
Total Department Expenditure	13,236,109	16,094,176	28,654,661	12,560,485
Total Department Revenue	9,747,649	10,889,754	22,213,047	11,323,293
Total General City Support	3,488,460	5,204,422	6,441,614	1,237,192

Position Summary by Program

002 General Fund

Director's Office	10.00	10.00	11.00	1.00
Environment and Sustainability Office	3.00	3.00	7.00	4.00
Chesapeake Bay Program	2.00	2.00	0.00	-2.00
Wetlands Program	2.00	2.00	0.00	-2.00
Comprehensive Planning	5.00	5.50	3.97	-1.53
Current Planning	5.00	5.00	4.00	-1.00
Zoning Administration	14.00	14.00	14.00	0.00
Development Services Center	21.00	21.00	23.00	2.00
PU / Development Services	3.00	3.00	3.00	0.00
Building Permits and Inspections	51.00	50.00	52.00	2.00
Strategic Growth Areas	0.00	0.00	7.00	7.00
Transportation Planning	0.00	0.00	2.00	2.00
Total	116.00	115.50	126.97	11.47

152 Tourism Investment Program Fund

TIP Resort Programs & Special Events	0.00	0.00	7.00	7.00
Total	0.00	0.00	7.00	7.00

253 Parking Enterprise Fund

Parking Management	0.00	0.00	6.00	6.00
Parking Enterprise Fund	7.00	9.00	0.00	-9.00
Total	7.00	9.00	6.00	-3.00

Planning - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
Total Position Summary	123.00	124.50	139.97	15.47

Expenditure Category by Department

Personnel	9,319,192	10,152,340	11,290,828	1,138,488
Operating	2,595,769	4,200,546	15,856,072	11,655,526
Capital	129,556	23,113	61,111	37,998
Debt Service	679,972	688,054	672,373	(15,681)
Reserves	0	307,252	21,512	(285,740)
Transfers	511,620	722,871	752,765	29,894
Total Expenditures:	<u>13,236,109</u>	<u>16,094,176</u>	<u>28,654,661</u>	<u>12,560,485</u>

Revenue Category by Department

Hotel Room Tax	0	0	2,470,365	2,470,365
Permits, Privilege Fees, and Regulatory Licenses	4,248,419	4,618,645	5,175,194	556,549
From the Use of Money and Property	10,627	201,614	1,180,962	979,348
Charges for Services	4,882,495	5,372,347	5,043,362	(328,985)
Miscellaneous Revenue	13,824	0	3,800	3,800
Fines and Forfeitures	85,354	198,300	650,000	451,700
Other Sources from the Commonwealth	3,540	0	0	0
Transfers from Other Funds	503,390	498,848	7,689,364	7,190,516
Total Revenue:	<u>9,747,649</u>	<u>10,889,754</u>	<u>22,213,047</u>	<u>11,323,293</u>

Resource Summary Notes

The increase in FY 2016-17 budget reflects the reorganization of the Strategic Growth Areas Office (including Strategic Growth Areas and transportation planning, resort programs and special events, parking operations, and mass transit) with the Planning Department, which added \$17.4 million in expenditure, \$16.6 million in department generated revenues and 20 FTEs.

Strategic Growth Areas - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Mass Transit Operations	5,589,455	0	0	0
Strategic Growth Area	595,187	587,501	0	(587,501)
Resort Programs and Special Events	318,836	0	0	0
Transportation Planning	221,489	229,764	0	(229,764)
Total Expenditures	<u>6,724,966</u>	<u>817,265</u>	<u>0</u>	<u>(817,265)</u>
<u>Revenues</u>				
Fees	244,405	0	0	0
Total Revenues	<u>244,405</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>6,480,561</u>	<u>817,265</u>	<u>0</u>	<u>(817,265)</u>
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
TIP - Mass Transit Operations	759,355	0	0	0
TIP Special Events	3,386,296	3,940,476	0	(3,940,476)
Total Expenditures	<u>4,145,651</u>	<u>3,940,476</u>	<u>0</u>	<u>(3,940,476)</u>
<u>Revenues</u>				
Local Taxes	2,930,458	2,231,380	0	(2,231,380)
Fees	1,185,961	1,709,096	0	(1,709,096)
Total Revenues	<u>4,116,419</u>	<u>3,940,476</u>	<u>0</u>	<u>(3,940,476)</u>
General City Support	<u>29,232</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>179 Multimodal Transportation Special Revenue Fund</u>				
<u>Expenditures</u>				
Mass Transit Operations	0	5,771,212	0	(5,771,212)
Trolley Mass Transit	0	774,690	0	(774,690)
Total Expenditures	<u>0</u>	<u>6,545,902</u>	<u>0</u>	<u>(6,545,902)</u>
<u>Revenues</u>				
Transfers	0	6,545,902	0	(6,545,902)
Total Revenues	<u>0</u>	<u>6,545,902</u>	<u>0</u>	<u>(6,545,902)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	10,870,617	11,303,643	0	(11,303,643)
Total Department Revenue	4,360,825	10,486,378	0	(10,486,378)
Total General City Support	<u>6,509,793</u>	<u>817,265</u>	<u>0</u>	<u>(817,265)</u>

Position Summary by Program

<u>002 General Fund</u>				
Strategic Growth Area	5.00	5.00	0.00	-5.00
Resort Programs and Special Events	4.00	0.00	0.00	0.00
Transportation Planning	2.00	2.00	0.00	-2.00
Total	<u>11.00</u>	<u>7.00</u>	<u>0.00</u>	<u>-7.00</u>
<u>152 Tourism Investment Program Fund</u>				
TIP Special Events	0.00	4.00	0.00	-4.00
Total	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>	<u>-4.00</u>

Strategic Growth Areas - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
Total Position Summary	11.00	11.00	0.00	-11.00

Expenditure Category by Department

Personnel	1,013,575	1,084,600	0	(1,084,600)
Operating	9,857,042	10,219,043	0	(10,219,043)
Total Expenditures:	10,870,617	11,303,643	0	(11,303,643)

Revenue Category by Department

Hotel Room Tax	2,930,458	2,231,380	0	(2,231,380)
Permits, Privilege Fees, and Regulatory Licenses	260,424	200,046	0	(200,046)
From the Use of Money and Property	697,313	791,000	0	(791,000)
Charges for Services	2,000	0	0	0
Miscellaneous Revenue	3,510	4,050	0	(4,050)
Fines and Forfeitures	467,119	714,000	0	(714,000)
Transfers from Other Funds	0	6,545,902	0	(6,545,902)
Total Revenue:	4,360,825	10,486,378	0	(10,486,378)

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



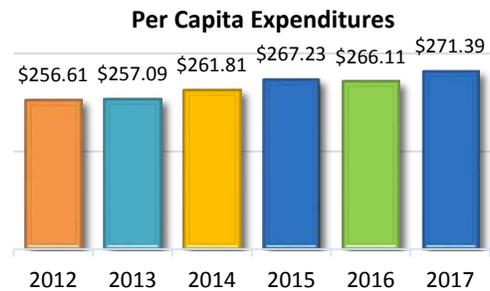
PUBLIC UTILITIES



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) to operate as a revenue-supported enterprise; 2) to provide quality public water and sanitary sewer service at reasonable costs; 3) to plan, build, operate and maintain facilities that meet community needs, environmental responsibilities and regulatory requirements; and 4) to develop an environment that fosters innovation and adaptability to meeting the needs of our customers.

Department Overview

The Department of Public Utilities provides water and sanitary sewer services to the residents of Virginia Beach. The water distribution system is part of the utility infrastructure that carries potable water from the water treatment plant and delivers it to customers. The system also provides water for 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 to one of two Hampton Roads Sanitation District sewer treatment plants in the city.



Public Utilities is primarily supported by a schedule of fees for water and sewer system connections and monthly 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 combined Public Utilities and Public Works City Services Bill includes charges for water supply, service availability, utility tax, sanitary sewer service, as well as storm water and the solid waste collection fee for Public Works. The Water and Sewer Enterprise Fund issues debt through revenue bond sales and maintains a strong AAA bond rating.

The core services provided by Public Utilities are divided into the following areas:

Engineering and Capital Construction

Includes the review, development and implementation (project management and construction inspection) of the capital improvement program for the water and sanitary sewer systems; coordination of departmental efforts to reduce/eliminate sanitary sewer overflows to comply with the Clean Water Act and other requirements of the U.S. Environmental Protection Agency and the Virginia Department of Environmental Quality's 2007 Hampton Roads Regional consent order; assessment of the city's water supply needs; operation and maintenance of the Lake Gaston and Stumpy Lake 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 the sanitary sewer service collection system to meet customer demands; monitoring, maintenance and repair of the city's water and sanitary sewer collection system including: 7 treated and 2 raw water pump stations, 12 water storage facilities, 408 sanitary sewer pump stations, 8,552 public fire hydrants, and other components of the utility systems such as mains and laterals; protection of the utility systems by location of facilities in accordance with the Underground Utility Damage Prevention Act; compliance with the Safe Drinking Water Act by collecting and analyzing water samples on a monthly, quarterly, semi-annual, and annual basis; and flushing water distribution lines to maintain water quality.

Business Operations

Includes management of the department's customer call center that answers over 130,000 calls annually about water, sewer, storm water and waste collection services and billing, customer transactions for 132,940 accounts (i.e. account initiation, billings, payment arrangements, revenue collection), sending over a million bi-monthly paper and electronic bill statements and delinquent notices annually for water, sewer, storm water and waste collection services, revenue collections exceeding \$185 million annually for four services, completing field service orders to initiate and discontinue water service; 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; administration of the Norfolk Water Services Contract; and production of various public education and awareness programs including water conservation, the Fats, Oils and Grease Program, and backflow prevention.

Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: Reliable city services that contributes to hassle-free daily living

Means to Residents: City services delivered in the most cost-effective manner

78.8% satisfied with the city's drinking water and wastewater collection services

100% of 2,400 water samples taken exceed water quality standards

Water meter reading error rate less than 0.1%

3,239 sewer stoppages
0.9 overflows/ 100 miles of pipe
681,757 feet of main cleaned
903 FOG program inspections

132,940 active water connections
1,523 fire hydrants serviced

772,091 water meter readings
5,532 water meters replaced

Trends and Issues

➔ Water Conservation Efforts Have Been Successful in Reducing Consumption

Public Utilities has experienced year-over-year declines in water consumption due to several factors: (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 growth in the number of new accounts is modest because the city's population is stable and new construction has still not recovered to levels seen before the economic downturn.

Major Budget Changes

	Change	Impact
↓	Meter Reading Positions -4 FTE	After an analysis of the current meter reading function, several opportunities to increase efficiency and implement alternative service options in this area were realized. Public Utilities anticipates utilizing contractual services to augment city personnel as the department explores the implementation of advanced metering technologies.
↑	Replacement of Radios \$2 million	The budget includes funding for the replacement of all of the departments current analog radios to include fixed base stations, mobile (vehicle) radios, and portables. The radios will be replaced with digital-capable radios.
↑	Pay-As-You Go Financing to the Water and Sewer CIP \$1.5 million	The budget includes an increase in the transfer to the Water and Sewer CIP. This cash funding to the CIP will be used in lieu of debt or other financing mechanisms.

Public Utilities - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>241 Water and Sewer Fund</u>				
<u>Expenditures</u>				
Director's Office	442,016	458,522	449,288	(9,234)
Engineering	8,601,176	9,968,465	10,420,897	452,432
Lake Gaston Facilities	1,721,696	3,346,966	3,300,000	(46,966)
Water Services Contract	23,770,632	24,943,865	25,294,000	350,135
Retiree Health Care	406,440	460,000	439,567	(20,433)
Operations Administration	4,651,582	5,230,104	6,735,054	1,504,950
Water Distribution	5,077,371	5,291,609	5,346,570	54,961
Water Pump Stations	35,775	0	0	0
Meter Operations	3,704,506	3,832,028	3,509,984	(322,044)
Electrical Support	1,574,788	1,705,466	1,482,990	(222,476)
Sewer Collection	7,755,765	7,869,235	6,563,894	(1,305,341)
Sewer Pump Stations	6,555,140	7,148,818	6,464,062	(684,756)
Business Division	6,957,884	7,849,632	8,978,525	1,128,893
Debt Service	18,118,977	24,801,983	24,809,333	7,350
Reserve for Contingencies	0	844,954	1,493,774	648,820
Transfer to Other Funds	17,891,482	16,930,132	18,466,048	1,535,916
Total Expenditures	<u>107,265,229</u>	<u>120,681,779</u>	<u>123,753,986</u>	<u>3,072,207</u>
<u>Revenues</u>				
Fees	127,463,265	118,575,489	121,320,068	2,744,579
Federal	943,947	936,823	936,823	0
Transfers	1,188,650	1,169,467	1,497,095	327,628
Total Revenues	<u>129,595,862</u>	<u>120,681,779</u>	<u>123,753,986</u>	<u>3,072,207</u>
General City Support	<u>(22,330,633)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	107,265,229	120,681,779	123,753,986	3,072,207
Total Department Revenue	129,595,862	120,681,779	123,753,986	3,072,207
Total General City Support	<u>(22,330,633)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Position Summary by Program

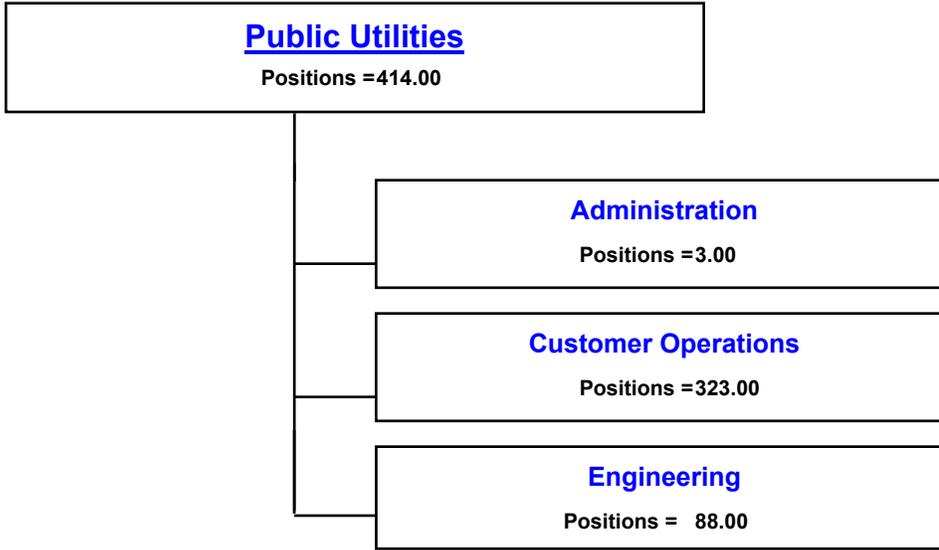
241 Water and Sewer Fund

Director's Office	3.00	3.00	3.00	0.00
Engineering	88.00	88.00	88.00	0.00
Operations Administration	36.00	36.00	36.00	0.00
Water Distribution	48.00	48.00	48.00	0.00
Meter Operations	43.00	43.00	39.00	-4.00
Electrical Support	15.00	17.00	17.00	0.00
Sewer Collection	62.00	62.00	62.00	0.00
Sewer Pump Stations	51.00	51.00	51.00	0.00
Business Division	69.00	70.00	70.00	0.00
Total	<u>415.00</u>	<u>418.00</u>	<u>414.00</u>	<u>-4.00</u>
Total Position Summary	<u>415.00</u>	<u>418.00</u>	<u>414.00</u>	<u>-4.00</u>

Public Utilities - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel	29,313,014	31,325,804	31,152,369	(173,435)
Operating	39,613,694	44,850,156	44,904,712	54,556
Capital	1,901,456	1,419,000	2,380,000	961,000
Debt Service	18,118,977	24,803,483	24,810,833	7,350
Reserves	0	844,954	1,493,774	648,820
Transfers	17,891,482	16,930,132	18,466,048	1,535,916
Depreciation and Bad Debt Expense	426,605	508,250	546,250	38,000
Total Expenditures:	<u>107,265,229</u>	<u>120,681,779</u>	<u>123,753,986</u>	<u>3,072,207</u>
<u>Revenue Category by Department</u>				
From the Use of Money and Property	602,792	385,151	401,600	16,449
Charges for Services	120,984,825	115,920,600	118,203,578	2,282,978
Miscellaneous Revenue	280,085	395,078	215,000	(180,078)
Revenue from the Federal Government	943,947	936,823	936,823	0
Non-Revenue Receipts	5,595,562	1,874,660	2,499,890	625,230
Transfers from Other Funds	1,188,650	1,169,467	1,497,095	327,628
Total Revenue:	<u>129,595,862</u>	<u>120,681,779</u>	<u>123,753,986</u>	<u>3,072,207</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

Infrastructure Maintenance, Repairs and Asset Management

This is the primary interface of the Public Works Department with the citizens and city employees. Public Works receives, records, investigates, and resolves reports of deficiencies that require maintenance, repair, and restoration. Assets managed include all city owned facilities; all roadways, bridges, curbs, gutters, sidewalks, storm water pipe, swales, roadside and off-road ditch network; storm water BMP inspections; public beaches; navigational maintenance dredging of waterways; traffic management operations, traffic signs, intersection traffic signals; mosquito control, reporting and mosquito population assessment. Public Works uses various asset management methods to determine necessary maintenance cycles; provides engineering design and solutions in support of maintenance; and administers architectural and engineering services on construction contracts.

Capital Construction and Replacement

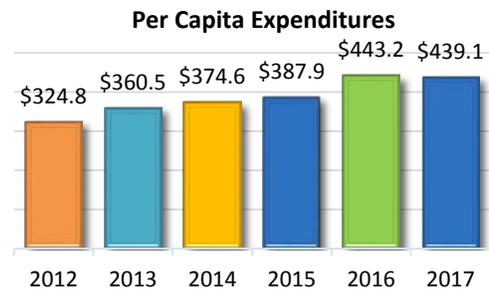
This includes system planning, design, acquisition of property, project management, construction, and inspection of all new and replacement roadways, storm water, coastal, and building infrastructure, as well as parks and recreation and other large capital projects. Public Works develops project scopes, coordinates with numerous city, state, and federal agencies, coordinates with citizens, develops design plans that are functional, low maintenance, and ensures quality control during construction.

Waste Management

This includes long range planning, providing citywide residential 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 the point of contact between the city and the Southeastern Public Service Authority (SPSA), 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, fire and rescue apparatus, helicopters, boat motors, and generators. Automotive Services provides fuel and motor pool services to all city agencies.



Key Performance Measures

Goal: Improve the Transportation System

Means to Residents: Safer streets for automobile, pedestrians and bike travel

Means to Residents: More predictable/ acceptable travel times "point A to point B"

81% street system meeting the minimum physical condition rating

71.4% of citizens are satisfied or very satisfied with the maintenance of existing city roads

50.3% of citizens are satisfied or very satisfied with the flow of traffic in the city

19% percent of lane miles in the two lowest grades for transportation efficiency

Reconstruct/ repave 12 lane miles

28 year roadways resurfacing cycle

Goal: Revitalize Neighborhoods and Plan for the Future

Means to Residents: Safe homes and buildings in the city

Means to Residents: Protection of residents property values

Achieve 8-10 year ditch cleaning cycle

95 year lake dredging cycle

Responsible for overall maintenance of 2,500 miles of pipe, 15 pump stations & 58 dams and spillways

-15.88 miles of ditch cleaned
-Maintenance of 460 miles of road side ditches
-Maintenance of 160 miles off road ditches

-Dredge four lakes
-Removal of 69,100 cubic yards of material

-481,000 Linear feet of pipe cleaned
-1,051 cave in repairs on structures



Trends & Issues

- In the infancy of the Waste Management Enterprise Fund, several necessary items were delayed until a point in time when the fund was more sustainable. One of the most critical items underfunded to this point is the replacement of capital outlay (trucks) as needed. Per the FY 2014-15 City Comprehensive Annual Financial Report (CAFR), the Waste Management Fund balance is negative. Changes in GASB laws now require pension liabilities to show in the accounting of enterprise funds. This change has put the fund balance in a negative position. Future projections do not have the Waste Management Fund growing out of this negative fund balance nor addressing the backlog of equipment needing replacement with the current rate of \$21.36 being in place. A rate increase of \$1.64 per month is proposed in the budget to address the aforementioned concerns.
- Storm Water's implementation of Virginia Pollutant Discharge Elimination System (VPDES) Municipal Separate Storm Sewer System (MS4) permit mandates will have an impact on the city for years to come. State and federal mandates will continue to become more stringent in the monitoring and reporting of pollutants that enter the waterways. With the renewal of each five year permit, requirements tighten on the number of pollutants allowed to enter the waterways. Most significantly, implementation of the Chesapeake Bay pollution reductions are to be phased in with the first phase costing \$10 million over the next five years. Phase II is anticipated to cost \$75 million with Phase III estimated to cost an additional \$250 million. Three additional positions were included in the FY 2016-17 Operating Budget to begin addressing these mandates. In the future, rate increases will be necessary to address these mandates as the related costs grow. There is no rate increase proposed in FY 2016-17.
- The budget includes the reorganization of Public Work's Facilities Management group. This group now consist of the Facilities Management Office, Energy Management Office, Facilities Design and Construction and Building Maintenance. The consolidation of these divisions will streamline and foster efficiencies in the maintenance and construction of city buildings.
- In an effort to increase efficiencies and savings, Public Works assumes the responsibility of providing custodial services to the Aquarium. Previously these services were provided through Aquarium staff; however, the budget includes funding for these services to be provided on a contractual basis resulting in a reduction of 8.25 FTEs in Aquariums.
- Based on the current market assessment, the city's fuel budget for FY 2016-17 has been reduced by \$1 million when comparing it to the FY 2015-16 budget. The decline in fuel prices over the last couple of years has resulted in a significant savings for the city. These funds have been diverted elsewhere within the operating budget to address other demands for services. A fuel reserve is included in the operating budget;

however, should the market change and fuel prices significantly increase staff may need to approach City Council for additional appropriation authority to purchase fuel.

- ➡ Mosquito control operations consist of spraying for mosquitoes, controlling spray run off, and clearing waterway blockage to prevent stagnant water. In previous years mosquito control was funded in part by the General Fund and by the Storm Water Fund. Mosquito controls mission and objectives better align with the objectives and goals of the Storm Water Fund; therefore, mosquito control will be fully funded through the Storm Water Fund.

Major Budget Changes

	Change	Impact
↓	Reduction of Motor Equipment Operators	Reduction of nine Waste Management Motor Equipment Operator FTEs. Routing efficiencies will allow this reduction to occur with no impact to current services.
↑	Increase in Waste Management Fee	Proposed increase of \$1.64 in the Waste Management Fee is included in the FY 2016-17 Operating Budget. Additional information is provided in the Trends and Issues section.
↓	Reduction of Street Maintenance	Reduction of \$1.5 million in street paving. Repaving cycle for the city will be once every 28 years.
↑	Addition of Light Rail Office	Addition of 5 FTEs and operating supplies for the creation of a Light Rail Office to oversee the design and build of Light Rail. Included is cost for leasing space at Town Center as well as equipment such as computers, equipment, etc. These cost will be charged to the Light Rail CIP Project.
↑	Bronze Statue Maintenance	Additional funding for the maintenance of bronze sculptures at the oceanfront. This need arose from a condition assessment completed in FY 2013-14.
↓	Reduction in Fuel Cost for City	Reduction of \$1 million in fuel cost to reflect current prices. There is no reduction in service anticipated from this change.
↔	Move of Mosquito Control from General Fund to Storm Water Fund	Mosquito Control moved from the General Fund to the Storm Water Fund (20 positions). Additional information is provided in the Trends and Issues section.
↔	Contracting Out Enhanced Street Sweeping Initiative	Per City Council's recommendation, Storm Water intends to contract out the street sweeping expansion initiative funded as a part of the FY 2015-16 Operating Budget.
↑	Increase in Storm Water Staff	Addition of three FTEs to begin addressing Municipal Separate Storm Sewer System (MS4) permit requirements. Impact of these mandates are discussed in the Trends and Issues.
↑	Addition of Accountant III FTE	Addition of a full-time Accountant III to the Waste Management Fund. This position is to provide additional financial oversight for the enterprise fund.
↔	Transfer from General Fund to Waste Management Enterprise Fund for loss of SPSA revenue	Included in Public Works FY 2016-17 Operating Budget is a transfer of \$10 million from the General Fund to the Waste Management Enterprise Fund. The capped rate agreement with SPSA ended in January 2016. The tipping fee increased from the previously capped rate of \$56 per ton to \$125 per ton. The General Fund provided a transfer of \$5 million in FY 2015-16 to offset this loss for half of the fiscal year. A total of \$10 million is needed to offset the loss of SPSA revenue for the full fiscal year 2016-17. The tipping fee is anticipated to remain at \$125 per ton until January 2018 when it is anticipated to decline. Until that point in time it is anticipated that the General Fund will continue to provide an annual transfer to the Waste Management Enterprise fund to fill this void.

Public Works - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	125,822	297,629	297,114	(515)
Business Center	6,860,390	7,228,784	7,171,301	(57,483)
Contracts	451,956	512,711	482,538	(30,173)
Facilities Management	524,804	539,899	963,651	423,752
Energy Management	0	0	191,643	191,643
Real Estate	928,677	970,257	912,345	(57,912)
Engineering Program Management	969,932	854,171	868,869	14,698
Surveys	1,140,219	1,229,901	1,221,608	(8,293)
Engineering Technical Support	331,405	449,623	348,516	(101,107)
Traffic Engineering	1,367,719	1,447,051	1,409,776	(37,275)
Transportation Program and Project Management	1,575,110	1,813,863	1,741,969	(71,894)
Engineering and Construction Management Services	1,058,472	1,103,416	1,122,479	19,063
Coastal Program and Project Management	502,219	477,127	453,695	(23,432)
Facilities Design and Construction	674,946	817,497	795,544	(21,953)
Street Light Installations	322,089	510,000	510,000	0
Operations Management Support	1,044,089	1,173,919	1,106,813	(67,106)
Technical Services and Asset Management	1,074,942	1,141,012	1,109,997	(31,015)
Infrastructure Maintenance Contracts	662,016	673,611	717,799	44,188
Infrastructure Maintenance Support	839,016	855,029	959,684	104,655
Street Maintenance	14,076,352	16,186,268	14,666,472	(1,519,796)
Dredge Maintenance	1,571,943	2,095,568	1,582,157	(513,411)
Mosquito Control	1,279,906	1,467,513	0	(1,467,513)
Traffic Management Operations	4,468,253	4,710,593	4,925,301	214,708
Beach Operations	1,537,234	0	0	0
Bridge Maintenance	363,737	435,884	888,175	452,291
PW - Capital Maintenance	35,450	0	0	0
Beach Operations Residential Beaches	0	321,571	328,678	7,107
Building Maintenance Management and Support	7,605,600	8,011,331	8,487,852	476,521
Electrical	1,897,560	1,911,496	1,808,277	(103,219)
Heat and Air Conditioning	2,093,539	2,062,497	2,058,316	(4,181)
General Maintenance	3,369,454	3,416,817	3,143,306	(273,511)
Custodial	3,762,806	3,860,943	4,256,605	395,662
Resort Building Maintenance	426,689	595,148	588,220	(6,928)
Total Expenditures	62,942,347	67,171,129	65,118,700	(2,052,429)
<u>Revenues</u>				
Fees	465,259	587,500	717,500	130,000
State	38,787,967	40,913,140	40,913,140	0
Transfers	2,345,727	2,349,380	2,349,380	0
Total Revenues	41,598,953	43,850,020	43,980,020	130,000
General City Support	21,343,394	23,321,109	21,138,680	(2,182,429)

Public Works - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>151 Parks and Recreation Special Revenue Fund</u>				
<u>Expenditures</u>				
Recreation Centers Building Maintenance	2,538,508	2,638,206	2,631,292	(6,914)
Total Expenditures	<u>2,538,508</u>	<u>2,638,206</u>	<u>2,631,292</u>	<u>(6,914)</u>
<u>Revenues</u>				
Local Taxes	2,408,341	2,334,812	2,631,292	296,480
Transfers	0	303,394	0	(303,394)
Total Revenues	<u>2,408,341</u>	<u>2,638,206</u>	<u>2,631,292</u>	<u>(6,914)</u>
General City Support	<u>130,168</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
TIP - Recycling	52,000	52,000	52,000	0
TIP Beach Operations	387,634	1,614,632	1,740,856	126,224
TIP Resort Building Maintenance	470,643	513,735	577,816	64,081
Total Expenditures	<u>910,277</u>	<u>2,180,367</u>	<u>2,370,672</u>	<u>190,305</u>
<u>Revenues</u>				
Local Taxes	980,261	2,180,367	2,370,672	190,305
Total Revenues	<u>980,261</u>	<u>2,180,367</u>	<u>2,370,672</u>	<u>190,305</u>
General City Support	<u>(69,985)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>172 Open Space Special Revenue Fund</u>				
<u>Expenditures</u>				
Open Space - Surveys	0	5,000	0	(5,000)
Total Expenditures	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
<u>Revenues</u>				
Local Taxes	15,402	5,000	0	(5,000)
Total Revenues	<u>15,402</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
General City Support	<u>(15,402)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>179 Multimodal Transportation Special Revenue Fund</u>				
<u>Expenditures</u>				
Reserve for Contingencies	0	15,314,718	15,710,723	396,005
Transfer to Other Funds	0	10,247,630	10,517,959	270,329
Total Expenditures	<u>0</u>	<u>25,562,348</u>	<u>26,228,682</u>	<u>666,334</u>
<u>Revenues</u>				
Local Taxes	0	25,562,348	26,228,682	666,334
Total Revenues	<u>0</u>	<u>25,562,348</u>	<u>26,228,682</u>	<u>666,334</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Works - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Public Works - Grants	(513,943)	15,000	15,000	0
Total Expenditures	<u>(513,943)</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
<u>Revenues</u>				
State	182,200	0	0	0
Federal	672,230	15,000	15,000	0
Total Revenues	<u>854,430</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
General City Support	<u>(1,368,373)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>254 Waste Management Enterprise Fund</u>				
<u>Expenditures</u>				
WM Program Support	974,822	970,924	1,064,013	93,089
WM Bureau of Waste Disposal	18,242,407	18,863,798	18,541,141	(322,657)
WM Bureau of Waste Collection	12,443,875	13,339,830	14,096,320	756,490
WM Yard Debris & Hazardous Household Waste	1,922,688	2,272,044	1,715,252	(556,792)
WM Recycling	4,629,727	4,986,099	5,204,706	218,607
Retiree Health Insurance	0	0	173,929	173,929
WM Reserve for Contingencies	0	426,108	1,279,615	853,507
Transfer to Other Funds	2,627,847	2,666,501	2,818,909	152,408
Total Expenditures	<u>40,841,365</u>	<u>43,525,304</u>	<u>44,893,885</u>	<u>1,368,581</u>
<u>Revenues</u>				
Fees	43,457,679	37,313,127	34,786,380	(2,526,747)
State	45,023	45,000	45,000	0
Transfers	0	5,166,556	10,062,505	4,895,949
Fund Balance	0	1,000,621	0	(1,000,621)
Total Revenues	<u>43,502,703</u>	<u>43,525,304</u>	<u>44,893,885</u>	<u>1,368,581</u>
General City Support	<u>(2,661,337)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Works - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>255 Storm Water Utility Enterprise Fund</u>				
<u>Expenditures</u>				
SWU - Project Management	2,148,561	2,818,254	2,273,774	(544,480)
SWU - Customer Service	64,502	99,761	38,893	(60,868)
SWU - Operations and Maintenance	12,544,428	13,976,435	13,499,699	(476,736)
SWU - Inspections and Environmental Spill Response	711,062	848,011	705,072	(142,939)
SWU - Street Sweeping	391,872	2,536,372	2,955,162	418,790
SWU - Construction and Engineering	628,172	1,417,624	2,053,852	636,228
SWU - Surface Water Regulatory Compliance	0	0	1,050,258	1,050,258
SWU - Mosquito Control	0	0	2,418,701	2,418,701
Retiree Health Insurance	0	0	177,092	177,092
Debt Service	675,693	3,398,368	3,397,182	(1,186)
Debt Service (General)	(33,064)	0	0	0
Reserve for Contingencies	0	3,542,526	795,995	(2,746,531)
Transfer to Other Funds	11,593,385	11,140,151	10,494,003	(646,148)
Total Expenditures	<u>28,724,612</u>	<u>39,777,502</u>	<u>39,859,683</u>	<u>82,181</u>
<u>Revenues</u>				
Fees	39,554,673	39,480,032	39,562,213	82,181
Federal	267,309	267,597	267,597	0
Transfers	30,000	29,873	29,873	0
Total Revenues	<u>39,851,981</u>	<u>39,777,502</u>	<u>39,859,683</u>	<u>82,181</u>
General City Support	<u>(11,127,369)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>606 City Garage Internal Service Fund</u>				
<u>Expenditures</u>				
Automotive Services	12,172,946	12,891,733	12,876,125	(15,608)
Motor Pool	278,507	398,504	269,712	(128,792)
Reserve for Contingencies	0	0	152,423	152,423
Total Expenditures	<u>12,451,453</u>	<u>13,290,237</u>	<u>13,298,260</u>	<u>8,023</u>
<u>Revenues</u>				
Fees	12,233,923	12,952,277	13,069,390	117,113
Fund Balance	0	337,960	228,870	(109,090)
Total Revenues	<u>12,233,923</u>	<u>13,290,237</u>	<u>13,298,260</u>	<u>8,023</u>
General City Support	<u>217,530</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>610 Capital Projects Internal Service Fund</u>				
<u>Expenditures</u>				
Capital Projects - PW Light Rail Office	0	0	771,187	771,187
Capital Projects - PW Energy	4,720	0	50,856	50,856
Capital Projects - Public Works	182,575	285,426	317,604	32,178
Total Expenditures	<u>187,295</u>	<u>285,426</u>	<u>1,139,647</u>	<u>854,221</u>
<u>Revenues</u>				
Fees	187,295	285,426	1,139,647	854,221
Total Revenues	<u>187,295</u>	<u>285,426</u>	<u>1,139,647</u>	<u>854,221</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Works - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>616 Fuels Internal Service Fund</u>				
<u>Expenditures</u>				
Fuels	5,631,907	6,547,122	5,475,919	(1,071,203)
Reserve for Contingencies	0	3,382	0	(3,382)
Total Expenditures	<u>5,631,907</u>	<u>6,550,504</u>	<u>5,475,919</u>	<u>(1,074,585)</u>
<u>Revenues</u>				
Fees	5,731,512	6,410,504	5,475,919	(934,585)
Fund Balance	0	140,000	0	(140,000)
Total Revenues	<u>5,731,512</u>	<u>6,550,504</u>	<u>5,475,919</u>	<u>(1,074,585)</u>
General City Support	<u>(99,604)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	153,713,821	201,001,023	201,031,740	30,717
Total Department Revenue	<u>147,364,800</u>	<u>177,679,914</u>	<u>179,893,060</u>	<u>2,213,146</u>
Total General City Support	<u>6,349,021</u>	<u>23,321,109</u>	<u>21,138,680</u>	<u>(2,182,429)</u>

Position Summary by Program

002 General Fund

Director's Office	2.00	2.00	2.00	0.00
Business Center	12.00	12.00	10.00	-2.00
Contracts	7.00	7.00	7.00	0.00
Facilities Management	3.00	3.00	8.00	5.00
Energy Management	0.00	0.00	2.00	2.00
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	3.00	-1.00
Traffic Engineering	14.00	14.00	14.00	0.00
Transportation Program and Project Management	15.00	16.00	15.00	-1.00
Engineering and Construction Management Services	11.00	11.00	11.00	0.00
Coastal Program and Project Management	4.00	4.00	4.00	0.00
Facilities Design and Construction	6.00	7.00	7.00	0.00
Operations Management Support	14.00	14.00	13.00	-1.00
Technical Services and Asset Management	10.00	9.00	8.00	-1.00
Infrastructure Maintenance Contracts	7.00	7.00	7.00	0.00
Infrastructure Maintenance Support	9.00	9.00	9.00	0.00
Street Maintenance	60.00	60.00	60.00	0.00
Dredge Maintenance	21.00	21.00	21.00	0.00
Mosquito Control	19.00	18.00	0.00	-18.00
Traffic Management Operations	41.88	41.88	42.88	1.00
Beach Operations	9.00	0.00	0.00	0.00
Bridge Maintenance	6.00	6.00	7.00	1.00
Beach Operations Residential Beaches	0.00	4.00	4.00	0.00
Building Maintenance Management and Support	13.00	13.00	14.00	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	39.00	-4.00

Public Works - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>002 General Fund</u>				
Custodial	60.00	60.00	58.00	-2.00
Resort Building Maintenance	3.00	3.00	3.00	0.00
Total	<u>472.88</u>	<u>467.88</u>	<u>447.88</u>	<u>-20.00</u>
<u>151 Parks and Recreation Special Revenue Fund</u>				
Recreation Centers Building Maintenance	4.00	4.00	4.00	0.00
Total	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>
<u>152 Tourism Investment Program Fund</u>				
TIP Beach Operations	5.00	10.00	10.00	0.00
TIP Resort Building Maintenance	8.00	8.00	8.00	0.00
Total	<u>13.00</u>	<u>18.00</u>	<u>18.00</u>	<u>0.00</u>
<u>254 Waste Management Enterprise Fund</u>				
WM Program Support	15.00	13.00	14.00	1.00
WM Bureau of Waste Disposal	10.00	10.00	10.00	0.00
WM Bureau of Waste Collection	135.00	134.00	125.00	-9.00
WM Yard Debris & Hazardous Household Waste	5.00	5.00	5.00	0.00
WM Recycling	2.00	3.00	3.00	0.00
Total	<u>167.00</u>	<u>165.00</u>	<u>157.00</u>	<u>-8.00</u>
<u>255 Storm Water Utility Enterprise Fund</u>				
SWU - Project Management	23.00	23.00	19.00	-4.00
SWU - Customer Service	1.00	0.00	0.00	0.00
SWU - Operations and Maintenance	111.00	112.00	96.00	-16.00
SWU - Inspections and Environmental Spill Response	9.00	9.00	7.00	-2.00
SWU - Street Sweeping	4.00	11.00	6.00	-5.00
SWU - Construction and Engineering	8.00	12.00	20.00	8.00
SWU - Surface Water Regulatory Compliance	0.00	0.00	8.00	8.00
SWU - Mosquito Control	0.00	0.00	34.00	34.00
Total	<u>156.00</u>	<u>167.00</u>	<u>190.00</u>	<u>23.00</u>
<u>606 City Garage Internal Service Fund</u>				
Automotive Services	78.00	78.00	78.00	0.00
Total	<u>78.00</u>	<u>78.00</u>	<u>78.00</u>	<u>0.00</u>
<u>610 Capital Projects Internal Service Fund</u>				
Capital Projects - PW Light Rail Office	0.00	0.00	5.00	5.00
Capital Projects - Public Works	3.00	3.00	3.00	0.00
Total	<u>3.00</u>	<u>3.00</u>	<u>8.00</u>	<u>5.00</u>
Total Position Summary	<u>893.88</u>	<u>902.88</u>	<u>902.88</u>	<u>0.00</u>

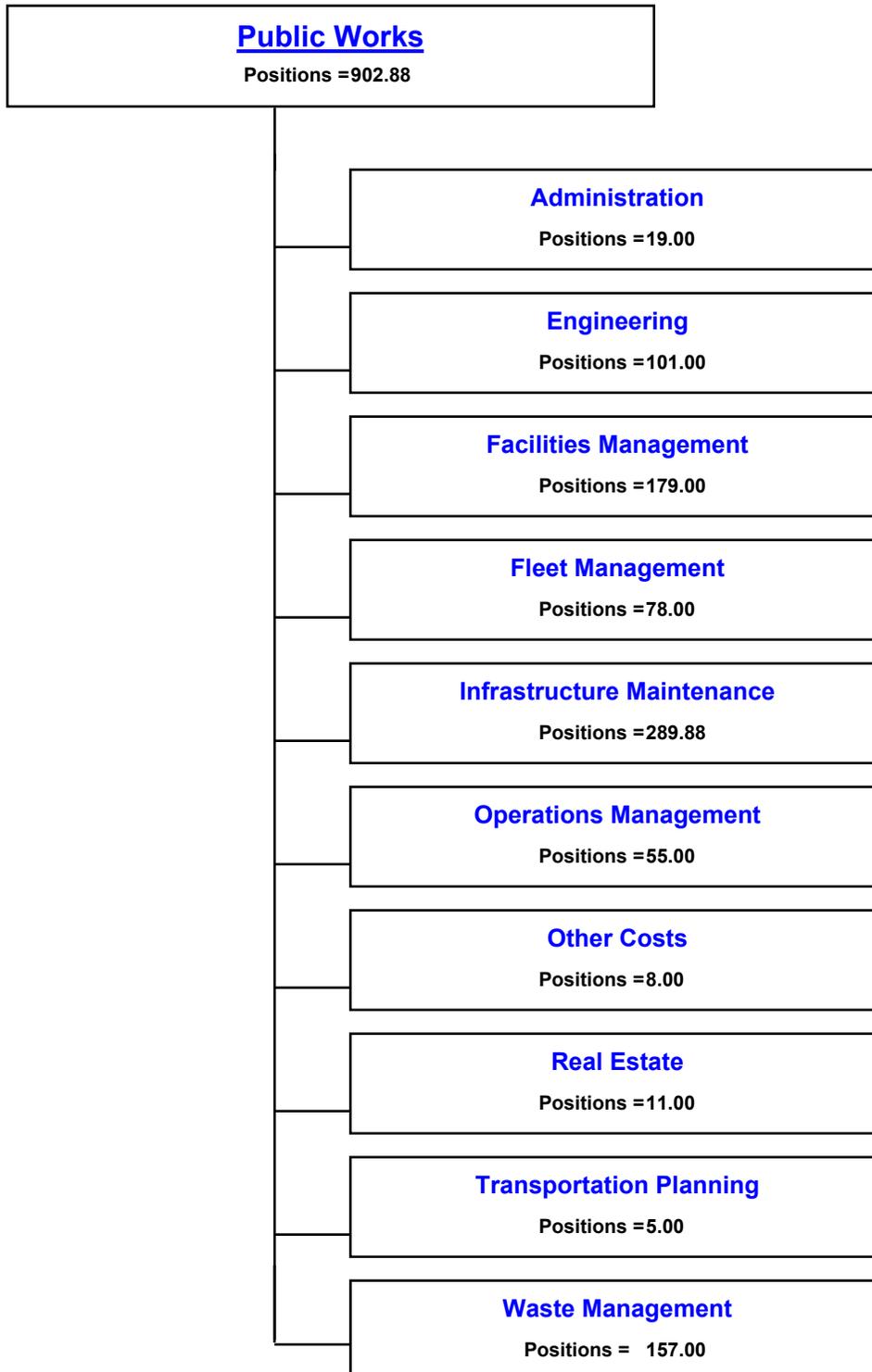
Expenditure Category by Department

Personnel	57,418,820	62,811,896	63,658,608	846,712
Operating	77,589,176	83,114,035	88,539,538	5,425,503
Capital	3,806,312	8,325,708	3,633,277	(4,692,431)
Debt Service	1,459,949	3,398,368	3,397,182	(1,186)
Reserves	0	19,286,734	17,962,264	(1,324,470)
Transfers	14,221,232	24,054,282	23,830,871	(223,411)
Depreciation and Bad Debt Expense	(781,667)	10,000	10,000	0
Total Expenditures:	<u>153,713,821</u>	<u>201,001,023</u>	<u>201,031,740</u>	<u>30,717</u>

Public Works - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Revenue Category by Department</u>				
Real Estate	2,408,341	23,547,406	24,403,468	856,062
Automobile License	0	1,925,000	1,867,242	(57,758)
Hotel Room Tax	980,261	2,180,367	2,370,672	190,305
Restaurant Meal Tax	15,402	2,429,754	2,589,264	159,510
Permits, Privilege Fees, and Regulatory Licenses	129,080	140,000	125,000	(15,000)
From the Use of Money and Property	292,234	210,000	215,000	5,000
Charges for Services	99,483,890	95,082,107	92,859,119	(2,222,988)
Miscellaneous Revenue	1,496,012	1,596,759	1,551,930	(44,829)
Other Sources from the Commonwealth	39,015,190	40,958,140	40,958,140	0
Revenue from the Federal Government	939,539	282,597	282,597	0
Non-Revenue Receipts	229,125	0	0	0
Transfers from Other Funds	2,375,727	7,849,203	12,441,758	4,592,555
Specific Fund Reserves	0	1,478,581	228,870	(1,249,711)
Total Revenue:	<u>147,364,800</u>	<u>177,679,914</u>	<u>179,893,060</u>	<u>2,213,146</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



AQUARIUM AND HISTORIC HOUSES



The mission of the Department of Aquarium and Historic Houses is to contribute to the quality of life, economic vitality, and education of the citizens and visitors to the City of Virginia Beach through the operations of our world-class aquarium and history museums.

City Council Amendment

- Restore city funding at FY 2015-16 levels for the Atlantic Waterfowl Museum (\$13,033) and for the Lifesaving Museum (\$14,908).
- Historic Homes – provide 2 FTEs (part-time employees with other operating costs) to increase the operating hours at the city owned historic homes. In order to try and increase attendance, eliminate the general admission fee at the homes, but retain admissions for special events.

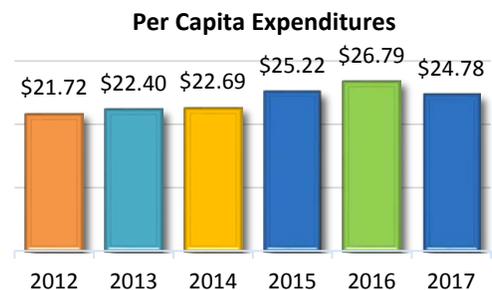
Department Overview

Aquarium

The Aquarium is a public-private partnership between the City of Virginia Beach and the Virginia Aquarium & Marine Science Center Foundation which is a 501c3 nonprofit. The city owns and maintains the Aquarium's buildings and provides administrative support while the foundation procures and maintains the collection of animals and exhibits. The Foundation is also responsible for fundraising efforts and various scientific research, education, and conservation programs. The Aquarium features a variety of attractions for visitors including over 800,000 gallons of aquarium to explore, a National Geographic 3D Theater, coastal boat trips, a zip line and aerial adventure park, and a rotating collection of other exhibits.

Historic Houses

This division includes the Francis Land House, the Adam Thoroughgood House, the Lynnhaven House, the Atlantic Wildfowl Heritage Museum at the de Witt Cottage, the Old Coast Guard Station Museum, the Ferry Plantation House, and the Princess Anne County Training School/Union Kempsville High School Museum located in the Renaissance Academy.



Key Performance Measures

Goal: Be a Competitive, First Class Resort for Residents, Businesses and Tourists

Means to Residents: New tourist dollars to the local economy

Means to Residents: Tourist amenities for use by residents and add value to the quality of life

\$7.67M in revenue generated by the Aquarium

95.6% of residents report satisfaction with museums, the aquarium, and cultural arts activities

\$6.30 generated per visitor by the digital theater, \$2.20 by the Aquarium store, and \$8.50 by Aquarium admissions

7,971 Aquarium memberships and 595,579 visitors to the Aquarium

Trends & Issues

- ➔ The federal government has greatly reduced the amount of grant support for science and research since 2008. As a result, this has affected the funding levels for the Aquarium's Research and Conservation programs. Future federal funding for these initiatives is questionable, so additional funding from the city may be needed in the future for these programs to continue.

Major Budget Changes

	Change	Impact
↑	Aquarium Veterinarian	Added a full-time veterinarian to the Aquarium to ensure the highest quality of care for the animals, especially as more exhibits open in the coming years. This begins to address the City Council priority for the creation of the Discovery and Veterinary Care Center at the Aquarium. The design of the project was funded in the FY 2015-16 CIP with funding for construction planned in FY 2017-18 – FY 2018-19.
↓	Historic Houses Budget Cuts	Reduced the operating hours for all Historic Houses from six days per week to three days per week while also eliminating 2.47 part-time positions.
↓	Custodial Services for the Aquarium Moved to Public Works	Aquariums created additional savings by allowing Public Works to contract out their custodial services at a lower cost than they were able to provide themselves. As a result, 8.25 positions were eliminated from the Aquarium's budget.

Aquarium and Historic Houses - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Aquarium & Marine Science Center Administration	1,495,444	1,555,748	1,498,647	(57,101)
Aquarium Stores	914,895	918,623	955,549	36,926
Aquarium Custodial Services	372,654	419,146	0	(419,146)
Aquarium 3D Theater	1,091,062	382,480	359,429	(23,051)
Aquarium Education	563,922	601,472	635,859	34,387
Aquarium Exhibits & Facilities	1,318,717	1,330,331	1,249,512	(80,819)
Aquarium Marketing	835,784	899,312	1,112,107	212,795
Aquarium Research & Conservation	412,321	407,278	469,091	61,813
Aquarium Guest Operations	590,473	828,424	724,308	(104,116)
Aquarium Foundation	1,080,780	1,514,134	1,404,176	(109,958)
Aquarium Live Exhibits & Animal Husbandry	1,909,921	2,430,286	2,307,165	(123,121)
Francis Land House	1,402	0	0	0
Historic Homes Administration	72,233	0	0	0
Union Kempsville High School Museum	500	0	0	0
Historic Houses	533,142	859,772	742,840	(116,932)
Historic Preservation	201,359	0	0	0
Total Expenditures	<u>11,394,608</u>	<u>12,147,006</u>	<u>11,458,683</u>	<u>(688,323)</u>
<u>Revenues</u>				
Fees	9,461,830	10,102,633	9,996,736	(105,897)
Total Revenues	<u>9,461,830</u>	<u>10,102,633</u>	<u>9,996,736</u>	<u>(105,897)</u>
General City Support	<u>1,932,778</u>	<u>2,044,373</u>	<u>1,461,947</u>	<u>(582,426)</u>
Total Department Expenditure	11,394,608	12,147,006	11,458,683	(688,323)
Total Department Revenue	9,461,830	10,102,633	9,996,736	(105,897)
Total General City Support	<u>1,932,778</u>	<u>2,044,373</u>	<u>1,461,947</u>	<u>(582,426)</u>

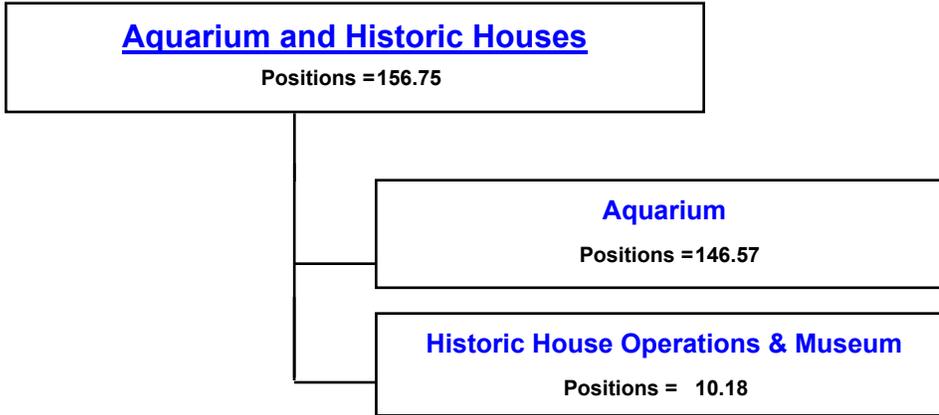
Position Summary by Program

<u>002 General Fund</u>				
Aquarium & Marine Science Center Administration	10.00	11.00	11.00	0.00
Aquarium Stores	7.47	6.72	7.39	0.67
Aquarium Custodial Services	8.01	8.25	0.00	-8.25
Aquarium 3D Theater	1.85	1.85	1.85	0.00
Aquarium Education	13.62	13.02	14.02	1.00
Aquarium Exhibits & Facilities	12.13	14.30	14.90	0.60
Aquarium Marketing	4.00	4.00	5.85	1.85
Aquarium Research & Conservation	3.81	3.81	5.31	1.50
Aquarium Guest Operations	19.36	17.36	17.86	0.50
Aquarium Foundation	29.60	33.86	30.26	-3.60
Aquarium Live Exhibits & Animal Husbandry	38.13	38.65	38.13	-0.52
Historic Houses	11.99	11.65	10.18	-1.47
Historic Preservation	1.00	0.00	0.00	0.00
Total	<u>160.97</u>	<u>164.47</u>	<u>156.75</u>	<u>-7.72</u>
Total Position Summary	<u>160.97</u>	<u>164.47</u>	<u>156.75</u>	<u>-7.72</u>

Aquarium and Historic Houses - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel	7,041,631	8,040,557	7,663,900	(376,657)
Operating	3,714,361	4,101,245	3,794,783	(306,462)
Capital	638,616	5,204	0	(5,204)
Total Expenditures:	<u>11,394,608</u>	<u>12,147,006</u>	<u>11,458,683</u>	<u>(688,323)</u>
<u>Revenue Category by Department</u>				
From the Use of Money and Property	45,959	32,900	37,000	4,100
Charges for Services	8,289,815	8,358,250	8,475,025	116,775
Miscellaneous Revenue	1,126,056	1,711,483	1,484,711	(226,772)
Total Revenue:	<u>9,461,830</u>	<u>10,102,633</u>	<u>9,996,736</u>	<u>(105,897)</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

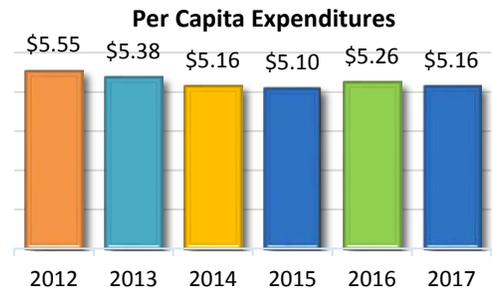
City Council Amendment

- Increase the funding for the Arts and Humanities Commission by \$25,000 to address the increased demand for art grants through the program.
- Increase funding to the Museum of Contemporary Arts (MOCA) by \$50,000 to support their art exhibit, Turn the Page: The First Ten Years of Hi-Fructose.

Department 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 capital basis, and grants are provided to local arts organizations. The Office is also responsible for:

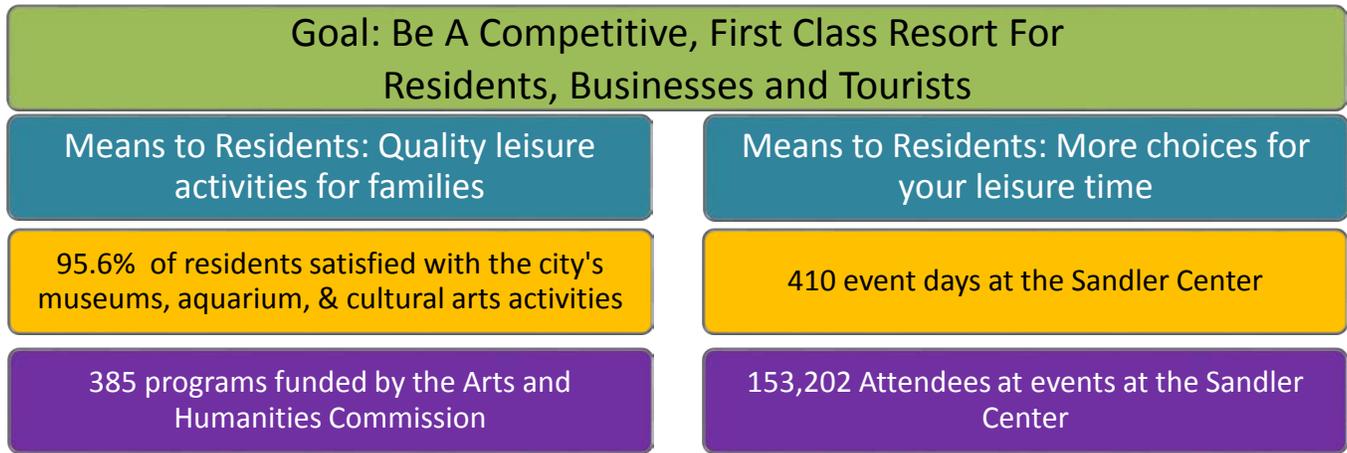
- ➔ Overseeing the Sandler Center for the Performing Arts, a 1,300 seat theatre which opened in the fall of 2007 at Town Center and is managed by a private contractor.
- ➔ Acting as the liaison to the ViBe Creative District, established near the resort area in April 2015.
- ➔ Overseeing the city's public art program and works in conjunction with the Virginia Beach Public Art Foundation and the Public Art Committee to commission works of art for public spaces.
- ➔ Providing a grant to the Virginia Museum of Contemporary Arts for utilities and educational programs.
- ➔ Budget support for the Boardwalk Art Show funded by the Tourism Investment Program fund.



After over a year of public comment, in December 2015, Cultural Affairs released the first-year citywide strategic plan for the arts entitled Arts Plan 2030, which provides goals and strategies for art development over the next 15 years.

The Envision Virginia Beach 2040 report speaks to the importance of a culturally rich environment, the importance of public art, and a “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.

Key Performance Measures



Trends and Issues

- ➔ The operating budget includes a city contribution to the Sandler Center for the Performing Arts Foundation as outlined in a July 1, 2008 Memorandum of Understanding between the city and the Foundation because the Foundation repaid the Capital Campaign proceeds to the city earlier than required. Contributions will span a 10-year period from 2008 to 2017.
- ➔ Based on an Economic Impact Study in 2008-2009, the arts are a \$56.8 million industry in Virginia Beach, with audiences spending on average \$30.44 per person in addition to the cost of event admission, providing 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 study is currently being updated and a new report will be released in 2017.
- ➔ 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. 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 2014-15 are listed below.

Organization	Amount	Organization	Amount
Ballet	10,000	Little Theatre of Virginia Beach	22,000
Old Coast Guard Station	5,000	Symphonicity	62,100
Teens with a Purpose	1,000	Tidewater Arts Outreach	6,500
The Tidewater Winds	13,000	Virginia Arts Festival	18,000
Virginia Beach Forum	13,000	Virginia Museum of Contemporary Arts	120,000
Virginia Musical Theatre	100,000	Virginia Opera Association, Inc.	15,000
Virginia Stage Company	5,000	Virginia Symphony Orchestra	72,000
World Affairs Council of Greater Hampton Roads	4,000	Young Audiences of Virginia, Inc.	10,000

- ➔ The Arts and Humanities Commission also budgeted \$3,000 in FY 2015-16 for Leadership and Organizational Development 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 \$500 to help them achieve greater levels of productivity for improved public value and sustainability.

Cultural Affairs - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Cultural Affairs	404,176	567,924	561,920	(6,004)
Sandler Center	874,972	1,041,607	1,015,680	(25,927)
Contemporary Arts Center Grant	230,000	225,000	275,000	50,000
Arts and Humanities Commission	524,022	500,000	525,000	25,000
Total Expenditures	<u>2,033,170</u>	<u>2,334,531</u>	<u>2,377,600</u>	<u>43,069</u>
<u>Revenues</u>				
Fees	0	33,607	13,680	(19,927)
State	5,000	5,000	5,000	0
Total Revenues	<u>5,000</u>	<u>38,607</u>	<u>18,680</u>	<u>(19,927)</u>
General City Support	<u>2,028,170</u>	<u>2,295,924</u>	<u>2,358,920</u>	<u>62,996</u>
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
Cultural Affairs - TIP	50,500	50,500	50,500	0
Total Expenditures	<u>50,500</u>	<u>50,500</u>	<u>50,500</u>	<u>0</u>
<u>Revenues</u>				
Local Taxes	52,952	50,500	50,500	0
Total Revenues	<u>52,952</u>	<u>50,500</u>	<u>50,500</u>	<u>0</u>
General City Support	<u>(2,452)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	2,083,670	2,385,031	2,428,100	43,069
Total Department Revenue	57,952	89,107	69,180	(19,927)
Total General City Support	<u>2,025,719</u>	<u>2,295,924</u>	<u>2,358,920</u>	<u>62,996</u>

Position Summary by Program

002 General Fund

Cultural Affairs	3.00	3.00	3.00	0.00
Total	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
Total Position Summary	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>

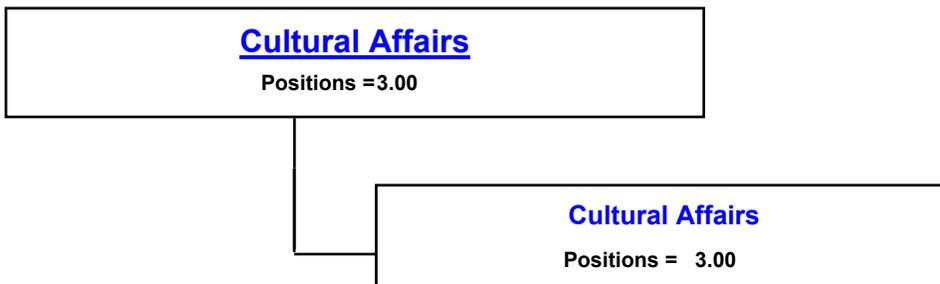
Expenditure Category by Department

Personnel	252,244	287,869	289,750	1,881
Operating	1,831,427	2,097,162	2,138,350	41,188
Total Expenditures:	<u>2,083,670</u>	<u>2,385,031</u>	<u>2,428,100</u>	<u>43,069</u>

Revenue Category by Department

Hotel Room Tax	52,952	50,500	50,500	0
From the Use of Money and Property	0	33,607	13,680	(19,927)
Other Sources from the Commonwealth	5,000	5,000	5,000	0
Total Revenue:	<u>57,952</u>	<u>89,107</u>	<u>69,180</u>	<u>(19,927)</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department 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 Building Systems

Responsible for budgeting, finance, human resources, marketing, resource development, sponsorships, partnerships, and information systems management for all divisions.

Planning, Design, and Development

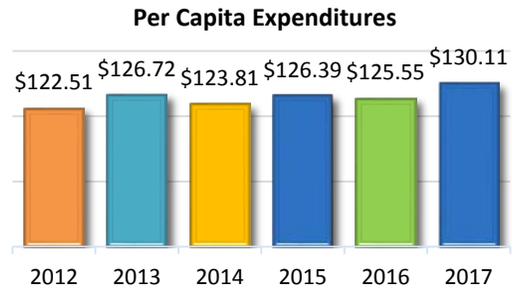
Manages the construction and replacement of parks and recreation facilities, the city's Open Space Program and implements the Virginia Beach Outdoors and Bikeways and Trails Plans. Oversees the development and implementation of the department's CIP.

Programming and Operations

Includes all indoor and outdoor recreation and park operations and programs, the Youth Opportunities Office, operation of the 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.



Key Performance Measures

Goal 1: Revitalize Neighborhoods and Plan for the Future
Goal 2: Be A Competitive, First Class Resort For Residents, Businesses and Tourists

Means to Residents: More attractive and inviting city				Means to Residents : More choices for your leisure time		Means to Residents: Quality leisure activities for families	
91.7% of residents satisfied with the appearance of the city		79.1% satisfied with efforts to protect natural resources, the environment, & open space		97.3% of residents satisfied with city recreation centers		93.5% of residents satisfied with city Parks	
18 day average mowing cycle for divided roadways		17.5 acres of open space aquired 3% of open space acres developed		<u>Recreation Centers:</u> 2 million visitors, 49.6% report a member of their household has used in past year		<u>City Parks:</u> 2.9 million visitors, 75.6% report a member of their household has visited in past year	

Trends and Issues

➤ The Future of the Pottery and Ceramics Program

The Pottery and Ceramics Studio is one of the buildings at the department's City-Wide Programs Office complex. The buildings at this complex are over 70 years old and are in deteriorating condition. The original buildings, built in 1940, housed troops to staff the Nike Hercules missile base. The buildings have been maintained over the years, but have exceeded their expected life. They require frequent and extensive repairs and expensive ongoing maintenance.

Within the next 18 months, the City-Wide Programs Office will be relocating. With this transition on the horizon, the department researched options for relocating the pottery and ceramics classes. Parks and Recreation Planning, Design and Development staff worked diligently with a consultant group to determine the feasibility of modifying another existing facility, such as the Great Neck Recreation Center. This option was determined to be cost prohibitive (at over \$1 million). Additionally, the program has been suffering from declining attendance causing a number of the classes to be cancelled.

A detailed strategic planning process was completed in October 2015. This process included thorough analysis of all programs and services on the basis of fit with the departmental mission, cost recovery, demand, and alternate providers. The analysis demonstrated that it is not economically feasible or practical to continue the pottery and ceramics program at its current location and as it currently exists.

While funding is included to continue the program in FY 2016-17, department staff is partnering with the Cultural Affairs Office and various private entities to determine if other options can be developed to continue the program in a different location. Potential opportunities exist within the newly created ViBes District which is well suited for such a program. Once a sustainable business model can be created, staff will work with partners to determine what assets can be provided from the existing studio and a transition plan will be created.

Major Budget Changes

	Change	Impact
↑	Reopening of New Kempsville Recreation Center	<p>The Kempsville Community Recreation Center is scheduled to open in January, 2017. Costs included in the budget are for 6-months of operation and include 51.27 FTE comprised of recreation center staff and an expansion of the out-of-school time program staff to accommodate an additional recreation center. The new recreation center is being opened without requiring any additional funding from the city's General Fund and instead is funded with an increase in dedicated funding through the real estate tax, fees, and reduced costs throughout the department's budget. The re-opening of Kempsville will bring the total number of city recreation centers to seven.</p> <p>Debt service costs are also increasing in the operating budget as bonds for the portion of the Kempsville Recreation Center project that were funded by debt have been issued.</p>
↔	Williams Farm Recreation Center Moved into Dedicated Funding Stream	<p>When Williams Farm was built and opened to the public, the dedicated funding stream that was implemented based on the referendum in 1987 to fund the construction and operation of city recreation centers was insufficient to cover debt service (construction of the building) and operations. Instead, these costs were covered by the General Fund. As part of the FY 2016-17 budget, adequate capacity exists within the dedicated funding stream and the revenue generated by the seven recreation centers to redirect (to Landscape Management) the portion of the General Fund that was used to fund Williams Farm and transition those costs to the dedicated funding stream.</p>
↑	Fee Increases – Recreation Centers	<p>In January 2014, the department began a strategic planning process facilitated by a firm specializing in Parks and Recreation industry standards. One of the results of this process was a revision to the department's current cost recovery model. The model assigns programs a certain tier dependent on the ratio of individual benefit to community benefits. The higher the individual benefit, the higher the cost recovery ratio, and conversely, the larger the community benefit, the lower the cost recovery ratio.</p> <p>Based on these recommendations, as well as a study of the market, multiple types of recreation center memberships will be increased by 14% beginning July 1, 2016. Fee increases will apply to annual memberships, non-resident memberships, and day passes. The senior membership age will be raised from 60 to 65 years old (current senior membership holders will be grandfathered). Additionally, the child membership will be eliminated and new members in that age category will require a youth membership (ages 3 to 17).</p> <p>A complete list of fee increases for the department are included in the Appendix section of the Executive Summary.</p>
↑	Premier Membership	<p>This will be an optional new tier of membership at the city's seven recreation centers. This tier will include all of the current membership privileges with the addition of unlimited group fitness. The cost of this membership for a Virginia Beach resident will be \$285 annually or \$34 on the month to month membership.</p>

	Change	Impact
↓	Discontinuance of Kinderbuddies at Glenwood and Thalia Elementary Schools	Due to low enrollment, the school-based Kinderbuddies programs at Glenwood and Thalia elementary schools will be closed. KinderQuest afternoon programs will continue at Thoroughgood and Cooke Elementary schools. Kinderbuddies programs will continue to be offered at the recreation centers.
↑	Drop in Child Care	In order to make the recreation centers more accessible to parents/ caregivers with young children, and in an effort to attract new members, drop in child care will be offered at all seven community recreation centers for 2 ½ hours in the morning Monday through Friday, 4 hours in the afternoon Monday through Thursday and 3 hours on Saturday mornings. Youth must be at least 3 years of age. The fee for this service will be \$20 per month per child.
↓	Special Events	Reduction in the number of special events being offered. The department will no longer offer the Native American Pow Wow, Star Party, Artisans in the Park, Family Fishing Clinic, and Sk8r Bash. Similar events are being offered by other agencies.

Parks and Recreation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Landscape Asset Management	2,130,443	2,362,506	2,369,379	6,873
Landscape Maintenance Management	6,137,438	6,897,828	7,122,775	224,947
Landscape Life Cycle Management	3,273,586	3,151,423	3,107,693	(43,730)
Landscape Special Zone Management - Resort Area	1,301,813	820,678	797,009	(23,669)
Landscape Special Zones Management - Municipal Center	756,452	724,215	712,027	(12,188)
Total Expenditures	<u>13,599,732</u>	<u>13,956,650</u>	<u>14,108,883</u>	<u>152,233</u>
<u>Revenues</u>				
Fees	21,494	35,677	36,705	1,028
State	6,135,392	5,038,000	5,038,000	0
Transfers	592,513	659,361	703,102	43,741
Total Revenues	<u>6,749,399</u>	<u>5,733,038</u>	<u>5,777,807</u>	<u>44,769</u>
General City Support	<u>6,850,333</u>	<u>8,223,612</u>	<u>8,331,076</u>	<u>107,464</u>

151 Parks and Recreation Special Revenue Fund

<u>Expenditures</u>				
Director's Office	286,408	318,411	317,069	(1,342)
Planning, Design and Development	682,407	645,196	643,091	(2,105)
Business Systems	880,794	1,088,945	1,098,680	9,735
Parks and Recreation Human Resources	504,300	563,087	572,376	9,289
Parks and Natural Areas	2,078,042	2,213,142	2,168,354	(44,788)
Lynnhaven Boat Ramp and Beach Facility	126,013	143,357	140,912	(2,445)
Outdoor Programming and Special Events	493,943	494,981	399,099	(95,882)
Little Island Park	220,528	223,558	219,955	(3,603)
Lynnhaven Municipal Marina	34,941	34,256	18,529	(15,727)
Owl Creek Municipal Tennis Center	275,293	0	0	0
Recreation Centers Landscaping	48,653	56,033	152,988	96,955
Sports Management	106,419	107,697	160,002	52,305
CRC - Kempsville	1,795,362	0	1,290,321	1,290,321
CRC- Bow Creek	156,055	1,990,216	1,968,495	(21,721)
CRC- Seatack	975,391	1,072,677	1,065,269	(7,408)
CRC - Great Neck	1,784,104	1,892,591	1,910,168	17,577
CRC - Bayside	1,840,076	1,891,617	1,896,591	4,974
CRC - Princess Anne	1,766,440	1,919,585	1,888,723	(30,862)
CRS-Williams Farm	1,753,539	1,893,465	1,790,754	(102,711)
Out-of-School Time - Recreation Center Based	2,121,505	2,455,960	2,878,042	422,082
Programming and Operations Administration	562,075	508,269	573,609	65,340
Marketing and Resource Development	875,706	963,734	847,978	(115,756)
Youth Opportunities Office	313,363	422,219	401,556	(20,663)
Athletic Leagues	709,761	896,649	757,103	(139,546)
Therapeutic Recreation Programs	494,336	537,998	504,794	(33,204)
Athletic Complexes	686,358	728,449	800,521	72,072
Inclusion Services	266,555	262,697	630,635	367,938
Out-of-School Time - School Based	4,424,076	4,703,699	4,474,452	(229,247)
Landscape Special Zone Management - Princess Anne	460,595	636,448	610,868	(25,580)
Athletic Complex				
Pottery and Ceramics	29,174	37,116	49,489	12,373
Debt Service	3,283,781	3,774,676	4,673,630	898,954
Reserve for Contingencies	0	160,016	393,900	233,884
Future C.I.P. Commitments	0	0	237,346	237,346
Transfer to Other Funds	5,891,307	2,511,550	1,561,550	(950,000)
Total Expenditures	<u>35,927,298</u>	<u>35,148,294</u>	<u>37,096,849</u>	<u>1,948,555</u>

Parks and Recreation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>151 Parks and Recreation Special Revenue Fund</u>				
<u>Revenues</u>				
Local Taxes	14,882,063	15,475,570	15,648,922	173,352
Fees	14,528,265	15,218,577	16,793,190	1,574,613
State	16,504	15,750	24,250	8,500
Transfers	4,544,380	4,411,397	4,603,487	192,090
Fund Balance	0	27,000	27,000	0
Total Revenues	33,971,212	35,148,294	37,096,849	1,948,555
General City Support	1,956,086	0	0	0
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
Landscape Special Zone Management - TIP Resort Area	123,168	621,868	627,026	5,158
Total Expenditures	123,168	621,868	627,026	5,158
<u>Revenues</u>				
Local Taxes	141,688	621,868	627,026	5,158
Total Revenues	141,688	621,868	627,026	5,158
General City Support	(18,520)	0	0	0
<u>172 Open Space Special Revenue Fund</u>				
<u>Expenditures</u>				
Open Space Management and Maintenance	282,510	334,932	344,714	9,782
Open Space Planning	180,064	187,796	187,836	40
Debt Service	2,564,852	2,571,781	2,582,588	10,807
Reserve for Contingencies	0	0	9,022	9,022
Transfer to Other Funds	1,100,000	0	0	0
Total Expenditures	4,127,426	3,094,509	3,124,160	29,651
<u>Revenues</u>				
Local Taxes	4,772,418	2,419,755	2,589,265	169,510
Fees	396	0	0	0
Fund Balance	0	674,754	534,895	(139,859)
Total Revenues	4,772,814	3,094,509	3,124,160	29,651
General City Support	(645,388)	0	0	0
<u>174 Town Center Special Service District</u>				
<u>Expenditures</u>				
Landscape Special Zone Management - Town Center	29,338	46,309	50,508	4,199
Total Expenditures	29,338	46,309	50,508	4,199
<u>Revenues</u>				
Local Taxes	51,651	46,309	50,508	4,199
Total Revenues	51,651	46,309	50,508	4,199
General City Support	(22,312)	0	0	0

Parks and Recreation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Parks and Recreation - Grants	47,461	0	0	0
Total Expenditures	<u>47,461</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Fees	1,000	0	0	0
Federal	43,468	0	0	0
Total Revenues	<u>44,468</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>2,993</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>613 School Landscaping Internal Service Fund</u>				
<u>Expenditures</u>				
Schools Landscaping	4,017,362	3,861,712	4,040,845	179,133
Reserve for Contingencies	0	22,640	127,063	104,423
Total Expenditures	<u>4,017,362</u>	<u>3,884,352</u>	<u>4,167,908</u>	<u>283,556</u>
<u>Revenues</u>				
Fees	3,885,789	3,884,352	4,167,908	283,556
Total Revenues	<u>3,885,789</u>	<u>3,884,352</u>	<u>4,167,908</u>	<u>283,556</u>
General City Support	<u>131,573</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>908 City Beautification Fund</u>				
<u>Expenditures</u>				
Landscape Beautification Projects	75,689	100,000	100,000	0
Total Expenditures	<u>75,689</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	62,320	100,000	100,000	0
Total Revenues	<u>62,320</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
General City Support	<u>13,368</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>911 Parks and Recreation Gift Fund</u>				
<u>Expenditures</u>				
Parks and Recreation Gift Fund	17,463	30,000	30,000	0
Sponsorships / Partnerships	20,690	50,000	25,000	(25,000)
Total Expenditures	<u>38,153</u>	<u>80,000</u>	<u>55,000</u>	<u>(25,000)</u>
<u>Revenues</u>				
Fees	50,438	80,000	55,000	(25,000)
Total Revenues	<u>50,438</u>	<u>80,000</u>	<u>55,000</u>	<u>(25,000)</u>
General City Support	<u>(12,286)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	57,985,628	56,931,982	59,330,334	2,398,352
Total Department Revenue	49,729,780	48,708,370	50,999,258	2,290,888
Total General City Support	<u>8,255,847</u>	<u>8,223,612</u>	<u>8,331,076</u>	<u>107,464</u>

Position Summary by Program

<u>002 General Fund</u>				
Landscape Asset Management	24.00	24.00	24.00	0.00

Parks and Recreation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>002 General Fund</u>				
Landscape Maintenance Management	81.00	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	11.00	11.00	0.00
Landscape Special Zones Management - Municipal Center	14.00	14.00	14.00	0.00
Total	<u>178.00</u>	<u>169.00</u>	<u>169.00</u>	<u>0.00</u>
<u>151 Parks and Recreation Special Revenue Fund</u>				
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	8.72	8.72	0.00
Parks and Natural Areas	45.56	50.31	49.70	-0.61
Lynnhaven Boat Ramp and Beach Facility	4.10	4.10	4.10	0.00
Outdoor Programming and Special Events	9.18	8.12	5.84	-2.28
Little Island Park	6.55	6.55	6.55	0.00
Lynnhaven Municipal Marina	0.75	0.75	0.00	-0.75
Owl Creek Municipal Tennis Center	3.31	0.00	0.00	0.00
Sports Management	1.00	1.00	2.00	1.00
CRC - Kempsville	39.39	0.00	39.91	39.91
CRC- Bow Creek	0.00	40.12	40.54	0.42
CRC- Seatack	21.95	21.95	20.92	-1.03
CRC - Great Neck	38.49	37.46	38.74	1.28
CRC - Bayside	38.95	37.22	37.64	0.42
CRC - Princess Anne	39.63	38.36	38.85	0.49
CRS-Williams Farm	43.03	42.31	40.63	-1.68
Out-of-School Time - Recreation Center Based	60.58	66.58	84.69	18.11
Programming and Operations Administration	8.00	5.00	6.00	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	11.47	12.47	9.50	-2.97
Therapeutic Recreation Programs	13.32	13.32	12.82	-0.50
Athletic Complexes	10.77	10.77	12.54	1.77
Inclusion Services	11.02	7.52	13.52	6.00
Out-of-School Time - School Based	137.56	132.80	124.02	-8.78
Landscape Special Zone Management - Princess Anne Athletic Complex	8.00	9.00	7.00	-2.00
Pottery and Ceramics	1.33	1.30	1.67	0.37
Total	<u>590.66</u>	<u>584.73</u>	<u>634.90</u>	<u>50.17</u>
<u>152 Tourism Investment Program Fund</u>				
Landscape Special Zone Management - TIP Resort Area	1.00	10.00	10.00	0.00
Total	<u>1.00</u>	<u>10.00</u>	<u>10.00</u>	<u>0.00</u>
<u>172 Open Space Special Revenue Fund</u>				
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	<u>7.40</u>	<u>7.40</u>	<u>7.40</u>	<u>0.00</u>

Parks and Recreation - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>613 School Landscaping Internal Service Fund</u>				
Schools Landscaping	61.00	59.00	61.00	2.00
Total	61.00	59.00	61.00	2.00
Total Position Summary	838.06	830.13	882.30	52.17

Expenditure Category by Department

Personnel	34,438,690	36,886,628	38,291,628	1,405,000
Operating	10,450,981	10,903,587	11,393,607	490,020
Capital	256,017	82,800	60,000	(22,800)
Debt Service	5,848,633	6,346,457	7,256,218	909,761
Reserves	0	200,960	767,331	566,371
Transfers	6,991,307	2,511,550	1,561,550	(950,000)
Total Expenditures:	57,985,628	56,931,982	59,330,334	2,398,352

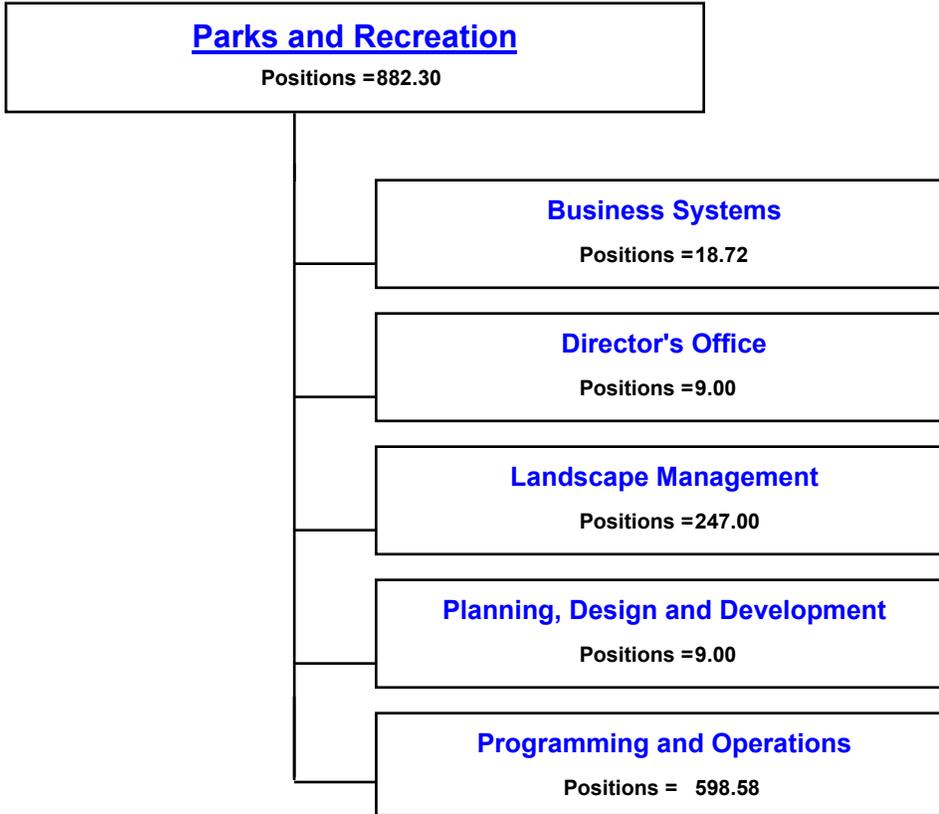
Revenue Category by Department

Real Estate	14,933,714	15,521,879	15,699,430	177,551
Hotel Room Tax	141,688	621,868	627,026	5,158
Restaurant Meal Tax	4,772,418	2,419,755	2,589,265	169,510
Permits, Privilege Fees, and Regulatory Licenses	4,368	1,375	1,375	0
From the Use of Money and Property	1,596,221	1,644,904	1,679,934	35,030
Charges for Services	16,828,271	17,476,551	19,305,094	1,828,543
Miscellaneous Revenue	120,842	195,776	166,400	(29,376)
Other Sources from the Commonwealth	6,151,897	5,053,750	5,062,250	8,500
Revenue from the Federal Government	43,468	0	0	0
Transfers from Other Funds	5,136,893	5,070,758	5,306,589	235,831
Specific Fund Reserves	0	701,754	561,895	(139,859)
Total Revenue:	49,729,780	48,708,370	50,999,258	2,290,888

Resource Summary Notes

Reflects the reopening of the Kempsville Community Recreation Center in January 2017.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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 materials, and to promote reading as a critical life skill and an enjoyable activity for the entire Virginia Beach community.

City Council Amendment

- Restore library books and materials to FY 2015-16 levels (\$105,651).

Department Overview

Virginia Beach Public Libraries includes 10 locations and a digital presence which provide residents with a vast collection of resources and educational programming. Although the Library collects some revenues from fines, fees, and state aid, most of its funding is provided by the city. Some of the department's major programs are highlighted below:

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; however, because of its affiliation with Tidewater Community College, it has extended hours of operation.

The Wahab Public Law Library

This library assists students, members of the general public, and legal professionals 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.

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.

Early Literacy Outreach (Bookmobile)

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

This is 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.

Per Capita Expenditures



Key Performance Measures

Goal: Be a Competitive, First Class Resort for Residents, Businesses, and Tourists

Means to Residents: Quality leisure activities for families

43,138 visitors attended library programs

654,000 children's materials circulated

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services that are readily accessible and are provided in a customer friendly manner

88.8% of customers report satisfaction with the collection

1.7M visitors to the library and 2.7M visitors to the city's virtual library resources

838,086 materials in circulation

298,440 registered borrowers, of which 158,746 are active within the past 12 months

Trends & Issues

- An increase in the popularity of library programming led to a meeting room shortage as library staff competed with community groups for use of shared meeting spaces. In response to this, the library has shifted their meeting room usage to focus more on meeting the needs of library programming.

Major Budget Changes

	Change	Impact
↓	Reduction of 2 FTE's	Both positions eliminated as a result of departmental efficiency savings.
↑	Meeting Room Fee Increase	Adjusting the fee structure for the Library's meeting rooms will generate an estimated \$50,000 in extra revenue for the department.
↓	Two Budget Units Merged to Create Additional Savings	Materials Management and Technology Services budget units were merged into Support Services to streamline operations.
↓	Law Library Reductions	Eliminated one time funding for Law Library renovation project.

Library - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	1,407,838	1,437,437	1,484,024	46,587
Meyera E. Oberndorf Central Library	2,609,907	2,704,141	2,518,103	(186,038)
Great Neck Area Library	648,473	683,184	641,534	(41,650)
Bayside Area Library	903,949	950,491	946,491	(4,000)
Oceanfront Area Library	730,944	760,216	754,651	(5,565)
Kempsville Area Library	1,082,408	1,170,217	1,156,566	(13,651)
Windsor Woods Area Library	609,643	641,384	644,035	2,651
Pungo - Blackwater Area Library	381,495	435,161	407,034	(28,127)
Princess Anne Area Library	1,024,489	1,108,795	1,120,150	11,355
Joint Use Library	1,809,951	1,936,237	1,875,022	(61,215)
Mobile Services	5,514	0	0	0
Records Management	400,879	412,633	346,766	(65,867)
Technology Services	975,665	974,361	0	(974,361)
Materials Management	3,730,715	3,653,923	0	(3,653,923)
Support Services	0	0	4,392,695	4,392,695
Youth and Family Services	1,012,473	1,102,256	1,233,235	130,979
Total Expenditures	17,334,345	17,970,436	17,520,306	(450,130)
<u>Revenues</u>				
Fees	525,710	510,172	560,172	50,000
State	242,523	238,275	238,275	0
Total Revenues	768,233	748,447	798,447	50,000
General City Support	16,566,112	17,221,989	16,721,859	(500,130)
<u>130 Law Library Fund</u>				
<u>Expenditures</u>				
Law Library	221,530	476,932	222,751	(254,181)
Reserve for Contingencies	0	0	3,472	3,472
Transfer to Other Funds	57,252	68,834	80,416	11,582
Total Expenditures	278,782	545,766	306,639	(239,127)
<u>Revenues</u>				
Fees	268,728	284,185	283,475	(710)
Fund Balance	0	261,581	23,164	(238,417)
Total Revenues	268,728	545,766	306,639	(239,127)
General City Support	10,054	0	0	0
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Library - Grants	1,639	0	0	0
Total Expenditures	1,639	0	0	0
<u>Revenues</u>				
Fees	(3)	0	0	0
Total Revenues	(3)	0	0	0
General City Support	1,642	0	0	0

Library - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>909 Library Gift Fund</u>				
<u>Expenditures</u>				
Library Donations	3,399	3,000	3,095	95
Special Services Gift Fund	0	3,000	3,000	0
Total Expenditures	<u>3,399</u>	<u>6,000</u>	<u>6,095</u>	<u>95</u>
<u>Revenues</u>				
Fees	6,890	6,000	6,095	95
Total Revenues	<u>6,890</u>	<u>6,000</u>	<u>6,095</u>	<u>95</u>
General City Support	<u>(3,491)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	17,618,165	18,522,202	17,833,040	(689,162)
Total Department Revenue	<u>1,043,848</u>	<u>1,300,213</u>	<u>1,111,181</u>	<u>(189,032)</u>
Total General City Support	<u>16,574,317</u>	<u>17,221,989</u>	<u>16,721,859</u>	<u>(500,130)</u>

Position Summary by Program

002 General Fund

Director's Office	16.00	16.00	16.50	0.50
Meyera E. Oberndorf Central Library	48.50	48.50	45.50	-3.00
Great Neck Area Library	12.00	12.00	12.00	0.00
Bayside Area Library	18.50	18.00	18.00	0.00
Oceanfront Area Library	13.50	13.50	13.50	0.00
Kempsville Area Library	22.50	22.50	22.50	0.00
Windsor Woods Area Library	12.00	12.00	12.00	0.00
Pungo - Blackwater Area Library	6.00	7.00	6.50	-0.50
Princess Anne Area Library	21.50	21.50	21.50	0.00
Joint Use Library	38.00	35.50	34.50	-1.00
Records Management	4.50	4.50	3.50	-1.00
Technology Services	5.00	5.50	0.00	-5.50
Materials Management	18.00	18.00	0.00	-18.00
Support Services	0.00	0.00	24.50	24.50
Youth and Family Services	16.00	16.00	18.00	2.00
Total	<u>252.00</u>	<u>250.50</u>	<u>248.50</u>	<u>-2.00</u>

130 Law Library Fund

Law Library	3.00	3.00	3.00	0.00
Total	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
Total Position Summary	<u>255.00</u>	<u>253.50</u>	<u>251.50</u>	<u>-2.00</u>

Expenditure Category by Department

Personnel	13,557,095	14,286,031	14,080,942	(205,089)
Operating	3,935,527	4,167,337	3,668,210	(499,127)
Capital	68,291	0	0	0
Reserves	0	0	3,472	3,472
Transfers	57,252	68,834	80,416	11,582
Total Expenditures:	<u>17,618,165</u>	<u>18,522,202</u>	<u>17,833,040</u>	<u>(689,162)</u>

Library - Departmental Resource Summary

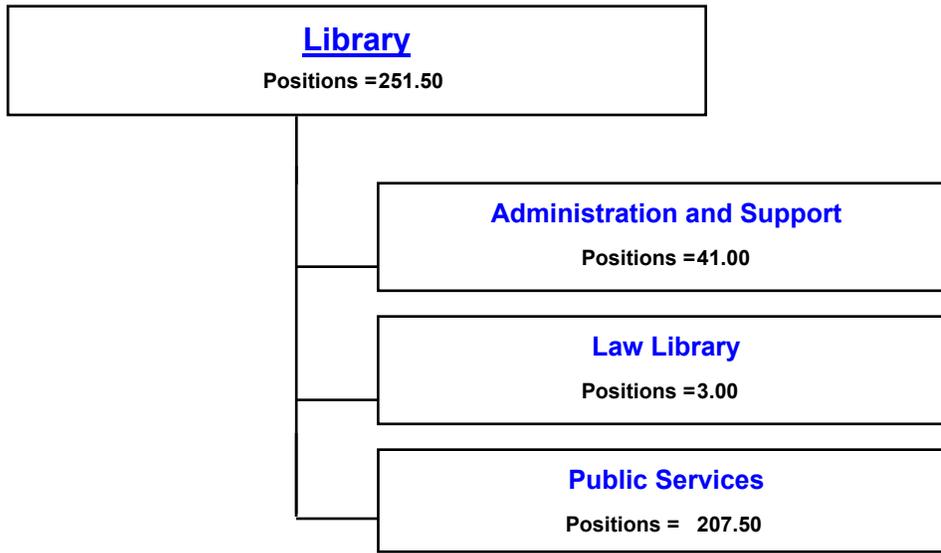
	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Revenue Category by Department</u>				
From the Use of Money and Property	96,613	121,357	120,437	(920)
Charges for Services	697,742	673,000	723,210	50,210
Miscellaneous Revenue	6,969	6,000	6,095	95
Other Sources from the Commonwealth	242,523	238,275	238,275	0
Specific Fund Reserves	0	261,581	23,164	(238,417)
Total Revenue:	<u>1,043,848</u>	<u>1,300,213</u>	<u>1,111,181</u>	<u>(189,032)</u>

Resource Summary Notes

The Technology Services and Materials Management budget units were combined to form the new, Support Services budget unit in FY 2016-17.

Additionally, The Law Library's \$250,000 reduction between FY 2015-16 and FY 2016-17 is due to the elimination of one time funding for a renovation project.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



PUBLIC EDUCATION



The mission of the Virginia Beach City Public Schools (VBCPS) 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.

City Council Amendment

- Increase school employees' pay up to 3.34%, which is comparable to city employees. This is possible as a result of additional funding through the City/Schools Revenue Sharing Formula (\$1,280,440) and additional State revenue (\$1,204,913).

Department Overview

The City Council appropriates funding to the schools by major category (Instruction, Administration, Health, 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 the schools allocate this funding within these categories and specific funds is solely at the discretion of the School Board.

City/School Revenue Sharing Formula (RSF)

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. The City Council and School Board adopted a new RSF in FY 2013-14 and modified it again in November 2015. The following represents the current four-step computation for updating the formula:

- ➔ **Total Non-Dedicated Local Revenues**
The base from which the computation derives is the total non-dedicated local tax revenues, which represents a diverse stream of revenues.
- ➔ **Fund 100% of Required Local Standards of Quality (SOQ) Match**
The formula acknowledges the required local match under the 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 34.11% 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.
- ➔ **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.

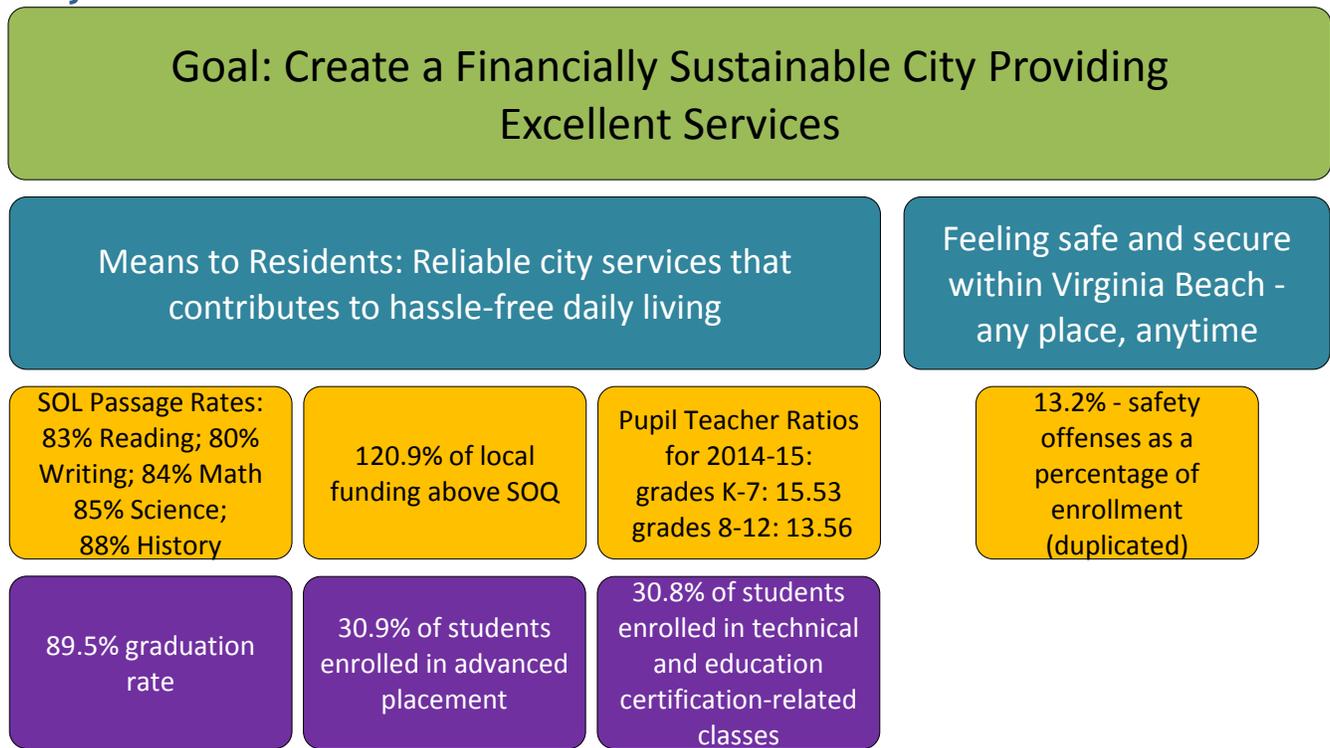
SOL Local Funding Percentage

The Composite Index determines a locality's ability to pay education costs fundamental to the Commonwealth' SOQ. The Composite Index is calculated using: (1) true value of real property (weighted 50%); (2) adjusted gross income (weighted 40%); and (3) taxable retail sales (weighted 10%).

Each locality’s index is adjusted to maintain an overall statewide local share of 45% and an overall state share of 55%. The schools’ new Composite Index funding level for FY 2015-16 to FY 2017-18 is .3924, which means the city is responsible for 39.24% of the SOQ funding level. The next table shows a recent history which has been slowly rising over time, except for this last update. This sets the required local SOQ match included in the formula. Also, as previously noted, the city provides funding well above the SOQ requirements.

Local Composite Index – Virginia Beach			
FY 00-02	.3523	FY 10-12	.4060
FY 02-04	.3394	FY 12-14	.4110
FY 06-08	.3353	FY 14-16	.4033
FY 08-10	.3492	FY 16-18	.3924

Key Performance Measures



Trends and Issues

- ➔ The school division launched a Digital Learning Anchor School initiative at 11 schools throughout the city with the goal of using digital learning as a pathway to personalized learning by increasing student flexibility with respect to when and how learning takes place.
- ➔ The school board approved an Entrepreneurship and Business Academy at Kempsville High School, which will serve as an incubator for creativity, entrepreneurial spirit, and future business development in our city.
- ➔ All VBCPS high schools have made The Washington Post’s “American’s Most Challenging High Schools” list.
- ➔ VBCPS continues to be a model for the Commonwealth regarding industry certifications earned by students who earned 10,404 Technical and Career Education credentials in 2015, representing approximately 10% of the total for the entire state.
- ➔ Advanced placement enrollment increased by 8% in the 2014-15 school year. Of the 9,316 AP exams administered, 58% of the students achieved scores of 3 or higher, earning either college credit or advanced college placement.

- Great Neck Middle was named a National Blue Ribbon School, meaning it performed in the top 15% of all schools in Virginia Beach in both reading and math.
- Princess Anne Middle school was one of only 11 middle schools in Virginia named a “School to Watch” by the Virginia Schools to Watch committee. It was selected for meeting the criteria for high performance in academic excellence, development responsiveness, social equity, and organizational structures.
- Landstown High School is one of only 60 schools nationwide to be named a 21st Century Learning Exemplar School by the Partnership of 21st Century Skills. Landstown now joins Ocean Lakes High School as the only two schools in Virginia to earn this honor.

Major Budget Changes

	Change	Impact
↑	Additional Budget Capacity	<p>Because of timing differences in adoption of the State Budget and the proposed city and School Board budgets, an additional \$2,387,791 in budget capacity is not reflected in the School Board’s budget. This reflects:</p> <ul style="list-style-type: none"> ➤ \$1,102,485 in local revenue ➤ \$409,000 in additional Sandbridge Fund Balance (\$4m total, of which the Schools have appropriated \$3.591m in their CIP) ➤ \$876,306 in lower debt service cost <p>This additional budget capacity is shown as a City Manager adjustment, which the School Board will allocate in their final adopted budget. The final state budget may include additional state support, which may require further local support as specified by the RSF.</p> <p>Additionally, the final state budget could result, through a higher local match, in additional funding to schools. The local match differs under the budgets for the House and Senate. The city has established a reserve for contingency to address any additional funding required.</p>
↑	School Board Budget	<p>Highlights of the School Board budget include:</p> <ul style="list-style-type: none"> ➤ A 2% pay raise (1.34% to fund the last year of the VRS employee phase-in). An additional raise of 1.34% would cost \$6.9 million. ➤ 10 additional extended day kindergarten classrooms (partially expanding full-day kindergarten). ➤ Start-up costs for the new Entrepreneurial and Business Academy at Kempsville High School. <p>Click here to be taken to the Schools budget website.</p>

Public Education - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>104 Green Run Collegiate Charter School</u>				
<u>Expenditures</u>				
School Green Run Collegiate Charter Instruction	2,039,710	2,508,529	3,365,054	856,525
School Green Run Collegiate Administration	25	0	11,000	11,000
School Green Run Collegiate Charter Transportation	159,060	0	260,766	260,766
School Green Run Collegiate Charter Oper & Maint	0	376,494	19,400	(357,094)
School Green Run Collegiate Charter Technology	46,121	0	30,466	30,466
Total Expenditures	<u>2,244,916</u>	<u>2,885,023</u>	<u>3,686,686</u>	<u>801,663</u>
<u>Revenues</u>				
Transfers	2,446,879	2,885,023	3,686,686	801,663
Total Revenues	<u>2,446,879</u>	<u>2,885,023</u>	<u>3,686,686</u>	<u>801,663</u>
General City Support	<u>(201,963)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>107 School Equipment Replacement Special Revenue Fund</u>				
<u>Expenditures</u>				
Reserve for Contingencies	231,633	1,106,301	1,106,301	0
Total Expenditures	<u>231,633</u>	<u>1,106,301</u>	<u>1,106,301</u>	<u>0</u>
<u>Revenues</u>				
Fund Balance	3,589	1,106,301	1,106,301	0
Total Revenues	<u>3,589</u>	<u>1,106,301</u>	<u>1,106,301</u>	<u>0</u>
General City Support	<u>228,044</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>108 School Instructional Technology Fund</u>				
<u>Expenditures</u>				
Instructional Technology	0	106,000	53,678	(52,322)
Total Expenditures	<u>0</u>	<u>106,000</u>	<u>53,678</u>	<u>(52,322)</u>
<u>Revenues</u>				
Fund Balance	33,443	106,000	53,678	(52,322)
Total Revenues	<u>33,443</u>	<u>106,000</u>	<u>53,678</u>	<u>(52,322)</u>
General City Support	<u>(33,443)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>109 School Vending Operations Fund</u>				
<u>Expenditures</u>				
School Vending Operations	216,684	220,289	229,702	9,413
Total Expenditures	<u>216,684</u>	<u>220,289</u>	<u>229,702</u>	<u>9,413</u>
<u>Revenues</u>				
Fees	192,689	192,550	192,550	0
Fund Balance	0	27,739	37,152	9,413
Total Revenues	<u>192,689</u>	<u>220,289</u>	<u>229,702</u>	<u>9,413</u>
General City Support	<u>23,994</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Education - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>112 School Communication Tower Technology Fund</u>				
<u>Expenditures</u>				
Communication Tower Technology	620,942	600,000	600,000	0
Total Expenditures	<u>620,942</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	523,078	260,000	260,000	0
Fund Balance	0	340,000	340,000	0
Total Revenues	<u>523,078</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
General City Support	<u>97,863</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>114 School Cafeteria Fund</u>				
<u>Expenditures</u>				
Food Services	28,154,066	30,227,350	30,742,626	515,276
Total Expenditures	<u>28,154,066</u>	<u>30,227,350</u>	<u>30,742,626</u>	<u>515,276</u>
<u>Revenues</u>				
Fees	10,601,423	12,693,006	12,221,495	(471,511)
State	527,152	500,000	500,000	0
Federal	16,668,727	16,254,782	18,021,131	1,766,349
Fund Balance	0	779,562	0	(779,562)
Total Revenues	<u>27,797,302</u>	<u>30,227,350</u>	<u>30,742,626</u>	<u>515,276</u>
General City Support	<u>356,764</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>115 School Operating Fund</u>				
<u>Expenditures</u>				
Instruction	521,140,201	537,325,462	543,548,761	6,223,299
Administration, Attendance, and Health	21,039,163	22,791,437	24,281,035	1,489,598
Pupil Transportation	29,624,712	31,485,354	34,454,774	2,969,420
Operations and Maintenance	85,042,862	89,497,920	88,378,600	(1,119,320)
Technology	27,865,225	26,927,450	30,578,943	3,651,493
Debt Service	45,935,630	45,224,509	46,289,542	1,065,033
Transfer to Other Funds	0	0	3,686,686	3,686,686
City Manager Adjustment	0	(6,376,659)	0	6,376,659
Total Expenditures	<u>730,647,792</u>	<u>746,875,473</u>	<u>771,218,341</u>	<u>24,342,868</u>
<u>Revenues</u>				
Fees	3,519,042	3,415,942	3,418,341	2,399
State	320,454,397	321,823,480	338,165,630	16,342,150
Federal	14,290,941	12,946,597	12,946,597	0
Transfers	408,017,424	408,689,454	416,687,773	7,998,319
Total Revenues	<u>746,281,805</u>	<u>746,875,473</u>	<u>771,218,341</u>	<u>24,342,868</u>
General City Support	<u>(15,634,013)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Education - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>116 School Grants Fund</u>				
<u>Expenditures</u>				
School Grants	47,406,614	57,287,954	55,023,849	(2,264,105)
Total Expenditures	<u>47,406,614</u>	<u>57,287,954</u>	<u>55,023,849</u>	<u>(2,264,105)</u>
<u>Revenues</u>				
Fees	4,003,197	3,539,285	3,651,878	112,593
State	9,562,057	12,123,343	11,820,594	(302,749)
Federal	33,841,360	41,625,326	39,551,377	(2,073,949)
Total Revenues	<u>47,406,614</u>	<u>57,287,954</u>	<u>55,023,849</u>	<u>(2,264,105)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>117 School Textbook Fund</u>				
<u>Expenditures</u>				
Textbook	8,584,018	9,094,147	9,182,874	88,727
Total Expenditures	<u>8,584,018</u>	<u>9,094,147</u>	<u>9,182,874</u>	<u>88,727</u>
<u>Revenues</u>				
Fees	83,522	110,000	110,000	0
State	3,923,666	3,900,602	4,489,728	589,126
Fund Balance	4,576,830	5,083,545	4,583,146	(500,399)
Total Revenues	<u>8,584,018</u>	<u>9,094,147</u>	<u>9,182,874</u>	<u>88,727</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>119 School Athletic Special Revenue Fund</u>				
<u>Expenditures</u>				
Athletics	4,939,976	4,922,642	4,922,642	0
Total Expenditures	<u>4,939,976</u>	<u>4,922,642</u>	<u>4,922,642</u>	<u>0</u>
<u>Revenues</u>				
Fees	4,726,583	4,922,642	4,922,642	0
Fund Balance	213,393	0	0	0
Total Revenues	<u>4,939,976</u>	<u>4,922,642</u>	<u>4,922,642</u>	<u>0</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>614 School Risk Management Fund</u>				
<u>Expenditures</u>				
School Risk Management	7,085,530	5,205,724	6,805,724	1,600,000
Total Expenditures	<u>7,085,530</u>	<u>5,205,724</u>	<u>6,805,724</u>	<u>1,600,000</u>
<u>Revenues</u>				
Fees	7,438,215	5,205,724	6,805,724	1,600,000
Total Revenues	<u>7,438,215</u>	<u>5,205,724</u>	<u>6,805,724</u>	<u>1,600,000</u>
General City Support	<u>(352,685)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Education - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>615 City and School Health Insurance Fund</u>				
<u>Expenditures</u>				
City and School Health Insurance	139,315,632	145,389,250	155,908,780	10,519,530
Total Expenditures	<u>139,315,632</u>	<u>145,389,250</u>	<u>155,908,780</u>	<u>10,519,530</u>
<u>Revenues</u>				
Fees	137,923,539	145,389,250	155,908,780	10,519,530
Total Revenues	<u>137,923,539</u>	<u>145,389,250</u>	<u>155,908,780</u>	<u>10,519,530</u>
General City Support	1,392,093	0	0	0
	<u>1,392,093</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	969,447,802	1,003,920,153	1,039,481,203	35,561,050
Total Department Revenue	<u>983,571,147</u>	<u>1,003,920,153</u>	<u>1,039,481,203</u>	<u>35,561,050</u>
Total General City Support	<u>(14,123,345)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Position Summary by Program

104 Green Run Collegiate Charter School

School Green Run Collegiate Charter Instruction	24.80	32.90	39.30	6.40
Total	<u>24.80</u>	<u>32.90</u>	<u>39.30</u>	<u>6.40</u>

114 School Cafeteria Fund

Food Services	490.89	490.89	490.89	0.00
Total	<u>490.89</u>	<u>490.89</u>	<u>490.89</u>	<u>0.00</u>

115 School Operating Fund

Instruction	6,911.40	6,736.60	6,800.00	63.40
Administration, Attendance, and Health	280.80	276.80	279.80	3.00
Pupil Transportation	667.13	666.13	675.13	9.00
Operations and Maintenance	1,159.50	1,169.50	1,170.50	1.00
Technology	188.00	170.00	176.00	6.00
Total	<u>9,206.83</u>	<u>9,019.03</u>	<u>9,101.43</u>	<u>82.40</u>

116 School Grants Fund

School Grants	484.50	478.50	509.20	30.70
Total	<u>484.50</u>	<u>478.50</u>	<u>509.20</u>	<u>30.70</u>

117 School Textbook Fund

Textbook	1.50	1.50	1.50	0.00
Total	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>0.00</u>

614 School Risk Management Fund

School Risk Management	5.00	5.00	6.00	1.00
Total	<u>5.00</u>	<u>5.00</u>	<u>6.00</u>	<u>1.00</u>

615 City and School Health Insurance Fund

City and School Health Insurance	6.50	6.50	6.50	0.00
Total	<u>6.50</u>	<u>6.50</u>	<u>6.50</u>	<u>0.00</u>

Total Position Summary	<u>10,220.02</u>	<u>10,034.32</u>	<u>10,154.82</u>	<u>120.50</u>
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Public Education - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel	632,269,434	659,202,751	669,470,950	10,268,199
Operating	289,311,653	301,979,801	313,398,011	11,418,210
Capital	1,931,085	3,889,751	6,636,014	2,746,263
Debt Service	45,935,630	45,224,509	46,289,542	1,065,033
Transfers	0	0	3,686,686	3,686,686
City Manager Reduction	0	(6,376,659)	0	6,376,659
Total Expenditures:	<u>969,447,802</u>	<u>1,003,920,153</u>	<u>1,039,481,203</u>	<u>35,561,050</u>

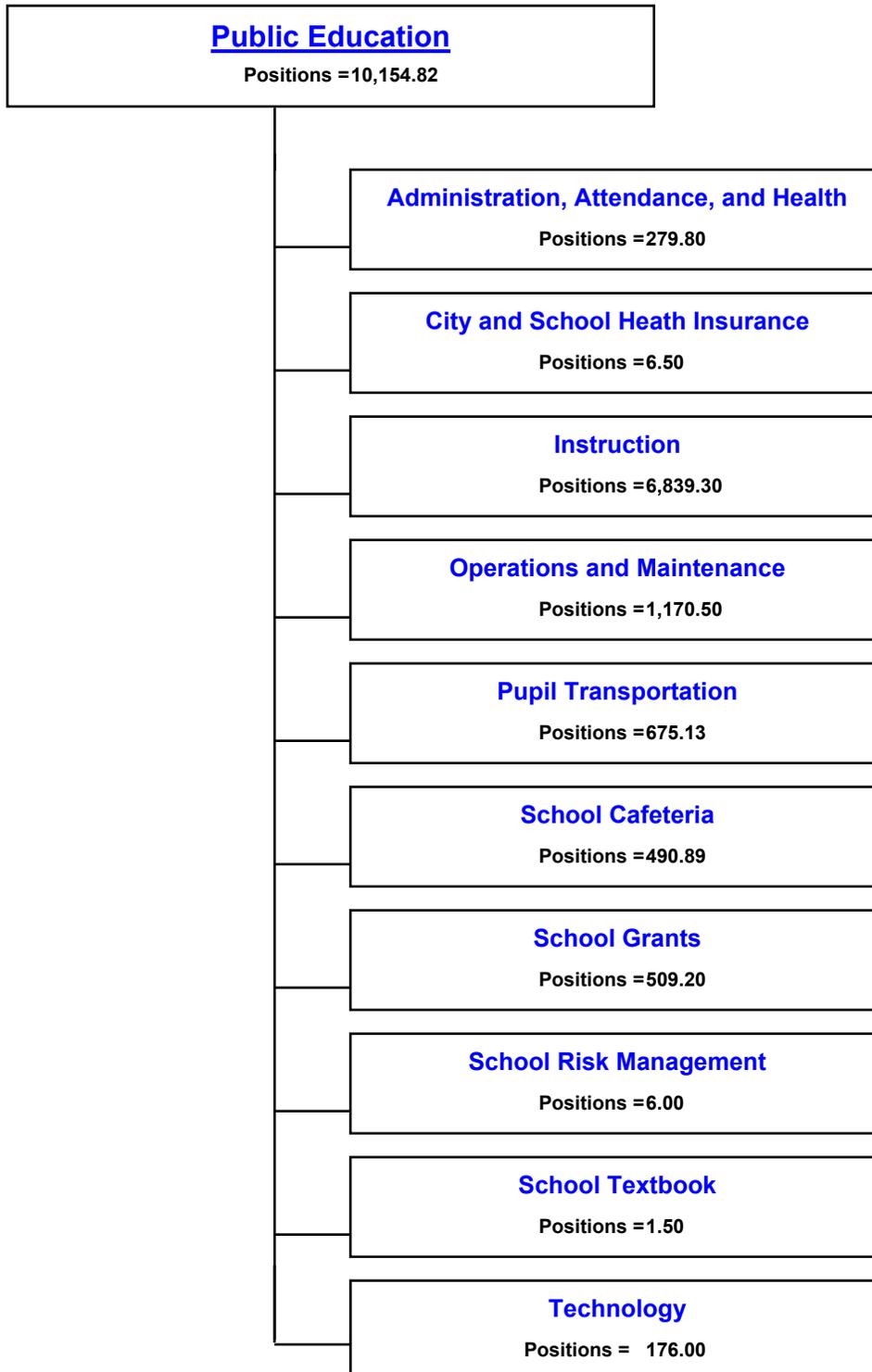
Revenue Category by Department

From the Use of Money and Property	1,099,227	837,000	837,000	0
Charges for Services	19,491,681	20,302,368	21,430,857	1,128,489
Miscellaneous Revenue	148,420,381	154,589,031	165,223,553	10,634,522
State Shared Sales Tax	70,376,559	71,783,907	74,741,805	2,957,898
Other Sources from the Commonwealth	264,090,714	266,563,518	280,234,147	13,670,629
Revenue from the Federal Government	64,801,028	70,826,705	70,519,105	(307,600)
Transfers from Other Funds	410,464,303	411,574,477	420,374,459	8,799,982
Specific Fund Reserves	4,827,255	7,443,147	6,120,277	(1,322,870)
Total Revenue:	<u>983,571,147</u>	<u>1,003,920,153</u>	<u>1,039,481,203</u>	<u>35,561,050</u>

Resource Summary Notes

The largest source in the Miscellaneous category is employer and employee contributions to the Health Care Fund.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



HEALTH



Promoting health, preventing disease, and protecting the environment so that all in Virginia Beach are empowered to achieve optimal health and well-being.

Department Overview

The Virginia Department of Health (VDH) is a state-city cooperative agency which provides a wide range of health services to the Virginia Beach population. The Health Department has 108 FTE's, of which 9.08 are city funded. The city is required to provide a 45% match to state funding for the Health Department which goes to support a wide array of mandated services such as childhood immunizations, communicable disease treatment and prevention, family planning services, pregnancy testing, and food service inspections.

VDH also provides the following non-mandated services to residents:

Dental Program

Provide preventative dental care services for low-income children and is completely funded by the city.

Healthy Start Program

Provide a continuum of services from prenatal to 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.

First Steps Program

Provide parenting support and education services for parents who need short-term ongoing telephone support and is funded in full by the city.

Senior Services Program

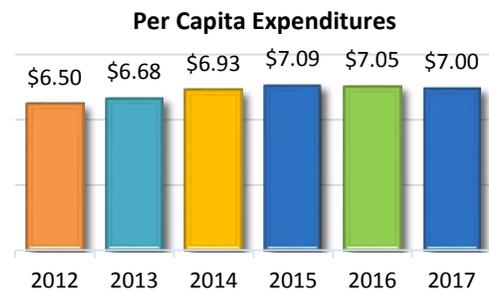
Provide community clinics and education for senior citizens, concentrating on the most vulnerable seniors and also those in rural areas of the city. These clinics offer services ranging from blood pressure screenings to preventative health education classes. This program is funded fully by the city.

Maternity Program

Provide 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.

Laboratory Program

Provide needed laboratory tests required to support the various health department clinics.



Note: The 0.9 cent decrease from 2015 to 2017 is due to less state money resulting in a lower required city match.

Key Performance Measures



Trends and Issues

- ➡ The focus of health care providers has shifted to preventative care in recent years, a change which has been strengthened by the Affordable Care Act's requirements for preventative medical services to be covered by insurance companies. State health leaders want local districts to begin focusing on population health based programs that provide chronic disease education to the community. This new priority has not been accompanied with additional funding to develop more robust health education programs creating challenges for local health departments to meet this need with no additional resources.

Health - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Public Health	3,216,462	3,195,918	3,191,017	(4,901)
Total Expenditures	<u>3,216,462</u>	<u>3,195,918</u>	<u>3,191,017</u>	<u>(4,901)</u>
<u>Revenues</u>				
State	174,235	221,058	170,099	(50,959)
Federal	113,065	0	0	0
Total Revenues	<u>287,300</u>	<u>221,058</u>	<u>170,099</u>	<u>(50,959)</u>
General City Support	<u>2,929,162</u>	<u>2,974,860</u>	<u>3,020,918</u>	<u>46,058</u>
 Total Department Expenditure	 3,216,462	 3,195,918	 3,191,017	 (4,901)
Total Department Revenue	<u>287,300</u>	<u>221,058</u>	<u>170,099</u>	<u>(50,959)</u>
Total General City Support	<u>2,929,162</u>	<u>2,974,860</u>	<u>3,020,918</u>	<u>46,058</u>

Position Summary by Program

<u>002 General Fund</u>				
Public Health	9.08	9.08	9.08	0.00
Total	<u>9.08</u>	<u>9.08</u>	<u>9.08</u>	<u>0.00</u>
Total Position Summary	<u>9.08</u>	<u>9.08</u>	<u>9.08</u>	<u>0.00</u>

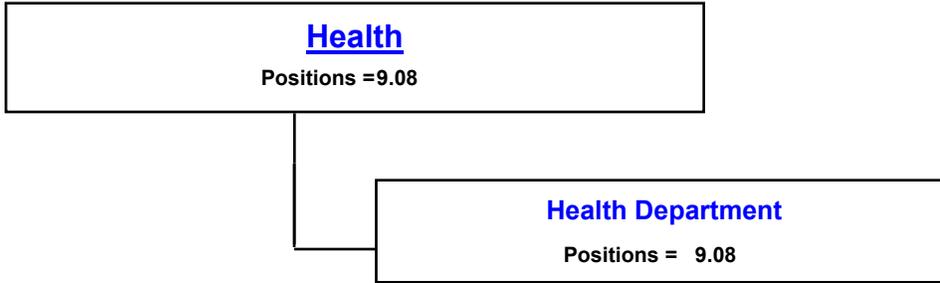
Expenditure Category by Department

Personnel	410,856	484,314	461,603	(22,711)
Operating	2,805,606	2,711,604	2,729,414	17,810
Total Expenditures:	<u>3,216,462</u>	<u>3,195,918</u>	<u>3,191,017</u>	<u>(4,901)</u>

Revenue Category by Department

Other Sources from the Commonwealth	174,235	221,058	170,099	(50,959)
Revenue from the Federal Government	113,065	0	0	0
Total Revenue:	<u>287,300</u>	<u>221,058</u>	<u>170,099</u>	<u>(50,959)</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

Human Services is comprised of the following service areas:

Administration

Provides leadership and support to all divisions. This division consists of the Department Director, Medical Director, and Divisional Deputy Directors, as well as the Continuous Quality Improvement, departmental finance, departmental human resources, and transportation units.

Continuous Quality Improvement

Monitors and reports on all levels of quality throughout the Department 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, Department of Behavioral Health and Developmental Services (DBHDS) Community Consumer Submission of performance data, Commission on Accreditation of Rehabilitation Facilities, Health Insurance Portability and Accountability Act, and Corporate Compliance. Maintains the Cerner Electronic Health Record and provides Information Technology support at the department level.

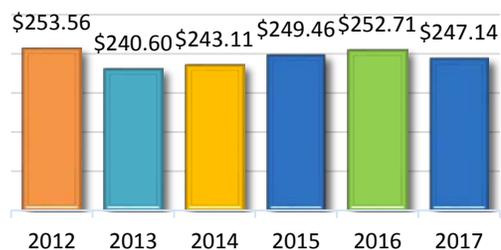
Social Services

Aids residents in meeting their fundamental needs during times of temporary economic and social crisis; protects children and vulnerable adults from abuse and neglect; manages a range of services to help maintain families in the least restrictive and intrusive manner possible; assists in preparing clients to find and retain employment and administers a variety of federal and state financial assistance programs including temporary, emergency, or general assistance to needy families, Supplemental Nutrition Assistance Program (SNAP), and Medicaid eligibility. The 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. Through the Community Corrections and Pre-Trial program, the division also works with judges, magistrates and local and regional jails to provide sentencing alternatives to incarceration and reduce recidivism for adults convicted of certain misdemeanors or non-violent felonies.

Community Services Board

Responds to psychiatric emergencies 24-hours a day; meets the residential, outpatient, employment, and day support/psycho-social rehabilitation service needs of individuals with severe mental illness; assists families in caring for members with mental illness, intellectual disabilities, and substance abuse disorders; offers opportunities for occupational and residential independence for individuals with intellectual disabilities; enables children and youth with mental illness, intellectual disabilities and substance abuse disorders to remain in their homes, schools and communities and promotes resiliency in youth and communities through case management, crisis services, outpatient services, prevention and education activities. Finally, the Infant Toddler Connection program works to ensure the growth and development of infants, who are or at risk of developmental disabilities, birth to age three, as well as supporting their families.

Per Capita Expenditures



Key Performance Measures

**Goal: Create a Financially Sustainable City
Providing Excellent Services**

**Means to Residents: Feeling safe and secure within Virginia Beach – any place,
anytime**

81% of citizens are satisfied with mental health/intellectual disability services

72.5% of citizens satisfied with the services for needy or homeless families

94.8% of residents agree with the statement "Virginia Beach, in general, is a safe place to live"

90.7% of residents agree with the statement "my neighborhood is a safe place to live"

Clients with developmental disabilities served :
47 at four intermediate care facilities
17 provided respite care
283 provided employment opportunities

670 clients served by the Substance Abuse Recovery Center
10,500 client hours providing substance abuse prevention services

3,100 clients served with Mental Health/Substance Abuse Emergency Services
555 children with emotional or behavioral issues receiving services costing on average \$18,000 per child per year

Clients to be assisted by year-end :
16,250 Supplemental Nutrition Assistance Program
870 Temporary Assistance for Needy Families

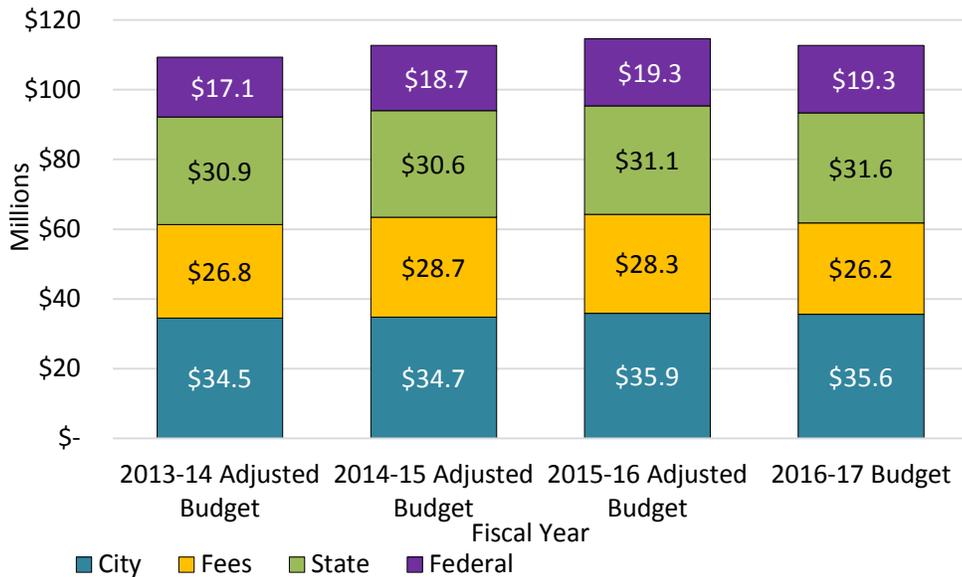
1,625 child protective service complaints investigated/assessed
325 juvenile offenders detained in temporary & safe custody
1,675 clients served with Pre-Trial services
3,325 clients served by Pre-Trial Investigations
2,025 probation clients served

Trends & Issues

- Annually City Council assesses and establishes their top priorities. Included in their list of priorities is the Implementation of Human Services’ initiatives, which include the following for FY 2016-17:
 - Continued review of internal fiscal controls and implementation of best practices to maximize resources while minimizing risks.
 - Engagement with the Human Resources Department in a medical compensation study and review of a nursing job satisfaction survey to enhance recruitment and retention of medical personnel.
 - Coordination of medical and behavioral health care for children in foster care with Children’s Hospital of the Kings Daughters.

- Four main sources of funding - DHS implements necessary practices to maximize the use of all available outside funding sources (fees, state and federal governments) to optimize services. For FY 2016-17, city, state and federal funding are anticipated to be consistent with FY 2015-16 levels, while fee revenue (mainly from Medicaid) has been reduced by \$2 million to \$26 million to align the budget expectations with historical collections. For FY 2016-17, the city is funding 31.6% of Human Services’ budget for special programs not funded by state or federal governments and funding matches required to obtain state and federal funding. State funding comprises 28% of the department’s budget and is provided by the Department of Behavioral Health and Developmental Services and a grant from the Department of Criminal Justice Services for Community Corrections and Pretrial Services. Fees mainly from Medicaid and other insurance payments comprise 23.3% of the department’s budget. Federal funding supports 17.1% of the department’s budget and provides for general public assistance grants for substance abuse prevention and selected mental health services.

Comparison of Human Services Funding Sources



- SNAP and Medicaid Benefits – The department must comply with state and federal timeframes for processing applications for public assistance to ensure timelines in the distribution of benefits to residents. For January 2016, 97.96% of the SNAP applications were processed correctly and within the proper timeframe with 16 (2.04%) of 872 applications overdue; consistent with performance in January 2015 when 97.9% of SNAP applications were processed correctly and within the proper timeframe with 15 (2.1%) of 726 applications overdue. SNAP active caseloads decreased by 2,095 (11.88%) in FY 2014-15. Medicaid recipient counts decreased by 7,928 (15.68%) over the same time period.

SNAP and Medicaid Recipients by Fiscal Year

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
SNAP Active Cases	13,817	15,705	16,868	17,361	17,628	15,533
Medicaid Recipients	45,853	47,312	47,775	50,328	50,554	42,626

Major Budget Changes

	Change	Impact
↓	Realignment of Budgeted Fee Revenues	Realignment of the budget to more accurately reflect trends in actual activity over the past five years. These changes resulted in a \$2.1 million reduction in anticipated fee revenues and related expenses, and will not reduce the level of services provided to the community.
↓	Realignment of Budgeted Contracted Manpower Expenditures	Reduction in budgeted amount for contracted manpower by \$2.38 million in various program units. Some contracted manpower positions that are providing direct services to residents will be replaced with full-time staff reallocated from other program units to provide improved quality and continuity of services. To ensure no service impacts will result from this reduction, Human Services will use funding from personnel turnover as needed to cover any gaps in funding for contracted manpower.
↑	New Contract with Eastern Virginia Medical School (EVMS)	Development of a partnership with EVMS to assist with recruitment of qualified medical staff to sustain current medical services and explore future expansion into an integrated medical delivery system. This contract reflects an addition of \$240,000 to Human Services' budget.
↑	Use of Fund Balance from General Fund	Human Services is using \$431,749 reserved in the fund balance of the General Fund from state funds received in FY 2014-15 from the Department of Behavioral Health and Developmental Services, of these funds \$318,807 is from state funding (totaling \$800,000) remitted to Human Services by the DBHDS in FY 2014-15 as part of the CSB Annual Performance Contract for the Program for Assertive Community Treatment (PACT) but not spent because the PACT program began mid-year in FY 2014-15. The remainder of funds, \$112,972 is for rental subsidy payments for people with developmental or intellectual disabilities remitted by the state as part of the Rental Choice Virginia program. The rental subsidy funding was remitted during FY 2014-15, and is to be used over the next 3 fiscal years.

Human Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Central Administraton	1,171,509	1,338,626	1,715,579	376,953
Information Technology Services	658,551	668,375	0	(668,375)
Reimbursement	905,930	965,909	819,290	(146,619)
Quality Assurance	769,407	1,537,812	2,140,314	602,502
Personnel	518,233	466,813	758,106	291,293
Accounts Payable	392,193	522,868	377,152	(145,716)
Transportation	1,453,317	1,629,822	1,737,369	107,547
MHSA Program Support	540,981	701,986	614,499	(87,487)
Senior Adult Services	230,840	255,259	230,157	(25,102)
Adult Outpatient Services	5,115,181	5,689,107	5,843,894	154,787
MH Community Rehabilitation	1,414,914	1,484,294	1,655,301	171,007
MH Emergency Services	1,336,148	1,609,779	1,573,200	(36,579)
Child and Youth Services	2,578,796	2,667,482	2,791,141	123,659
Residential Services	3,132,163	3,504,003	3,150,986	(353,017)
Crisis Management	0	0	1,173,066	1,173,066
MH Case Management Unit	3,328,750	3,146,635	2,293,771	(852,864)
MH PATH	208,954	312,185	258,499	(53,686)
Harbour	865,388	923,221	866,273	(56,948)
Program of Assertive Community Treatment	429,193	1,618,884	1,503,855	(115,029)
Office of Consumer and Family Affairs	0	0	182,425	182,425
DS Program Clinical Support	411,612	488,385	447,030	(41,355)
DS Case Management	2,509,258	2,693,499	2,676,993	(16,506)
DS Employment Services	1,532,454	1,585,855	1,650,480	64,625
DS Skillquest	3,250,506	3,213,017	3,194,662	(18,355)
DS Respite Care Program	394,752	482,122	476,249	(5,873)
DS Infant Program	563,770	592,078	2,115,872	1,523,794
DS Supportive Living	2,986,008	3,352,670	2,980,869	(371,801)
DS Skilled Nursing	0	0	423,078	423,078
DS Family Support	97,388	129,370	66,125	(63,245)
DS Supportive Living - Homes	2,560,212	2,701,452	2,714,902	13,450
DS Kentucky Avenue Project	1,815,911	2,127,280	2,032,619	(94,661)
DS Early Intervention	1,285,810	1,504,402	0	(1,504,402)
DS Colby Way ICF/MR	936,359	984,521	961,431	(23,090)
DS West Neck Side A	5,300,270	5,804,744	2,881,822	(2,922,922)
Indian River Road ICF/MR	2,257,186	2,124,505	2,397,930	273,425
DS West Neck Side B	0	0	2,543,025	2,543,025
Pathways at Birdneck	2,386,379	3,035,571	3,040,816	5,245
MHSA Adult Day Treatment Services	262,619	280,218	279,377	(841)
SA Prevention	893,801	870,314	579,125	(291,189)
SA Adult Correctional Services	710,196	838,267	882,420	44,153
SA - HIV Prevention	118,591	113,623	124,291	10,668
SA - Project LINK	339,476	290,748	344,950	54,202
Child Services	16,176,491	16,353,249	14,727,283	(1,625,966)
Benefit Program	10,960,266	12,974,051	11,215,256	(1,758,795)
Employment Services	3,209,718	3,852,618	3,407,727	(444,891)
Community Services	1,425	0	0	0
Adult Services	1,790,412	1,942,203	1,727,967	(214,236)
Social Services Administration	0	0	2,031,909	2,031,909
Virginia Beach Juvenile Detention Center	4,779,231	5,261,675	5,124,828	(136,847)
Pendleton Child Service Center	1,173,479	0	0	0
CSA Administration and Social Services	9,913,416	10,068,642	10,128,282	59,640
Total Expenditures	103,667,444	112,708,139	110,862,195	(1,845,944)

Human Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>002 General Fund</u>				
<u>Revenues</u>				
Fees	26,502,433	28,302,240	26,196,386	(2,105,854)
State	27,160,756	29,964,507	30,437,852	473,345
Federal	18,824,354	19,121,608	19,222,164	100,556
Transfers	255,730	250,000	250,000	0
Fund Balance	0	0	431,749	431,749
Total Revenues	<u>72,743,274</u>	<u>77,638,355</u>	<u>76,538,151</u>	<u>(1,100,204)</u>
General City Support	<u>30,924,171</u>	<u>35,069,784</u>	<u>34,324,044</u>	<u>(745,740)</u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Hard to Serve Grant	65,200	101,030	70,097	(30,933)
Community Corrections and Pre-Trial	1,680,984	1,703,204	1,677,610	(25,594)
Human Services Grants	56,787	93,750	77,661	(16,089)
Total Expenditures	<u>1,802,971</u>	<u>1,897,984</u>	<u>1,825,368</u>	<u>(72,616)</u>
<u>Revenues</u>				
Fees	32,796	43,632	33,068	(10,564)
State	1,126,060	1,140,013	1,140,013	0
Federal	144,864	146,607	85,116	(61,491)
Transfers	460,958	567,732	567,171	(561)
Total Revenues	<u>1,764,679</u>	<u>1,897,984</u>	<u>1,825,368</u>	<u>(72,616)</u>
General City Support	<u>38,292</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>916 Social Services Gift Fund</u>				
<u>Expenditures</u>				
Social Services - Holiday Project	0	0	4,000	4,000
Social Services - Pennies for Prescriptions	0	0	2,500	2,500
Total Expenditures	<u>0</u>	<u>0</u>	<u>6,500</u>	<u>6,500</u>
<u>Revenues</u>				
Fees	0	0	6,500	6,500
Total Revenues	<u>0</u>	<u>0</u>	<u>6,500</u>	<u>6,500</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	<u>105,470,415</u>	<u>114,606,123</u>	<u>112,694,063</u>	<u>(1,912,060)</u>
Total Department Revenue	<u>74,507,952</u>	<u>79,536,339</u>	<u>78,370,019</u>	<u>(1,166,320)</u>
Total General City Support	<u>30,962,463</u>	<u>35,069,784</u>	<u>34,324,044</u>	<u>(745,740)</u>

Position Summary by Program

<u>002 General Fund</u>				
Central Administraton	6.00	7.00	11.00	4.00
Information Technology Services	1.00	1.00	0.00	-1.00
Reimbursement	14.00	14.00	12.00	-2.00
Quality Assurance	9.50	14.50	15.00	0.50
Personnel	7.00	6.00	12.50	6.50
Accounts Payable	6.50	8.00	5.00	-3.00
Transportation	26.82	26.82	31.19	4.37
MHSA Program Support	6.75	8.38	5.75	-2.63

Human Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>002 General Fund</u>				
Senior Adult Services	2.63	2.63	2.63	0.00
Adult Outpatient Services	53.07	51.07	52.07	1.00
MH Community Rehabilitation	19.00	18.00	18.00	0.00
MH Emergency Services	16.75	16.75	16.63	-0.12
Child and Youth Services	29.56	29.56	28.30	-1.26
Residential Services	24.74	22.74	22.04	-0.70
Crisis Management	0.00	0.00	13.25	13.25
MH Case Management Unit	38.25	37.25	23.00	-14.25
MH PATH	2.50	2.75	1.75	-1.00
Harbour	11.16	10.53	9.63	-0.90
Program of Assertive Community Treatment	0.00	14.00	14.00	0.00
Office of Consumer and Family Affairs	0.00	0.00	2.00	2.00
DS Program Clinical Support	5.00	5.00	5.00	0.00
DS Case Management	33.23	33.23	32.65	-0.58
DS Employment Services	19.00	19.00	19.00	0.00
DS Skillquest	40.95	39.95	39.71	-0.24
DS Respite Care Program	6.60	6.75	6.75	0.00
DS Infant Program	6.70	6.45	9.45	3.00
DS Supportive Living	47.50	47.75	43.15	-4.60
DS Skilled Nursing	0.00	0.00	4.00	4.00
DS Supportive Living - Homes	38.79	38.79	38.79	0.00
DS Kentucky Avenue Project	23.00	23.00	24.00	1.00
DS Early Intervention	3.00	3.00	0.00	-3.00
DS Colby Way ICF/MR	10.15	10.50	11.50	1.00
DS West Neck Side A	60.00	60.00	30.00	-30.00
Indian River Road ICF/MR	31.50	31.50	32.50	1.00
DS West Neck Side B	0.00	0.00	31.00	31.00
Pathways at Birdneck	30.28	28.78	29.78	1.00
MHSA Adult Day Treatment Services	2.00	2.00	2.00	0.00
SA Prevention	8.13	8.13	6.13	-2.00
SA Adult Correctional Services	7.75	7.75	8.75	1.00
SA - HIV Prevention	1.00	1.00	1.00	0.00
SA - Project LINK	2.50	2.75	2.75	0.00
Child Services	106.50	105.00	109.00	4.00
Benefit Program	159.79	160.79	151.00	-9.79
Employment Services	45.00	44.00	42.00	-2.00
Adult Services	16.00	16.50	15.50	-1.00
Social Services Administration	0.00	0.00	5.00	5.00
Virginia Beach Juvenile Detention Center	73.31	73.31	69.31	-4.00
Pendleton Child Service Center	22.25	0.00	0.00	0.00
CSA Administration and Social Services	3.00	3.00	5.00	2.00
Total	<u>1,078.16</u>	<u>1,068.91</u>	<u>1,070.46</u>	<u>1.55</u>
<u>183 Grants Consolidated Fund</u>				
Hard to Serve Grant	1.00	1.00	1.00	0.00
Community Corrections and Pre-Trial	24.00	24.00	22.00	-2.00
Human Services Grants	0.00	1.00	1.00	0.00
Total	<u>25.00</u>	<u>26.00</u>	<u>24.00</u>	<u>-2.00</u>
Total Position Summary	<u><u>1,103.16</u></u>	<u><u>1,094.91</u></u>	<u><u>1,094.46</u></u>	<u><u>-0.45</u></u>

Human Services - Departmental Resource Summary

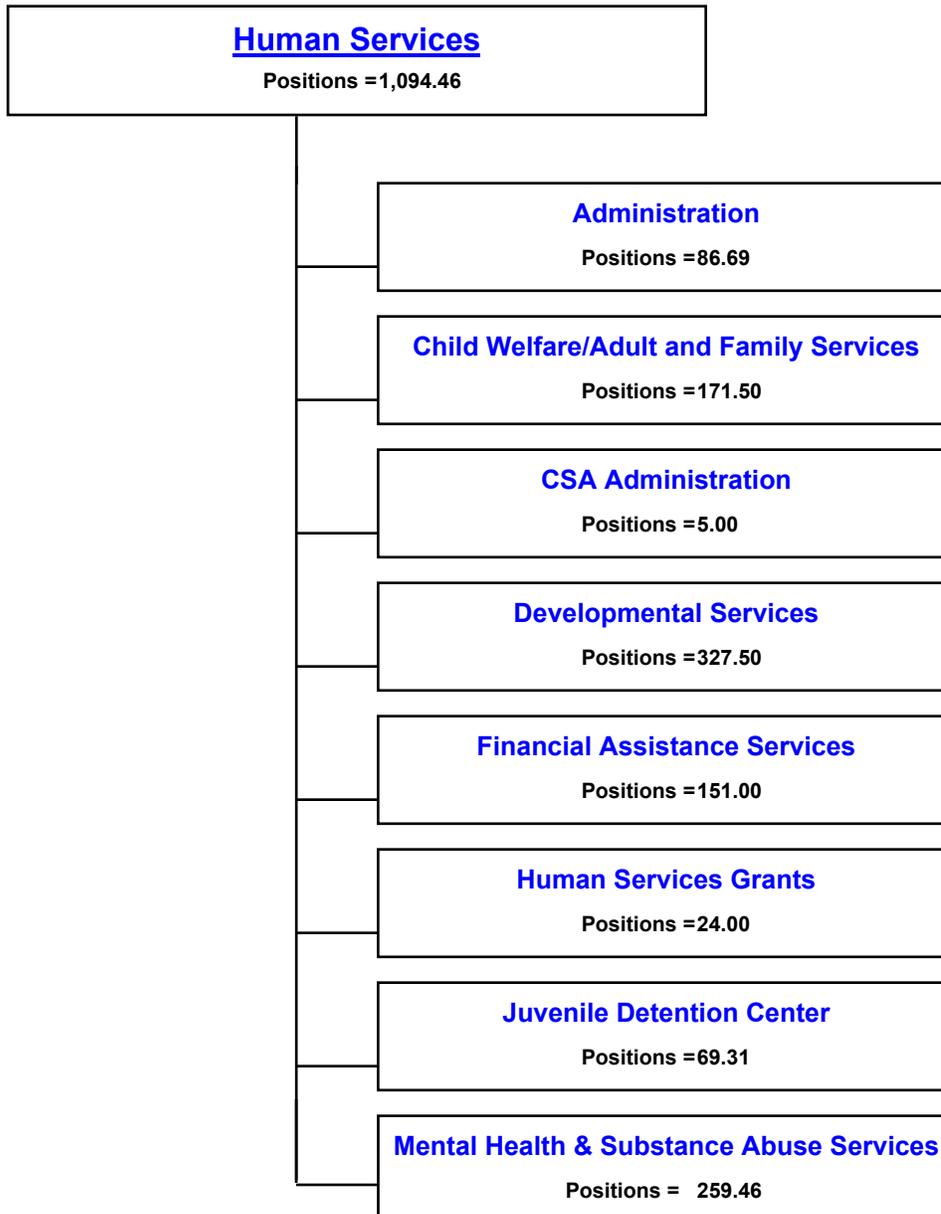
	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Expenditure Category by Department</u>				
Personnel	72,626,922	79,896,626	78,857,307	(1,039,319)
Operating	32,694,811	34,681,937	33,836,756	(845,181)
Capital	148,681	27,560	0	(27,560)
Total Expenditures:	105,470,415	114,606,123	112,694,063	(1,912,060)
<u>Revenue Category by Department</u>				
Charges for Services	25,366,039	27,296,158	25,593,571	(1,702,587)
Miscellaneous Revenue	1,169,190	1,049,714	642,383	(407,331)
Other Sources from the Commonwealth	28,286,816	31,104,520	31,577,865	473,345
Revenue from the Federal Government	18,969,218	19,268,215	19,307,280	39,065
Transfers from Other Funds	716,688	817,732	817,171	(561)
Specific Fund Reserves	0	0	431,749	431,749
Total Revenue:	74,507,952	79,536,339	78,370,019	(1,166,320)

Resource Summary Notes

The decrease of \$1,912,060 in Human Services' proposed FY 2016-17 Operating Budget is the net impact of: reduction in personnel costs related to VRS rate decrease from 17.35% to 13.88%; alignments in the budgeting of contracted manpower costs; increase in risk management costs; and alignment of various operating accounts with the trends in activity over the past five years.

The net reduction in estimated revenues is due to a combination of increased and decreased revenues. Revenues increased from the: State Health Planning Region V-Reinvestment program for mental health services; federal government for substance abuse treatment and public assistance grant funding; and use of specific fund reserves in the General Fund from State funding remitted in FY 2014-15 for rental subsidies for people with developmental and intellectual disabilities, and for the Program of Assertive Community Treatment. Revenues were reduced from fee revenue mainly in Medicaid payments and payments from the Virginia Beach School Board related to services provided under the Children's Services Act. Reduction in City support is mainly due to reduction in VRS costs.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



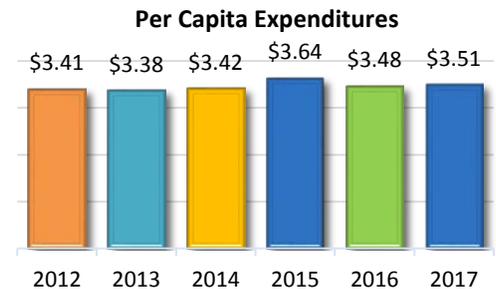
BUDGET & MANAGEMENT SERVICES



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.

Department Overview

Budget and Management Services is responsible for the development and preparation of the Resource Management Plan which includes the Operating Budget, 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.



Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services delivered in the most cost-effective manner

Means to Residents: City services that are readily accessible and are provided in a customer friendly manner

80.6% of taxpayers feel they get good value for their tax dollars

94% of citizens are satisfied with city services

6 fiscal impacts

16 Community Organization Grants

100% of ordinance & agenda requests completed in prescribed time

402 adjustments made to CIP and budget

Trends & Issues

- ➔ Budget and Management Services is tasked with leading the organization into opening various datasets first to the organization and then to the public. A Data Board comprised of city leaders has been established to inventory the various datasets managed by the city and develop processes to extract this data to make it available for review and analysis. The goals of this effort are: 1) use data to improve city processes and work more collaboratively, 2) address information requests in a less costly and more effective manner, 3) improve transparency with citizens and the business community.

Budget and Management Services - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Budget and Management Services	1,546,541	1,576,592	1,600,325	23,733
Total Expenditures	<u>1,546,541</u>	<u>1,576,592</u>	<u>1,600,325</u>	<u>23,733</u>
General City Support	<u>1,546,541</u>	<u>1,576,592</u>	<u>1,600,325</u>	<u>23,733</u>
Total Department Expenditure	1,546,541	1,576,592	1,600,325	23,733
Total Department Revenue	0	0	0	0
Total General City Support	<u>1,546,541</u>	<u>1,576,592</u>	<u>1,600,325</u>	<u>23,733</u>

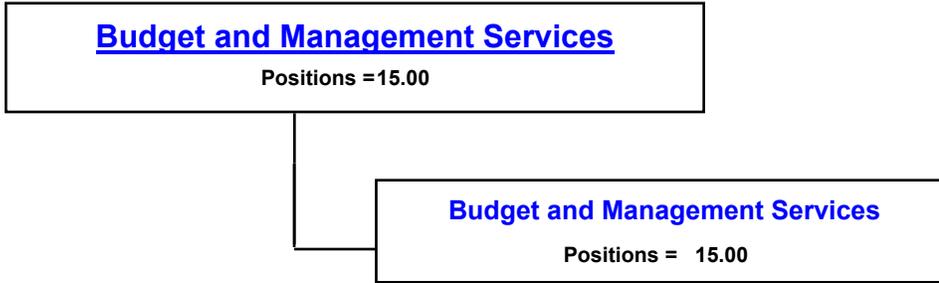
Position Summary by Program

<u>002 General Fund</u>				
Budget and Management Services	15.00	15.00	15.00	0.00
Total	<u>15.00</u>	<u>15.00</u>	<u>15.00</u>	<u>0.00</u>
Total Position Summary	<u>15.00</u>	<u>15.00</u>	<u>15.00</u>	<u>0.00</u>

Expenditure Category by Department

Personnel	1,348,621	1,388,503	1,393,773	5,270
Operating	190,064	188,089	206,552	18,463
Capital	7,857	0	0	0
Total Expenditures:	<u>1,546,541</u>	<u>1,576,592</u>	<u>1,600,325</u>	<u>23,733</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department 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 facilities, human resources, public finance, and public safety. This area has the primary responsibility for drafting policies, ordinances and resolutions, drafting opinions on legal issues posed by city departments and officials, and providing advice regarding compliance with state and federal laws including Conflict of Interest Act, Freedom of Information Act, and the Civil Rights Act.

Per Capita Funding



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. They 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 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 the 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 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.

Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services delivered in the most cost effective manner



Trends and Issues

- ➔ In-house legal services are provided at a significantly lower cost than can be obtained through the utilization of outside counsel. Therefore, the department minimizes the utilization of outside counsel whenever possible.
- ➔ The department plays a role in all aspects of the potential light rail project in accordance with City Council direction, including evaluation of procurement methodologies, negotiations and drafting of agreements and contracts, financing and potential acquisition of real estate.
- ➔ Compliance with the Freedom of Information Act continues to be an area of growth. It is anticipated that the demand in this area will continue to increase. The department is exploring the procurement of new software designed to improve the management of FOIA requests.
- ➔ The department assists staff in negotiating term sheets for public private partnerships and where approved by City Council, also drafts the transactional documents for these projects. In larger and more complex projects outside counsel may be retained; however, this work is increasingly completed using only in-house attorneys. Last year the department, with assistance from outside counsel and city staff, completed drafting of the transaction documents for the new Arena. At present, the department is working on multiple public-private projects throughout the city, including projects in and around Town Center, the Resort Area and the Burton Station SGA.

Major Budget Changes

	Change	Impact
↑	Assistant City Attorney	The School Board has funded an additional Assistant City Attorney under the cooperative agreement to meet increasing demands in the education area.

City Attorney - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
City Attorney	3,919,348	4,084,743	4,067,393	(17,350)
Total Expenditures	<u>3,919,348</u>	<u>4,084,743</u>	<u>4,067,393</u>	<u>(17,350)</u>
<u>Revenues</u>				
Fees	3,558	0	0	0
Total Revenues	<u>3,558</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>3,915,790</u>	<u>4,084,743</u>	<u>4,067,393</u>	<u>(17,350)</u>
Total Department Expenditure	3,919,348	4,084,743	4,067,393	(17,350)
Total Department Revenue	<u>3,558</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General City Support	<u>3,915,790</u>	<u>4,084,743</u>	<u>4,067,393</u>	<u>(17,350)</u>

Position Summary by Program

<u>002 General Fund</u>				
City Attorney	39.61	39.61	40.61	1.00
Total	<u>39.61</u>	<u>39.61</u>	<u>40.61</u>	<u>1.00</u>
Total Position Summary	<u>39.61</u>	<u>39.61</u>	<u>40.61</u>	<u>1.00</u>

Expenditure Category by Department

Personnel	3,751,543	3,928,437	3,881,451	(46,986)
Operating	167,805	156,306	185,942	29,636
Total Expenditures:	<u>3,919,348</u>	<u>4,084,743</u>	<u>4,067,393</u>	<u>(17,350)</u>

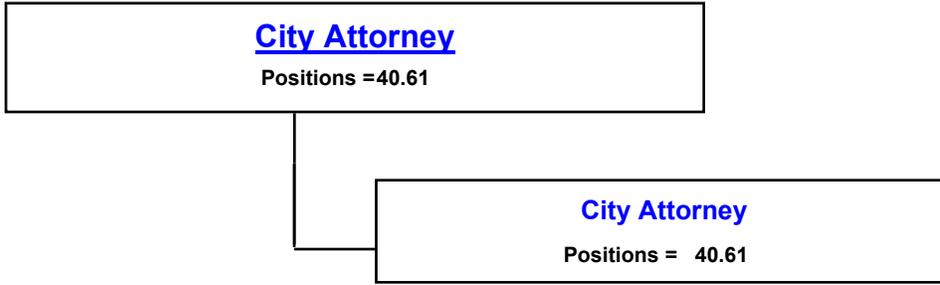
Revenue Category by Department

Charges for Services	3,458	0	0	0
Miscellaneous Revenue	100	0	0	0
Total Revenue:	<u>3,558</u>	<u>0</u>	<u>0</u>	<u>0</u>

Resource Summary Notes

4.5 FTE's are 100% funded by the School Board through a cooperative agreement.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



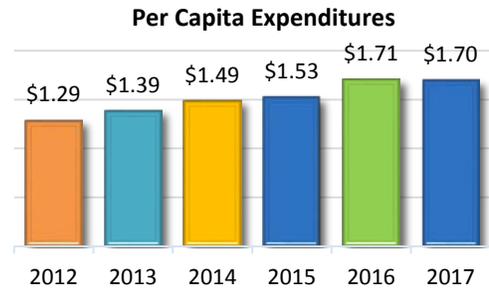
CITY AUDITOR



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

Department Overview

The City Auditor is an independent appraisal function responsible for financial, attestation engagements, and performance audits of city programs, functions, and activities. This office also conducts investigations, provide oversight and management of the city's external audit contract, advises departments, and manages other special projects.



Key Performance Measures

**Goal: Create a Financially Sustainable City
Providing Excellent Services**

Means to Residents: City services delivered in the most cost-effective manner

90% of audits completed within budgeted hours

100% of recommendations accepted

City Auditor - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
City Auditor	705,959	774,080	774,309	229
Total Expenditures	<u>705,959</u>	<u>774,080</u>	<u>774,309</u>	<u>229</u>
General City Support	<u>705,959</u>	<u>774,080</u>	<u>774,309</u>	<u>229</u>
Total Department Expenditure	705,959	774,080	774,309	229
Total Department Revenue	0	0	0	0
Total General City Support	<u>705,959</u>	<u>774,080</u>	<u>774,309</u>	<u>229</u>

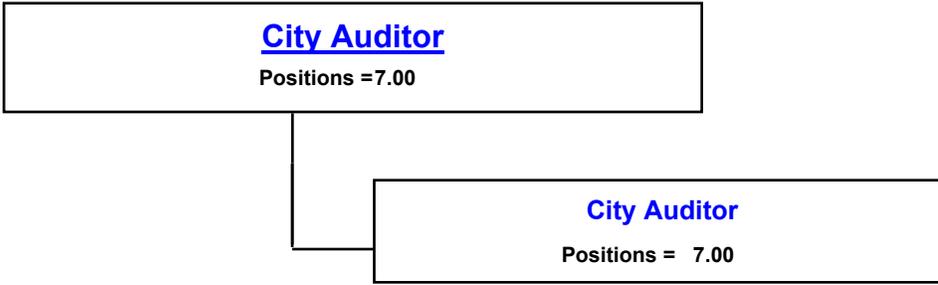
Position Summary by Program

<u>002 General Fund</u>				
City Auditor	6.00	7.00	7.00	0.00
Total	<u>6.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>
Total Position Summary	<u>6.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>

Expenditure Category by Department

Personnel	681,703	738,871	742,343	3,472
Operating	24,256	33,647	31,966	(1,681)
Capital	0	1,562	0	(1,562)
Total Expenditures:	<u>705,959</u>	<u>774,080</u>	<u>774,309</u>	<u>229</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



CITY CLERK



The mission of the City Clerk is to provide a historical record of the governing body; prepare and deliver the weekly Agenda; serve the City Council in the most efficient manner to meet the needs of citizens and attest to and record all official agreements, deeds, contracts, etc. 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.

Department Overview

The Office of the City Clerk preserves and provides accurate legislative historical records for the governing body. Responsibilities include preparing and delivering weekly agendas, preparing and recording minutes, attesting to and recording all official agreements, deeds, contracts, and ensuring all public notices comply with the applicable state code and City Council policies. The City Clerk serves as Clerk of Council and custodian of the city seal. The City Clerk possesses the authority to sign all city borrowed bond issuances and monitors City Council appointed boards, commissions, authorities, and committees.

Per Capita Expenditures



Key Performance Measures

**Goal: Create a Financially Sustainable City
Providing Excellent Services**

Means to Residents:

City services that are readily accessible and are provided in a customer friendly manner

Means to Residents: Reliable
City services that contributes to hassle-free daily living

94% overall citizen satisfaction with city services

94.6% of citizens agree that they can conveniently access city services

650 legal documents notarized, scanned, and returned to departments

160 notices of public hearings prepared and forwarded to the newspaper

8,604 passport applications processed and mailed same day

Trends & Issues

- ➔ The City Clerk organized the hosting of Sister Cities International which will have approximately 1,500 attendees from around the world.

City Clerk - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
City Clerk	666,491	589,408	620,309	30,901
Total Expenditures	<u>666,491</u>	<u>589,408</u>	<u>620,309</u>	<u>30,901</u>
<u>Revenues</u>				
Fees	122	0	0	0
Total Revenues	<u>122</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>666,369</u>	<u>589,408</u>	<u>620,309</u>	<u>30,901</u>
Total Department Expenditure	666,491	589,408	620,309	30,901
Total Department Revenue	<u>122</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General City Support	<u><u>666,369</u></u>	<u><u>589,408</u></u>	<u><u>620,309</u></u>	<u><u>30,901</u></u>

Position Summary by Program

<u>002 General Fund</u>				
City Clerk	6.00	6.00	6.00	0.00
Total	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>0.00</u>
Total Position Summary	<u><u>6.00</u></u>	<u><u>6.00</u></u>	<u><u>6.00</u></u>	<u><u>0.00</u></u>

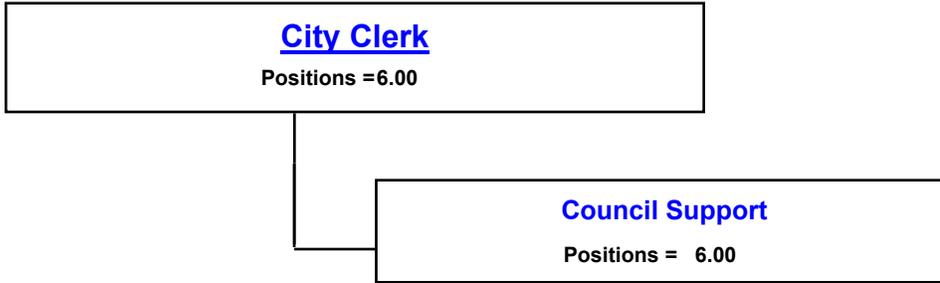
Expenditure Category by Department

Personnel	515,360	527,161	506,068	(21,093)
Operating	<u>151,132</u>	<u>62,247</u>	<u>114,241</u>	<u>51,994</u>
Total Expenditures:	<u><u>666,491</u></u>	<u><u>589,408</u></u>	<u><u>620,309</u></u>	<u><u>30,901</u></u>

Revenue Category by Department

Charges for Services	<u>122</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue:	<u><u>122</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

The City Manager's Office is divided into four main areas that provide services 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

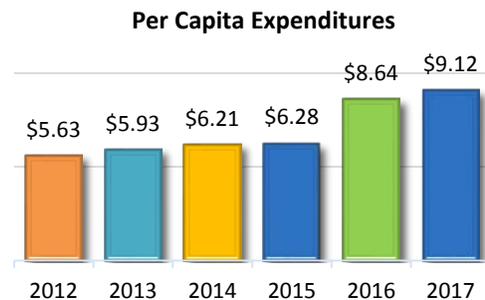
Enhances and supports organizational performance and effectiveness through assessments, analysis, process improvement, and successful implementation of strategies to achieve City Council's vision.

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.

Communications Office

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.



Key Performance Measures

**Goal: Create a Financially Sustainable City
Providing Excellent Services**

Means to Residents: City services that are readily accessible and are provided in a customer friendly manner

73.1% of citizens know how to inform the city about the way they feel on important issues

94% of citizens are satisfied with city services

67.9% of citizens are satisfied with their opportunity to share their ideas or opinions before the city makes important decisions

80% of citizens believe they receive a good value for their city tax dollars

6,874,676 total number of website visitors per year

450 media contacts managed

18,000 volunteers managed, the value of the volunteer service is \$29,114,000

Trends & Issues

- The City Council held its annual workshop on February 4th and 5th, 2016 where the City Manager established the Management Agenda for FY 2016-17. The items on the Management Agenda are; Burton Station Development, Arena Development, High Speed Internet Service/Broadband/Next Generation Network, Baseball Complex Development, Light-Rail Project Development and update the Major Streets and Highways Master Plan.

Major Budget Changes

	Change	Impact
↑	New Deputy City Manager and Executive Assistant	The City Manager's Office added a Deputy City Manager and one Executive Assistant to address span of control concerns and to focus on moving City Council goals forward. This results in an increase of \$325,180.

City Manager's Office - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
City Manager's Office	1,861,361	1,933,606	2,171,424	237,818
Organization Development Office	261,132	293,503	273,639	(19,864)
Office of Volunteer Resources	197,218	214,765	209,111	(5,654)
Communications Office	295,318	1,476,246	1,503,426	27,180
Total Expenditures	<u>2,615,030</u>	<u>3,918,120</u>	<u>4,157,600</u>	<u>239,480</u>
<u>Revenues</u>				
Fees	0	12,000	12,000	0
Total Revenues	<u>0</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
General City Support	<u>2,615,030</u>	<u>3,906,120</u>	<u>4,145,600</u>	<u>239,480</u>
Total Department Expenditure	2,615,030	3,918,120	4,157,600	239,480
Total Department Revenue	0	12,000	12,000	0
Total General City Support	<u>2,615,030</u>	<u>3,906,120</u>	<u>4,145,600</u>	<u>239,480</u>

Position Summary by Program

<u>002 General Fund</u>				
City Manager's Office	12.00	12.00	14.00	2.00
Organization Development Office	3.00	3.00	3.00	0.00
Office of Volunteer Resources	2.50	2.50	2.50	0.00
Communications Office	3.00	16.50	16.50	0.00
Total	<u>20.50</u>	<u>34.00</u>	<u>36.00</u>	<u>2.00</u>
Total Position Summary	<u>20.50</u>	<u>34.00</u>	<u>36.00</u>	<u>2.00</u>

Expenditure Category by Department

Personnel	2,443,205	3,635,852	3,903,538	267,686
Operating	171,825	282,268	251,434	(30,834)
Capital	0	0	2,628	2,628
Total Expenditures:	<u>2,615,030</u>	<u>3,918,120</u>	<u>4,157,600</u>	<u>239,480</u>

Revenue Category by Department

From the Use of Money and Property	0	12,000	12,000	0
Total Revenue:	<u>0</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>

Resource Summary Notes

The Communications Office was added to the City Manager's Office in FY 2015-16.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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, maintain and continually amend assessment records to reflect changes in the City's real property in accordance with state law and city code; perform transfers of ownership, updates, wills and plats recorded with the Clerk of Circuit Court and the accurate preparation of the Real Estate Land Book. Provide information and assistance to the City Council, City staff, State Department of Taxation and the public regarding the land book and individual assessments.

Department Overview

City Real Estate Assessor

Accurately calculates Virginia Beach's real estate property taxes. This office's responsibilities include an annual inventory and appraisal of approximately 158,000 parcels. A quarterly inspection of new construction is also conducted to include 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, and recording taxable parcels.

Per Capita Funding



Note: The decrease in FY 2016-17 is the result of staff and operational reductions.

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 to the board to review the request. Hearings are held annually between July and February. 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.

Key Performance Measures

Goal: Revitalize Neighborhoods and Plan for the Future

Means to Residents: Protection of residents property values

Means to Residents: More attractive and inviting city

90.4% of respondents satisfied with overall appearance of their neighborhood

71.9% of respondents satisfied with city's planning for residential development

91.7% of respondents satisfied with the overall appearance of the city

158,000 taxable parcels

7,182 average parcels per appraiser

600 assessment corrections processed

Trends and Issues

- ➔ The number of home foreclosures in the city continue to decline. The total number decreased from FY 2014-15 to FY 2015-16 by 10%.
- ➔ The International Association of Assessing Officer's (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 4,617 for FY 2016-17 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.

Major Budget Changes

	Change	Impact
↓	Reduce .27 FTE	The Board of Equalization eliminated a Clerk Typist position. The duties of this position have been absorbed by a current FTE in the Real Estate Assessor's Office.

City Real Estate Assessor - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Board of Equalization	11,129	9,043	2,997	(6,046)
City Real Estate Assessor	3,063,535	3,234,174	3,154,539	(79,635)
Total Expenditures	<u>3,074,664</u>	<u>3,243,217</u>	<u>3,157,536</u>	<u>(85,681)</u>
<u>Revenues</u>				
Fees	288	0	0	0
Total Revenues	<u>288</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>3,074,376</u>	<u>3,243,217</u>	<u>3,157,536</u>	<u>(85,681)</u>
Total Department Expenditure	3,074,664	3,243,217	3,157,536	(85,681)
Total Department Revenue	288	0	0	0
Total General City Support	<u>3,074,376</u>	<u>3,243,217</u>	<u>3,157,536</u>	<u>(85,681)</u>

Position Summary by Program

<u>002 General Fund</u>				
Board of Equalization	0.29	0.27	0.00	-0.27
City Real Estate Assessor	34.00	34.00	34.00	0.00
Total	<u>34.29</u>	<u>34.27</u>	<u>34.00</u>	<u>-0.27</u>
Total Position Summary	<u>34.29</u>	<u>34.27</u>	<u>34.00</u>	<u>-0.27</u>

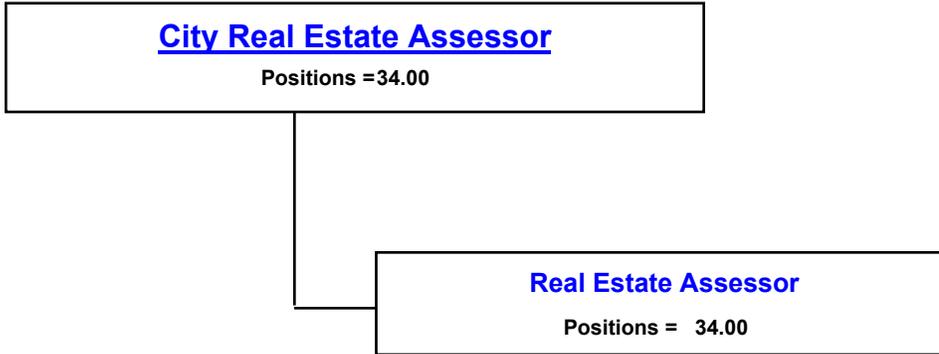
Expenditure Category by Department

Personnel	2,859,308	2,993,640	2,908,904	(84,736)
Operating	215,356	249,577	248,632	(945)
Total Expenditures:	<u>3,074,664</u>	<u>3,243,217</u>	<u>3,157,536</u>	<u>(85,681)</u>

Revenue Category by Department

Charges for Services	238	0	0	0
Miscellaneous Revenue	50	0	0	0
Total Revenue:	<u>288</u>	<u>0</u>	<u>0</u>	<u>0</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

The City Treasurer's office mails out, receives, and processes payments for current and delinquent real estate taxes, personal property taxes, trustee taxes, parking tickets, and other various bills due to the city. The Treasurer is also 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 the maximum security and safety, meeting daily cash flow demands, and conformance with all state and local statutes governing the investment of public funds has been met.

Per Capita Expenditures



Key Performance Measures

**Goal: Create a Financially Sustainable City
Providing Excellent Services**

Means to Residents: City services delivered in the most cost-effective manner

80% of citizens believe they receive a good value for their city tax dollars

480,000 personal
property envelopes
mailed

\$480,000 is the amount
collected and
reimbursed to victims

123,000 real estate
envelopes mailed

25,000 trustee envelopes
mailed

Trends & Issues

- ➔ The City Treasurer's portion of the Revenue Assessment and Collection System project is expected to be completed in FY 2016-17.
- ➔ In FY 2015-16, the Commonwealth of Virginia required that the City Treasurer only be reimbursed for the cost of collection of the court costs and fines and the revenue must be split between the City Treasurer and the state. For FY 2016-17, legislation has been introduced that would allow those City Treasurers who collected the revenue originally will not be required to split the collection of this revenue with the state.

Major Budget Changes

	Change	Impact
↑	Additional funds from the Business Personal Property Late Filing Fee	The City Treasurer has added \$120,624 to their budget from a Business Personal Property late filing penalty. The Commissioner of the Revenue has agreed to share this revenue with the City Treasurer. It is expected that this filing fee will bring an estimated revenue of \$350,000.
↑	Increase in Estimated Revenue	The City Treasurer's Office has increased overall revenue by \$320,425 in FY 2016-17. The largest drivers of this increase has been in City Treasurer charges which increased from \$717,935 to \$1,092,000. In FY 2014-15 the City Treasurer collected \$1,243,793 in charges.

City Treasurer - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
City Treasurer	5,723,392	5,774,330	5,886,194	111,864
Total Expenditures	<u>5,723,392</u>	<u>5,774,330</u>	<u>5,886,194</u>	<u>111,864</u>
<u>Revenues</u>				
Fees	2,791,164	2,076,235	2,380,600	304,365
State	633,509	644,640	650,000	5,360
Transfers	232,016	243,300	254,000	10,700
Total Revenues	<u>3,656,689</u>	<u>2,964,175</u>	<u>3,284,600</u>	<u>320,425</u>
General City Support	<u>2,066,702</u>	<u>2,810,155</u>	<u>2,601,594</u>	<u>(208,561)</u>
<u>610 Capital Projects Internal Service Fund</u>				
<u>Expenditures</u>				
Capital Projects - City Treasurer	70,483	70,000	70,000	0
Total Expenditures	<u>70,483</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	70,483	70,000	70,000	0
Total Revenues	<u>70,483</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	5,793,875	5,844,330	5,956,194	111,864
Total Department Revenue	<u>3,727,173</u>	<u>3,034,175</u>	<u>3,354,600</u>	<u>320,425</u>
Total General City Support	<u>2,066,702</u>	<u>2,810,155</u>	<u>2,601,594</u>	<u>(208,561)</u>

Position Summary by Program

<u>002 General Fund</u>				
City Treasurer	74.83	74.60	74.60	0.00
Total	<u>74.83</u>	<u>74.60</u>	<u>74.60</u>	<u>0.00</u>
<u>610 Capital Projects Internal Service Fund</u>				
Capital Projects - City Treasurer	2.00	0.00	0.00	0.00
Total	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Position Summary	<u>76.83</u>	<u>74.60</u>	<u>74.60</u>	<u>0.00</u>

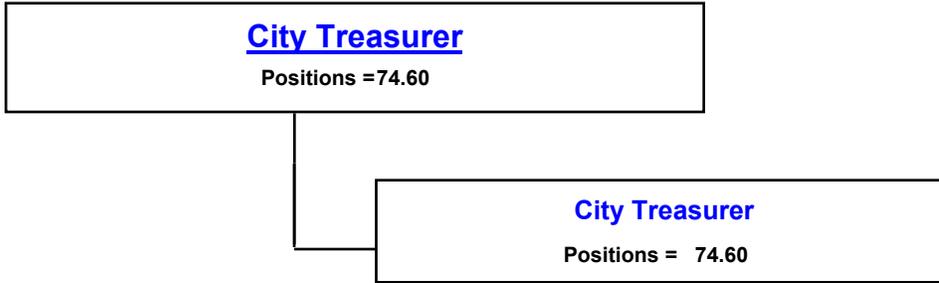
Expenditure Category by Department

Personnel	4,841,330	4,974,208	5,026,968	52,760
Operating	952,546	870,122	929,226	59,104
Total Expenditures:	<u>5,793,875</u>	<u>5,844,330</u>	<u>5,956,194</u>	<u>111,864</u>

City Treasurer - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Revenue Category by Department</u>				
Permits, Privilege Fees, and Regulatory Licenses	46,912	0	0	0
Charges for Services	70,483	70,000	70,000	0
Miscellaneous Revenue	1,390,480	876,235	1,268,850	392,615
Fines and Forfeitures	1,353,773	1,200,000	1,111,750	(88,250)
Other Sources from the Commonwealth	633,509	644,640	650,000	5,360
Transfers from Other Funds	232,016	243,300	254,000	10,700
Total Revenue:	<u>3,727,173</u>	<u>3,034,175</u>	<u>3,354,600</u>	<u>320,425</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



COMMISSIONER OF THE REVENUE

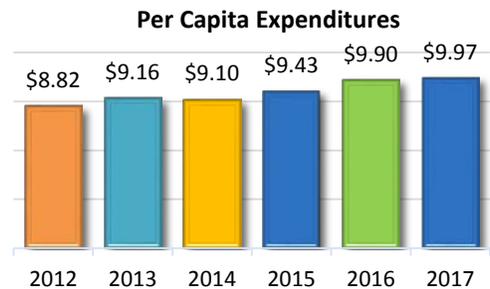


The mission of the Commissioner of the Revenue is to ensure the uniform and consistent assessment of applicable state and local tax codes while providing customer assistance on all tax related issues.

Department 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 office is responsible for the discovery, investigation, licensing, assessment, audit, and prosecution and reporting of tax levies. It also provides select DMV services and has the additional responsibility of selling hunting and fishing licenses in partnership with the Virginia Department of Game and Inland Fisheries.



Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services that are readily accessible and are provided in a customer friendly manner

80% of taxpayers feel that they receive a good value for their city tax dollars

94.6% of citizens agree that they can conveniently access city services

5,200 audits and investigations

470,000 personal property accounts assessed annually

350,000 direct customer contacts

55,000 DMV customer contacts

Trends & Issues

- The Commissioner of the Revenue’s portion of the Revenue Assessment and Collection System Project is expected to be completed in FY 2016-17.
- New innovative technologies and services are presenting challenges to the city’s revenue picture which include eCigarettes, Uber, and AirBnb. These services are currently not taxed or are so lightly regulated as to prevent local discovery. Many of the solutions will involve the Commonwealth of Virginia passing legislation that will enable localities to discover and bring into compliance with existing law these new technologies and services. Localities already tax and ensure compliance on tobacco, taxis, and lodging which these new services compete against.
- The Commissioner of the Revenue’s Office will also be adjusting the method of assessment for computer equipment. This change may have revenue implications in the short term, but the Commissioner believes that the long term impact will present an opportunity to have Virginia Beach’s taxation align with the future business environment that those businesses will compete with.

Major Budget Changes

	Change	Impact
↔	2 Additional Revenue Agent I’s	The Commissioner of Revenue is adding 2 Revenue Agent I FTEs for FY 2016-17. These are not net new positions. In anticipation of the Revenue Assessment and Collection System CIP nearing completion, the office has moved the 2 FTEs from the Capital Projects Internal Service Fund into the General Fund for FY 2016-17. Total cost of the 2 FTEs is \$88,130.
↑	Collection of Business Personal Property Late Filing Fee	The Commissioner of Revenue will begin collecting a business personal property late filing fee for FY 2016-17. It is anticipated that this fee will generate an additional \$350,000 in revenue for FY 2016-17. This fee will support the 2 additional Revenue Agent I’s listed above and \$120,624 of the fee will support the City Treasurers operating expenses.

Commissioner of the Revenue - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Commissioner of the Revenue	4,254,945	4,338,714	4,465,130	126,416
DMV Select	54,578	81,178	81,704	526
Total Expenditures	<u>4,309,523</u>	<u>4,419,892</u>	<u>4,546,834</u>	<u>126,942</u>
<u>Revenues</u>				
State	735,116	843,079	843,079	0
Total Revenues	<u>735,116</u>	<u>843,079</u>	<u>843,079</u>	<u>0</u>
General City Support	<u>3,574,406</u>	<u>3,576,813</u>	<u>3,703,755</u>	<u>126,942</u>
<u>610 Capital Projects Internal Service Fund</u>				
<u>Expenditures</u>				
Capital Projects - COR	31,260	71,307	0	(71,307)
Total Expenditures	<u>31,260</u>	<u>71,307</u>	<u>0</u>	<u>(71,307)</u>
<u>Revenues</u>				
Fees	31,260	71,307	0	(71,307)
Total Revenues	<u>31,260</u>	<u>71,307</u>	<u>0</u>	<u>(71,307)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	4,340,783	4,491,199	4,546,834	55,635
Total Department Revenue	766,377	914,386	843,079	(71,307)
Total General City Support	<u>3,574,406</u>	<u>3,576,813</u>	<u>3,703,755</u>	<u>126,942</u>

Position Summary by Program

<u>002 General Fund</u>				
Commissioner of the Revenue	60.00	60.00	62.00	2.00
DMV Select	2.93	2.93	2.93	0.00
Total	<u>62.93</u>	<u>62.93</u>	<u>64.93</u>	<u>2.00</u>
<u>610 Capital Projects Internal Service Fund</u>				
Capital Projects - COR	2.00	2.00	0.00	-2.00
Total	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	<u>-2.00</u>
Total Position Summary	<u>64.93</u>	<u>64.93</u>	<u>64.93</u>	<u>0.00</u>

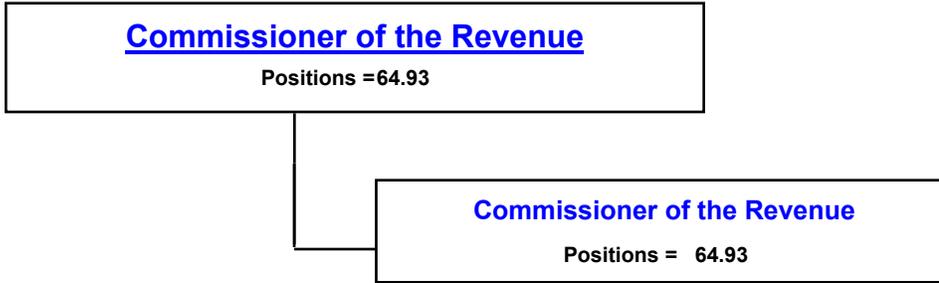
Expenditure Category by Department

Personnel	4,008,306	4,195,198	4,256,053	60,855
Operating	322,278	294,694	290,781	(3,913)
Capital	10,199	0	0	0
Reserves	0	1,307	0	(1,307)
Total Expenditures:	<u>4,340,783</u>	<u>4,491,199</u>	<u>4,546,834</u>	<u>55,635</u>

Revenue Category by Department

Charges for Services	31,260	71,307	0	(71,307)
Other Sources from the Commonwealth	735,116	843,079	843,079	0
Total Revenue:	<u>766,377</u>	<u>914,386</u>	<u>843,079</u>	<u>(71,307)</u>

City of Virginia Beach
Fiscal Year 2017 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.

Department Overview

The Finance Department objectives include: conservative financial management, quality core services to vendors, citizens, and departments, long range fiscal sustainability, improve financial technology, controls and financial resource management citywide. This is done through various divisions and programs listed below.

Debt Management

Supports the approved CIP debt requirements by providing planning, debt issuances and analysis, reporting, and administration of the city's bond programs.

Payroll

Prepares city employee payroll, manages federal and state tax reporting and compliance, manages Virginia Retirement System programs, and other functions including garnishments, liens, and pay deductions.

Comptroller

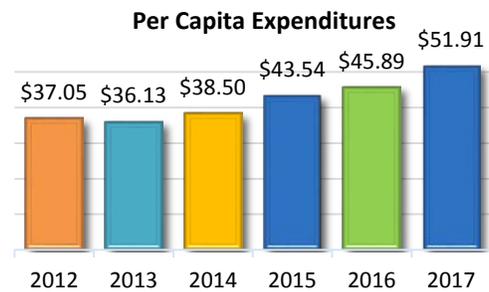
Prepares mandated financial reports in compliance with federal and state laws, including the Comprehensive Annual Financial Report. Responsible for oversight and integrity of the financial management system for operating and capital projects funds. Processes all invoices, generates and manages city payments and payment tax compliance, unclaimed property reporting, and provides oversight of accounting policies and internal controls citywide.

Purchasing

Responsible for the procurement of all goods, services, and construction in accordance with state law and city code. Manages the bidding and competitive negotiation processes for all formal procurement solicitation. Provides 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, purchasing insurances, and processing workers' compensation adjustments and civil liability claims. Also manages public assistance recovery and reimbursement efforts.



Note: Rising per capita costs equates directly to rising workers' compensation and insurance costs.

Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services delivered in the most cost-effective manner

80% of residents agree with the statement, "Overall, I receive a good value for my city tax dollar."

\$320 million in purchase orders and 190 formal purchasing solicitations

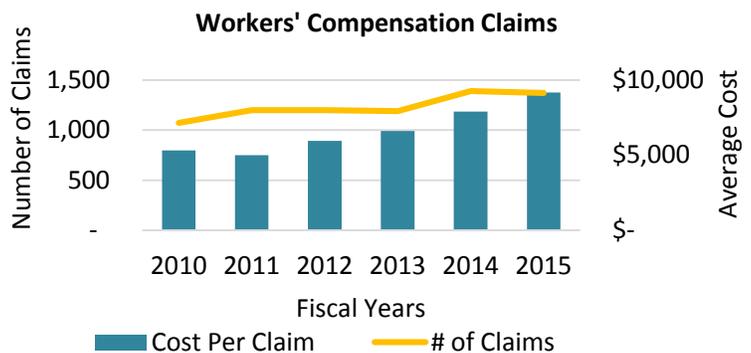
Means to Residents: Managing city risk, insuring against loss

Steps to mitigate costs: 1) streamline processes and provider networks 2) build a safety culture

Estimated 1,177 of workers compensation claims valued at \$12.6 million

Trends & Issues

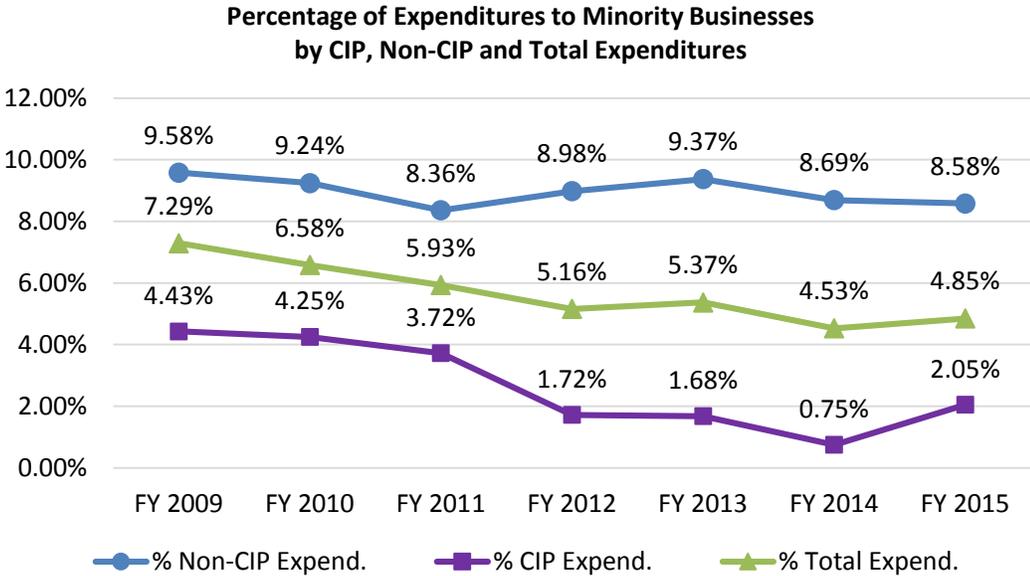
➔ Of major concern is the increasing trend in the number of workers' compensation claims and the amount paid. During the six-year period, the total annual cost of claims ranged from \$5.7 to \$12.6 million, and the average amount of claims paid ranged from \$5,000 to \$9,169 as illustrated in the chart. To stem the increasing number and cost of claims, building a "Safety Culture" is of utmost importance.



➔ The city's excellent financial management practices have resulted in seven straight years of receiving Triple-A bond ratings from all three major ratings agencies: Fitch, Moody's, and Standard & Poor's. In February 2016, the city refunded \$50 million of debt at a lower interest rate, resulting in the saving of \$4.2 million in debt payments over the next 14 years.

➔ Scheduled for implementation in FY 2016-17 is the city's conversion from a semi-monthly to a bi-weekly payroll frequency. The bi-weekly system will better align the payroll processes with the way the system was designed to work and therefore reduce risk, improve internal controls, lessen the burden of adjustments and corrections on departments, position the payroll system for scheduling and time/leave automation, and follow payroll processing best practices.

➡ The Purchasing Division supports the Minority Business Council, which serves as an advisory agency to the City Manager and City Council with respect to the city’s procurement policies and procedures for small, woman-owned, disabled-owned, and minority-owned businesses. The mission of the Minority Business Council is to focus on increasing expenditures to minority and woman-owned businesses within the city as a means to further the city’s economic development and vitality. The chart illustrates the percentage of city expenditures for goods & services and construction (CIP) related expenditures, which were awarded to SWaM businesses over the past seven years.



Finance - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	732,820	738,106	759,218	21,112
Local Vehicle Registration	292,882	363,000	297,000	(66,000)
Comptroller's Office	1,657,594	1,701,292	1,699,940	(1,352)
Payroll	839,659	846,314	849,808	3,494
Purchasing	1,184,132	1,172,270	1,219,749	47,479
Total Expenditures	<u>4,707,087</u>	<u>4,820,982</u>	<u>4,825,715</u>	<u>4,733</u>
<u>Revenues</u>				
Fees	147,755	253,665	229,965	(23,700)
Total Revenues	<u>147,755</u>	<u>253,665</u>	<u>229,965</u>	<u>(23,700)</u>
General City Support	<u>4,559,332</u>	<u>4,567,317</u>	<u>4,595,750</u>	<u>28,433</u>
<u>607 Risk Management Internal Service Fund</u>				
<u>Expenditures</u>				
Risk Management Insurance Payments	16,354,021	15,077,970	17,400,574	2,322,604
Risk Management	573,877	733,156	894,402	161,246
Reserve for Contingencies	0	0	376,643	376,643
Total Expenditures	<u>16,927,898</u>	<u>15,811,126</u>	<u>18,671,619</u>	<u>2,860,493</u>
<u>Revenues</u>				
Fees	14,816,876	15,811,126	18,671,619	2,860,493
Transfers	3,639,476	0	0	0
Total Revenues	<u>18,456,352</u>	<u>15,811,126</u>	<u>18,671,619</u>	<u>2,860,493</u>
General City Support	<u>(1,528,454)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>610 Capital Projects Internal Service Fund</u>				
<u>Expenditures</u>				
Capital Projects - Finance	161,623	180,562	172,079	(8,483)
Total Expenditures	<u>161,623</u>	<u>180,562</u>	<u>172,079</u>	<u>(8,483)</u>
<u>Revenues</u>				
Fees	161,623	180,562	172,079	(8,483)
Total Revenues	<u>161,623</u>	<u>180,562</u>	<u>172,079</u>	<u>(8,483)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	21,796,607	20,812,670	23,669,413	2,856,743
Total Department Revenue	18,765,730	16,245,353	19,073,663	2,828,310
Total General City Support	<u>3,030,877</u>	<u>4,567,317</u>	<u>4,595,750</u>	<u>28,433</u>

Position Summary by Program

<u>002 General Fund</u>				
Director's Office	6.00	6.00	6.00	0.00
Comptroller's Office	19.00	19.00	19.00	0.00
Payroll	10.00	10.00	10.00	0.00
Purchasing	13.00	13.00	13.00	0.00
Total	<u>48.00</u>	<u>48.00</u>	<u>48.00</u>	<u>0.00</u>

Finance - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
607 Risk Management Internal Service Fund				
Risk Management	7.00	7.00	7.00	0.00
Total	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>
610 Capital Projects Internal Service Fund				
Capital Projects - Finance	2.00	2.00	2.00	0.00
Total	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
Total Position Summary	<u><u>57.00</u></u>	<u><u>57.00</u></u>	<u><u>57.00</u></u>	<u><u>0.00</u></u>

Expenditure Category by Department

Personnel	4,820,688	4,979,740	4,986,586	6,846
Operating	16,974,242	15,831,097	18,294,819	2,463,722
Capital	1,677	0	8,225	8,225
Reserves	0	1,833	379,783	377,950
Total Expenditures:	<u><u>21,796,607</u></u>	<u><u>20,812,670</u></u>	<u><u>23,669,413</u></u>	<u><u>2,856,743</u></u>

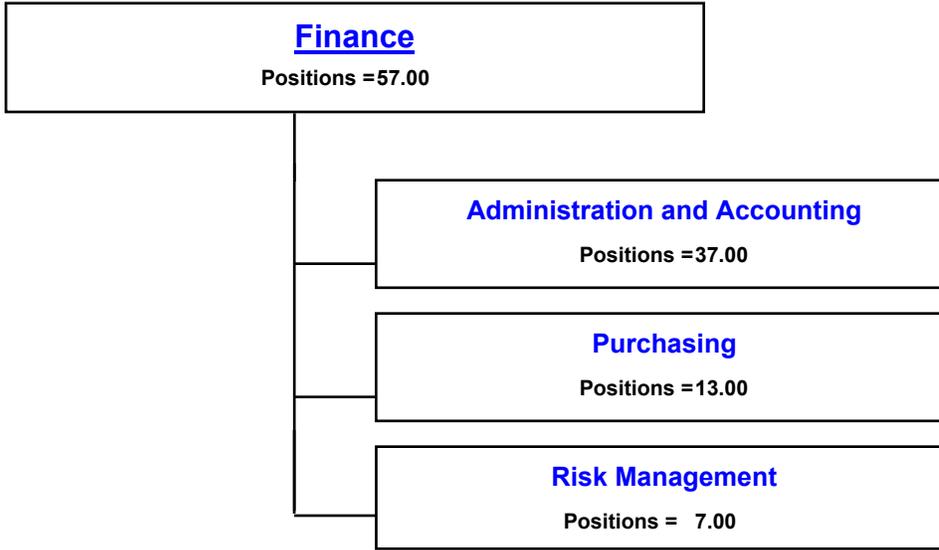
Revenue Category by Department

Permits, Privilege Fees, and Regulatory Licenses	3,625	7,250	7,250	0
From the Use of Money and Property	30,951	27,758	30,100	2,342
Charges for Services	14,889,697	15,982,630	18,756,598	2,773,968
Miscellaneous Revenue	201,981	227,715	279,715	52,000
Transfers from Other Funds	3,639,476	0	0	0
Total Revenue:	<u><u>18,765,730</u></u>	<u><u>16,245,353</u></u>	<u><u>19,073,663</u></u>	<u><u>2,828,310</u></u>

Resource Summary Notes

The \$3,639,476 transfer of revenues in the 607 Risk Management Internal Service Fund in FY 2014-15 was to provide for additional workers' compensation claims and legal services.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



GENERAL REGISTRAR



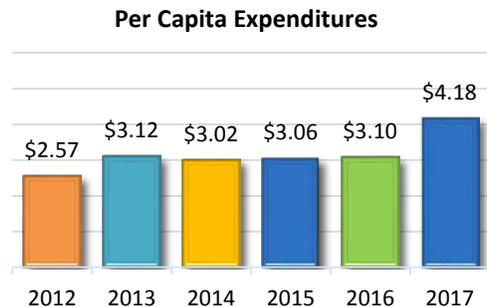
The mission of the General Registrar is to maintain the current registration and elections process for Virginia Beach voters, to meet mandatory state and federal standards for access to voter registration and to handle the regulations of the National Voter Registration Act, Help America Vote Act and the Department 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.

Department Overview

The state reimburses the city for a portion of the General Registrar's salary. Reimbursements are also received for the Electoral Board members' salaries. The General Registrar's Office maintains the current registration and elections process for Virginia Beach voters and supports 98 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 locations-Bayside Recreation Center and Great Neck Recreation Center
- ➔ Providing convenient ways for citizens to register to vote, change voter registration records, request their free voter photo ID, vote by absentee ballot, and pursue their candidacy for the office.
- ➔ Handling mail registration sites at the U.S. Post Office, city schools, and city recreation centers. In person registration at public libraries, Department of Human Services, Offices of 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.

The variation in the department's operating budget from year to year is based on the election needs for that year. The department's per capita expenditures increased in FY 2012-13 due to the November 2012 Presidential Election. The reduction in off years are due to a combination of reductions in City revenue and smaller elections. The increase in Per Capita Expenditures between FY 2015 -16 and FY 2016-17 was the result of increased funding for the November 2016 Presidential Election and the addition of one full-time Assistant Registrar II.



As part of on-going process improvement, the office is working to add a mobile application to assist voters in finding their polling location, provide voter turnout throughout the day, and deliver election results in time. More laptops will be used as electronic poll books (EPBs) on Election Day to help move voters through the line quicker. Lastly, replace look-up devices with tablets, these devices are used to assist voters on Election Day as they enter the polling location by making sure they are in the correct polling location.

Key Performance Measures

Goal: We Have a Culture of Volunteerism & Civic Engagement

Means to Resident: Residents are satisfied with the opportunity citizens have to share their ideas or opinions before the city makes important decisions

78.8% of respondents reported they are registered to vote in the City of Virginia Beach

285,491 registered voters

27,273 registered voters served by each registrar

31% of residents voting in a local election

Major Budget Changes

	Change	Impact
↑	Part-time Position Converted to Full-time Position	The department has eliminated the Part -time Assistant Registrar II position and replaced it with a full-time Assistant Registrar II. The increase in this positions hours of availability will help assist with the impact of the presidential election and growing demands in the office.

General Registrar - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
General Registrar	1,282,285	1,403,878	1,905,803	501,925
Total Expenditures	<u>1,282,285</u>	<u>1,403,878</u>	<u>1,905,803</u>	<u>501,925</u>
<u>Revenues</u>				
Fees	160	0	0	0
State	75,953	76,648	76,954	306
Total Revenues	<u>76,113</u>	<u>76,648</u>	<u>76,954</u>	<u>306</u>
General City Support	<u>1,206,172</u>	<u>1,327,230</u>	<u>1,828,849</u>	<u>501,619</u>
Total Department Expenditure	1,282,285	1,403,878	1,905,803	501,925
Total Department Revenue	<u>76,113</u>	<u>76,648</u>	<u>76,954</u>	<u>306</u>
Total General City Support	<u>1,206,172</u>	<u>1,327,230</u>	<u>1,828,849</u>	<u>501,619</u>

Position Summary by Program

<u>002 General Fund</u>				
General Registrar	11.86	11.86	12.00	0.14
Total	<u>11.86</u>	<u>11.86</u>	<u>12.00</u>	<u>0.14</u>
Total Position Summary	<u>11.86</u>	<u>11.86</u>	<u>12.00</u>	<u>0.14</u>

Expenditure Category by Department

Personnel	853,841	895,501	1,111,371	215,870
Operating	427,083	508,377	794,432	286,055
Capital	1,362	0	0	0
Total Expenditures:	<u>1,282,285</u>	<u>1,403,878</u>	<u>1,905,803</u>	<u>501,925</u>

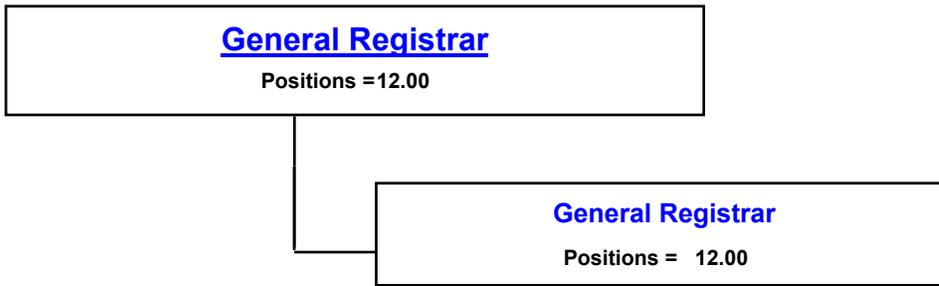
Revenue Category by Department

Charges for Services	60	0	0	0
Miscellaneous Revenue	100	0	0	0
Other Sources from the Commonwealth	75,953	76,648	76,954	306
Total Revenue:	<u>76,113</u>	<u>76,648</u>	<u>76,954</u>	<u>306</u>

Resource Summary Notes

The overall increase in expenditures for the General Registrar Department is due to the anticipation of increased voter turnout in the November 2016 Presidential Election and the conversion of one part-time Assistant Registrar II to full-time.

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

Funding for the Human Resources Department comes primarily from general city revenues. The department collects a small amount of revenue that covers the cost of the employee newsletter (the Beam), and also receives funding from the Water and Sewer Fund to offset the cost of required physicals for its employees. The services 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 analysis.

Learning and Development

Provides citywide learning opportunities to allow a comprehensive and integrated learning and development continuum for every city employee. This recognizes 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.

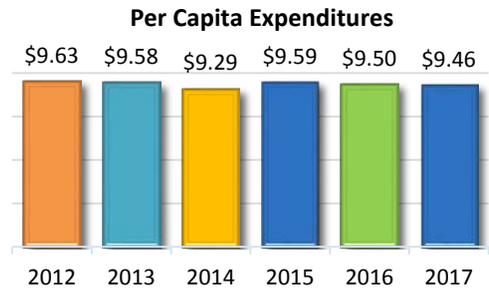
Human Rights Commission

Conducts and engages in educational and informational programs to promote mutual understanding among citizens. The Commission serves as a forum for discussion on human rights issues, conducts studies, 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. Staff 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. This program provides, coordinates, and implements: *Member Update, Beam, OnPoint* newsletters, *Member Conversations with the City Manager, Because You Asked, Quality of Work Life Member Survey and Action Plans* (other surveys as needed), member recognition programs, and the Member Advisory Committee.

HR/Police Services

Administers the Police Department's performance feedback program, coordinates departmental selection process, provides professional support for police command staff, and provides consultation regarding employee disciplinary and performance issues. Staff also 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.

Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services that are readily accessible and are provided in a customer friendly manner

Learning and Development

Participants attending
5,700 - instructor led training
2,500 - e-learning courses

Staffing and Compensation

82% of positions are filled
within 60 days of initial
advertisement

Occupational Health & Safety

6,800- participants attending training
14,000 - medical exams/nursing services
1,100 - injuries reported

Trends and Issues

➤ Federal Wage Regulations Could Impact City Employees

Over the past several years there have been multiple efforts to raise the federal minimum wage. While some advocate for an immediate increase to \$10 to \$15 per hour minimum, others prefer a more gradual approach with an increase over several years. Due to resistance in congress, President Obama signed Executive Order 13658 “Establishing a Minimum Wage for Contractors” to raise the minimum wage to \$10.10 for all workers on Federal construction and service contracts. To provide an order of magnitude, the table below illustrates the number of employees impacted in the city government that fall below \$10 to \$15 per hour in \$1 per hour increments:

	Less than \$10/hr.	Less than \$11/hr.	Less than \$12/hr.	Less than \$13/hr.	Less than \$14/hr.	Less than \$15/hr.
Part-Time	728	840	859	907	1127	1175
Full-Time	0	15	151	241	380	590
Projected Cost		\$7,134	\$142,979	\$560,976	\$1,222,728	\$2,177,469

Note: Cost projections are for full-time employees only and do not include payroll taxes and benefit costs.

While the implementation of the Executive Order has no impact on city employees, the Obama Administration’s Department of Labor has been preparing new rules that govern the exemption thresholds in the Fair Labor Standards Act. The proposed rule with the most significant potential impact to the city increases the current minimum salary a worker must be paid to be exempt from overtime from \$23,660 to \$50,440 annually. This requirement would directly impact approximately 67 employees who currently make below the proposed threshold, but are considered exempt under the city’s current pay plan.

While assessing the number of employees impacted by this is relatively easy, putting a price tag on this proposed change is more difficult. Assuming that the City does not raise the minimum of all positions that are exempt to the minimum threshold, it is unknown how many hours above the 40 hour limit are being worked by these employees as this data is not tracked due to their “exempt” status. According to the most recent information available, the finalized rules are not scheduled to be released until late 2016.

➤ Creating Efficiency through the Deployment of Technology

Human Resources is in the process of implementing a new Human Resources platform. The use of this platform will improve and modernize processes, data creation, and storage and reporting capabilities. The platform is compatible with the city’s existing Oracle-based payroll/human resources processing and information database, which will provide enhanced data integration opportunities.

Once implementation is complete, the city will end its existing license for operating systems currently in use. This will produce annual savings in licensing expenses. With these tools, and the integration with Oracle, the need to maintain local information files (shadow systems) will be greatly reduced for human resources information and processing needs as more information will be available to end users. Also, communications will be more frequent and timely which will enhance the consistency in message delivery as it will be automated across the intra- and internet communications networks.

A reduction in city staff efforts will result from the auto-completion of new member records, maintenance of current employee records, and the auto-notification of required continuing education, licensing and re-certification as required by the city position and employee holding it.

➔ **Workforce Planning**

It is projected that by 2018, the city will have approximately 1,350 full time employees that are eligible to retire and the average turnover rate will be around 7.7%. The organizations ability to fill these positions with individuals with the correct skill sets and to project what those skill sets will be, is critical to providing the highest level of service to customers and clients.

Workforce planning is an intricate part of analyzing the current state of the workforce, identifying gaps, and assists with planning for the future. Primarily, the department utilizes two tools to assist with this, the first is Strategic Workforce Planning – a methodical process focused on: knowledge, skills and abilities of individuals, competencies needed to perform specific job/tasks, and requirements of job classifications. They are used to analyze trends and to forecast the future needs of the workforce and the organization. The second tool is Equal Employment Opportunity. This is a statistical and analytical evaluation of the city's progress to create a workforce that includes utilization of qualified minorities and females. Strategic Workforce Planning and Equal Employment Opportunity are inseparable and as an organization, the city must consider and support the goals and objectives of both.

As an organization, the city has chosen to combine the efforts of Workforce Planning with that of Equal Employment Opportunity to create the Strategic Workforce and Employment Plan. This plan is a systematic approach used to depict our current workforce, outline the future direction and needs of the organization, and identify gaps along with areas of underutilization. By creating a blueprint of activities that will help push the organization forward, the city fully embraces the importance of having the right people with the right skills in the right place at the right time.

Human Resources - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	286,432	363,912	380,223	16,311
Employee Relations	473,623	570,644	519,703	(50,941)
Staffing and Compensation Services	1,100,098	1,171,694	1,161,536	(10,158)
Learning and Development	613,278	756,336	752,796	(3,540)
HR Police Services	105,805	113,370	114,586	1,216
Member Communications	108,969	116,451	115,742	(709)
Human Rights Commission	71,711	74,668	62,597	(12,071)
Occupational Safety	205,450	248,378	294,404	46,026
Occupational Health	860,040	946,851	911,636	(35,215)
Total Expenditures	<u>3,825,406</u>	<u>4,362,304</u>	<u>4,313,223</u>	<u>(49,081)</u>
<u>Revenues</u>				
Fees	18,883	11,617	15,617	4,000
Transfers	29,700	35,000	35,000	0
Total Revenues	<u>48,583</u>	<u>46,617</u>	<u>50,617</u>	<u>4,000</u>
General City Support	<u>3,776,823</u>	<u>4,315,687</u>	<u>4,262,606</u>	<u>(53,081)</u>
Total Department Expenditure	3,825,406	4,362,304	4,313,223	(49,081)
Total Department Revenue	48,583	46,617	50,617	4,000
Total General City Support	<u>3,776,823</u>	<u>4,315,687</u>	<u>4,262,606</u>	<u>(53,081)</u>

Position Summary by Program

<u>002 General Fund</u>				
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	<u>47.00</u>	<u>47.00</u>	<u>47.00</u>	<u>0.00</u>
Total Position Summary	<u>47.00</u>	<u>47.00</u>	<u>47.00</u>	<u>0.00</u>

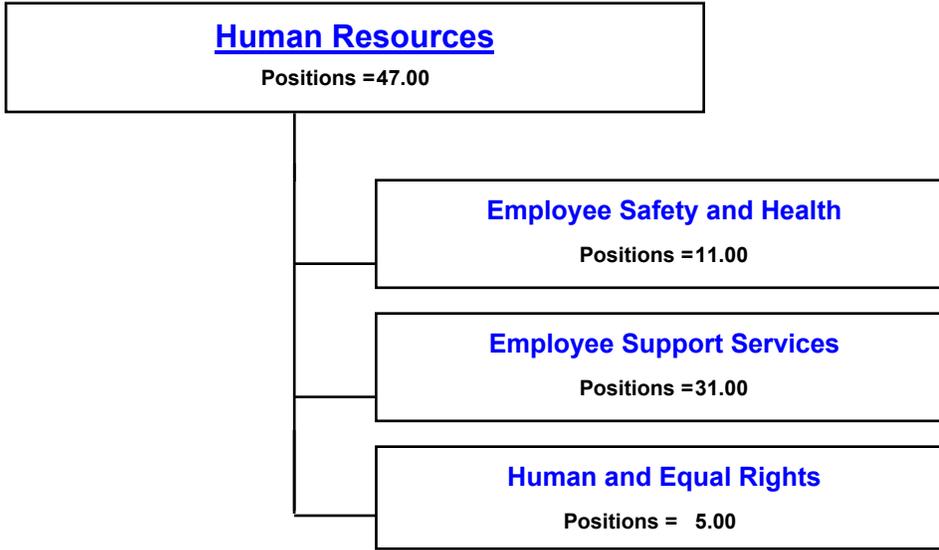
Expenditure Category by Department

Personnel	3,129,937	3,558,007	3,555,962	(2,045)
Operating	695,469	804,297	757,261	(47,036)
Total Expenditures:	<u>3,825,406</u>	<u>4,362,304</u>	<u>4,313,223</u>	<u>(49,081)</u>

Revenue Category by Department

From the Use of Money and Property	1,255	0	0	0
Charges for Services	3,720	0	0	0
Miscellaneous Revenue	13,908	11,617	15,617	4,000
Transfers from Other Funds	29,700	35,000	35,000	0
Total Revenue:	<u>48,583</u>	<u>46,617</u>	<u>50,617</u>	<u>4,000</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



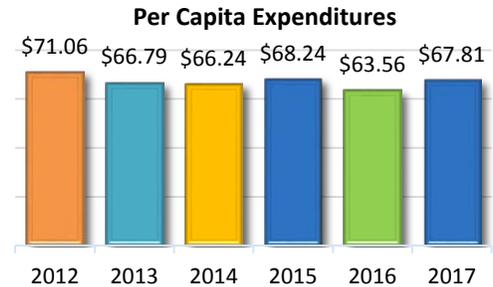
INFORMATION TECHNOLOGY



Information Technology (IT) 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. IT achieves and maintains high standards in the following areas: Business and IT Alignment; Information Accessibility; Openness and Transparency; Civic Participation; Operational Efficiency; Quality Workforce; and IT Security.

Department Overview

IT provides a technology foundation supporting all city and school departments and agencies. Service delivery is based on three fundamental pillars: (1) Run, (2) Grow, (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 (GIS)

Provides GIS base mapping and GIS web services for public safety and other city and school agencies. GIS also maintains maps and databases, support functions, and components including GIS data elements.

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.

Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Service

Mean to Residents: City services delivered in the most cost effective manner

Means to Residents: Technology is available to users in city facilities

Means to Internal Customers: Technology is available to city departments to be used as needed

96% satisfaction with 911 emergency telephone center
90% satisfaction with 311 system

Available internet usage in city libraries and communications with city departments online

85% of trouble calls resolved as very satisfied

Availability of municipal center telephone system 99.5%

Availability of municipal center based WAN 99.8%

95,000 multimedia projects produced

Trends & Issues

- The Virginia Beach Master Technology Plan is a result of collaborative work by city leaders and staff with the consultant Gartner, Inc., a leading information technology research and advisory company. This plan serves as the basis for achieving the goals of increased efficiencies, quality service delivery, and information security for Virginia Beach residents, visitors, and city departments. The strategic initiatives of the plan include: 1) Transforming Service Delivery; 2) Building Better Business Solutions; 3) Strengthening IT Governance; 4) Improving Infrastructure and Operations.

Major Budget Changes

	Change	Impact
↑	2 FTEs as a result of the Memorandum of Understanding (MOU) with the Virginia Beach Sheriff's Office	Two civilian positions were transferred from the Sheriff's Office to IT to support the Sheriff's information technology infrastructure. In addition to the transfer of 2 FTEs, an additional 2 FTEs are planned to be transferred in FY 2017-18 to support the MOU.
↑	2 FTEs for the Police Body Camera Project	Two FTEs (Systems Analyst II and a Systems Engineer II) were added to IT to support the planned January 1, 2017 implementation of body worn cameras by police officers. Also included is \$51,000 for installation costs. Additional positions will also be added to the Police Department and the Commonwealth Attorney's Office.
↑	2 FTEs to Support Department Reorganization.	A Chief Solutions Officer will lead four teams who will be responsible for systems analysis and design, application portfolio management, software development and configuration, and solutions development and configuration for the organization. An Enterprise Architect will be responsible for the conceptual blueprint and lead the vision of how the organization can most effectively achieve its current and future objectives.

	Change	Impact
	4 FTEs moved from the Capital Project Internal Service Fund to the General Fund.	Four positions formerly funded from the CIP have been transferred to the General Fund to support operational and maintenance costs of related capital projects.
	Reorganization and creation of a new budget unit.	As governments continue to modernize services and become more digital, IT as part of its strategic reorganization and staffing modernization efforts has created a Data and Information Management Unit. This new unit will be responsible for retrieving, integrating, analyzing, and displaying data to customers and residents in a manner that addresses customer needs and enables data driven decisions throughout the organization while maintaining its security and integrity. This unit will place a strategic and operational focus on the data assets of the organization.

Information Technology - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Multimedia Services	1,256,901	(3,912)	0	3,912
Mail Service	220,404	215,257	216,189	932
Information Technology Business Center	929,694	986,218	1,125,374	139,156
Applications Support	7,917,313	8,522,728	8,396,807	(125,921)
Data & Information Management	0	0	972,978	972,978
Systems Support	5,835,026	6,774,293	6,681,530	(92,763)
Center for Geospatial Information Services	2,145,646	2,209,949	2,234,981	25,032
GF Telecommunications	1,548,425	1,742,175	2,164,765	422,590
Technology Services	1,371,472	1,502,347	1,931,912	429,565
Total Expenditures	21,224,881	21,949,055	23,724,536	1,775,481
<u>Revenues</u>				
Fees	26,293	0	0	0
Transfers	1,989,604	1,974,273	1,974,273	0
Total Revenues	2,015,897	1,974,273	1,974,273	0
General City Support	19,208,984	19,974,782	21,750,263	1,775,481
<u>610 Capital Projects Internal Service Fund</u>				
<u>Expenditures</u>				
Capital Projects - Information Technology	454,643	471,339	0	(471,339)
Total Expenditures	454,643	471,339	0	(471,339)
<u>Revenues</u>				
Fees	454,643	471,339	0	(471,339)
Total Revenues	454,643	471,339	0	(471,339)
General City Support	0	0	0	0
<u>620 Telecommunications Internal Service Fund</u>				
<u>Expenditures</u>				
Telecommunications	2,672,148	3,073,643	3,036,924	(36,719)
Reserve for Contingencies	0	98,448	141,642	43,194
Total Expenditures	2,672,148	3,172,091	3,178,566	6,475
<u>Revenues</u>				
Fees	3,133,949	3,172,091	3,178,566	6,475
Total Revenues	3,133,949	3,172,091	3,178,566	6,475
General City Support	(461,802)	0	0	0
<u>621 Subscriptions Internal Service Fund</u>				
<u>Expenditures</u>				
Subscriptions	2,495,103	3,368,237	4,018,596	650,359
Reserve for Contingencies	0	246,854	0	(246,854)
Total Expenditures	2,495,103	3,615,091	4,018,596	403,505
<u>Revenues</u>				
Fees	2,347,868	2,516,091	2,469,103	(46,988)
Fund Balance	0	1,099,000	1,549,493	450,493
Total Revenues	2,347,868	3,615,091	4,018,596	403,505
General City Support	147,235	0	0	0

Information Technology - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
Total Department Expenditure	26,846,774	29,207,576	30,921,698	1,714,122
Total Department Revenue	7,952,358	9,232,794	9,171,435	(61,359)
Total General City Support	18,894,417	19,974,782	21,750,263	1,775,481

Position Summary by Program

002 General Fund

Multimedia Services	17.50	0.00	0.00	0.00
Mail Service	4.00	4.00	4.00	0.00
Information Technology Business Center	12.00	12.00	14.00	2.00
Applications Support	53.00	55.00	51.00	-4.00
Data & Information Management	0.00	0.00	9.00	9.00
Systems Support	37.00	38.00	35.00	-3.00
Center for Geospatial Information Services	19.00	19.00	19.00	0.00
GF Telecommunications	12.00	13.00	16.00	3.00
Technology Services	14.00	13.00	16.00	3.00
Total	168.50	154.00	164.00	10.00

610 Capital Projects Internal Service Fund

Capital Projects - Information Technology	5.00	4.00	0.00	-4.00
Total	5.00	4.00	0.00	-4.00

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	183.50	168.00	174.00	6.00

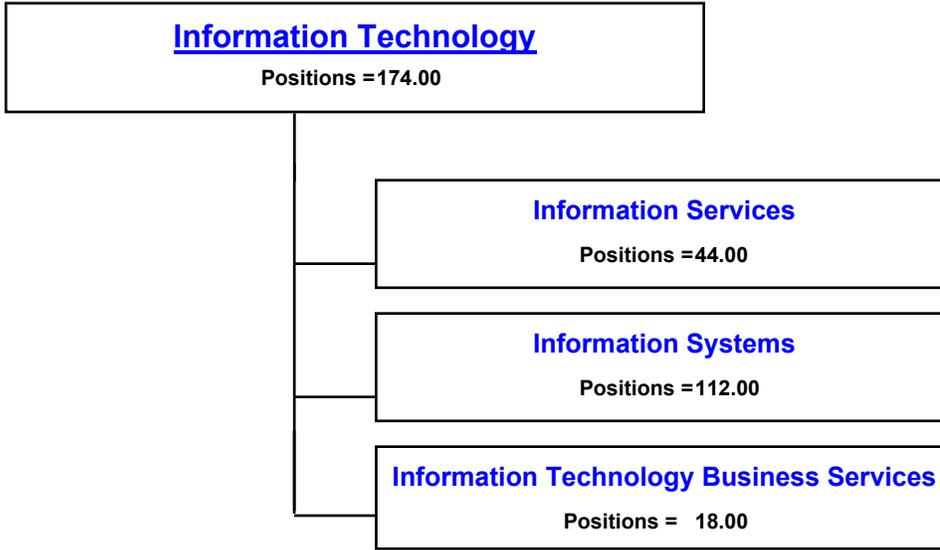
Expenditure Category by Department

Personnel	15,982,484	16,935,299	17,366,568	431,269
Operating	10,500,661	11,679,475	12,469,308	789,833
Capital	363,629	247,500	944,180	696,680
Reserves	0	345,302	141,642	(203,660)
Total Expenditures:	26,846,774	29,207,576	30,921,698	1,714,122

Revenue Category by Department

From the Use of Money and Property	42,739	0	6,475	6,475
Charges for Services	5,873,664	6,159,521	5,641,194	(518,327)
Miscellaneous Revenue	46,351	0	0	0
Transfers from Other Funds	1,989,604	1,974,273	1,974,273	0
Specific Fund Reserves	0	1,099,000	1,549,493	450,493
Total Revenue:	7,952,358	9,232,794	9,171,435	(61,359)

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



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.

Department Overview

The Municipal Council establishes city goals (both long-term and short-term), policies, interprets and represents the community's needs, and promotes the economic, social, educational, and physical quality of the city. They have identified the following goals:

Grow the Local Economy

- ➔ Job opportunities with higher pay for residents to work in Virginia Beach.
- ➔ Reasonable property tax rate through a more diverse tax base resulting in more revenues for the city.
- ➔ Local economy more insulated from an economic downturn.
- ➔ Opportunities to start and grow business in Virginia Beach.
- ➔ Greater convenience in residents' daily lives – less commute time and more time for family.

Per Capita Expenditures



Create a Financially Sustainable City Providing Excellent Services

- ➔ City services delivered in the most cost-effective manner.
- ➔ Reliable city services that contributes to hassle-free daily living.
- ➔ Feeling safe and secure within Virginia Beach – any place, anytime.
- ➔ Timely response to an emergency call for service.
- ➔ City services that are readily accessible and are provided in a customer friendly manner.

Improve the Transportation System

- ➔ Great ease of movement within Virginia Beach and the region.
- ➔ More predictable and acceptable travel times from “point A” to “point B” within Virginia Beach.
- ➔ Choices of transportation mode: car, trail system, public transportation.
- ➔ Safer streets for automobile, pedestrians, and bike travel.
- ➔ Quality public transportation linking Town Center, Convention Center, and Oceanfront.

Revitalize Neighborhoods and Plan for the Future

- ➔ Protection of residents' property values.
- ➔ Safe homes and buildings in the city.
- ➔ More attractive and inviting city.
- ➔ Upgraded older, aging homes, and buildings.
- ➔ Convenient access to commercial and retail areas.

Be a Competitive, First Class Resort for Residents, Businesses and Tourists

- ➔ Job opportunities for residents and youth.
- ➔ Tourist amenities for use by residents and added value to the quality of life.
- ➔ New tourist dollars for the local economy.
- ➔ More choices for your leisure time.
- ➔ Quality leisure activities for families.

Key Performance Measures

Goal 1: Create a Financially Sustainable City Providing Excellent Services. Goal 2: Grow the Local Economy

Means to Residents: Feeling safe and secure within Virginia Beach - any place, anytime

Means to Residents: More attractive and inviting city

Means to Residents: City services that are readily available and delivered in a customer friendly manner

90.7% of citizens feel safe in their neighborhoods

96% of citizens feel Virginia Beach is a good place to live

93.8% of residents satisfied with city services

Municipal Council - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Municipal Council	539,318	526,441	525,226	(1,215)
Total Expenditures	<u>539,318</u>	<u>526,441</u>	<u>525,226</u>	<u>(1,215)</u>
<u>Revenues</u>				
Fees	9,125	0	0	0
Total Revenues	<u>9,125</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>530,193</u>	<u>526,441</u>	<u>525,226</u>	<u>(1,215)</u>
 Total Department Expenditure	 539,318	 526,441	 525,226	 (1,215)
Total Department Revenue	<u>9,125</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General City Support	<u>530,193</u>	<u>526,441</u>	<u>525,226</u>	<u>(1,215)</u>

Position Summary by Program

<u>002 General Fund</u>				
Municipal Council	11.00	11.00	11.00	0.00
Total	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>0.00</u>
Total Position Summary	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>0.00</u>

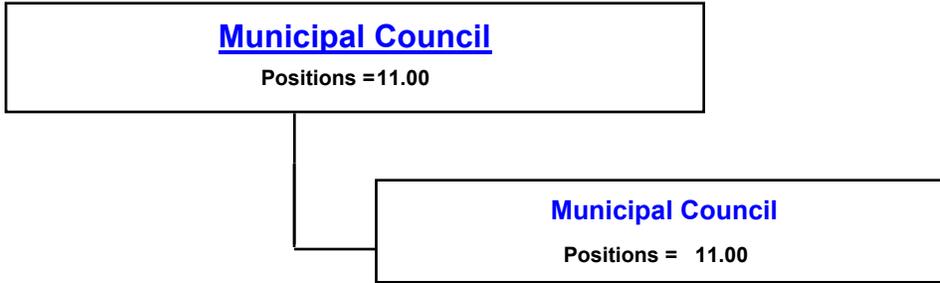
Expenditure Category by Department

Personnel	333,716	333,715	333,715	0
Operating	205,602	192,726	191,511	(1,215)
Total Expenditures:	<u>539,318</u>	<u>526,441</u>	<u>525,226</u>	<u>(1,215)</u>

Revenue Category by Department

Miscellaneous Revenue	9,125	0	0	0
Total Revenue:	<u>9,125</u>	<u>0</u>	<u>0</u>	<u>0</u>

City of Virginia Beach
Fiscal Year 2017 Department Organizational Chart



NON-DEPARTMENTAL



City Council Amendment

- \$850,000 to address vertical salary compression which exists when subordinates make more money than the supervisor. This is the first year of a two year phase-in.
- Provide a \$50,000 grant to the Feed the Kids program, \$75,000 feasibility study grant for the African American Cultural Center, \$12,000 grant to the Men of Faith Program, and \$20,000 to the Parks and Recreation Foundation as a grant for the Students on the Swim program to match the school system's \$20,000.
- Increase funding to the Virginia Arts Festival by \$15,000.
- Reduce funding to the Hampton Roads Economic Development Alliance by \$28,431 per the revised agreement with this agency.
- Redirect the \$1 million reserve set aside to address changes as a result of the state budget mainly for final numbers associated with the City/Schools Revenue Sharing Formula.
- Reduce the General Fund Reserve for Contingencies by \$889,680 and various department overtime accounts by \$279,567.

Overview

The Non-Departmental section of the budget serves as an umbrella for appropriations that are citywide in nature and as such, are not contained in an operational department. These include:

Regional Participation and Community Organization Grants (COG)

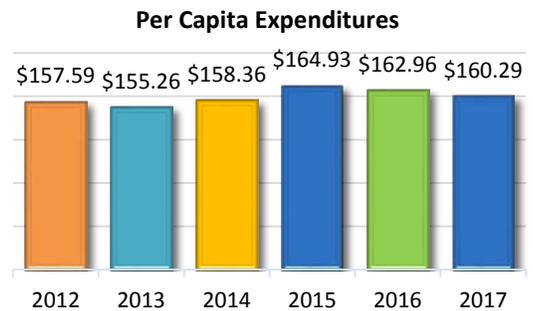
Regional Participation provides funds to non-profit organizations, regional colleges, and governmental agencies that support City Council goals and compliment city services. COG provides an opportunity to encourage non-profit agencies to provide services that affect the welfare of residents of Virginia 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, tuition reimbursement, 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.



Note: The decrease in per capita expenditures primarily reflects compliance with GASB54 where expenses are now budgeted in other funds in this budget.

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 Reimbursement

Provides 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, rental space, and parking.

Key Performance Measures

Goal: Create a Financially Sustainable City Providing Excellent Services

Means to Residents: City services delivered in the most cost-effective manner

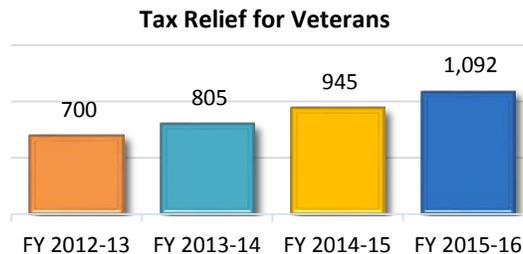
15 community organizations funded

21 regional organizations funded

861 retirees receiving health care

Trends & Issues

- Program participation in the Veterans Real Estate Tax Relief Program has risen 56% since its adoption, as shown in the adjoining chart, while the cost has increased 70%.



➔ **Community Organization Grant (COG) Program**

Allocates funding to organizations that benefit Virginia Beach by providing food, shelter, medical care, training, and other services. The COG Review and Allocation Committee, appointed by City Council, reviews grant applications, interviews qualified applicants, and recommends the allocation of funds. For FY 2016-17, a total of \$500,000 is budgeted (\$1.1 per capita, which matches the funding for Arts and Humanities Commission), and the application period for upcoming fiscal year runs from early March through early April, with grants awarded in June. Listed below are the organizations that received funding in FY 2015-16.

Community Organization	FY 2015-16
AidNow	2,500
Beach Health Clinic	47,500
Cancer Care Foundation of Tidewater	4,250
Children's Health Investment Program	5,700
Children's Hospital of the King's Daughters, Inc	25,000
Endepence Center, Inc	26,332
Judeo-Christian Outreach	50,000
Legal Aid Society of Eastern Virginia	20,000
Mother Seton House/Seton Youth Shelters	15,000
Samaritan House, Inc.	31,500
Senior Services of Southeastern Virginia	55,000
The Foodbank of Southeastern Virginia	60,000
Together We Can Foundation	15,000
Virginia Beach Community Development Corp.	10,250
Volunteers of America Chesapeake, Inc.	41,094
Total	\$409,126

➔ **Regional Participation Program**

Allocates funding to organizations that benefit Virginia Beach as well as the entire region. Listed below are the organizations that will receive funding in FY 2016-17.

Regional Organization	FY 2016-17*
African American Cultural Center	75,000
American Red Cross	10,000
Court Appointed Special Advocate	48,000
Eastern Virginia Medical School	441,694
Feed the Kids	50,000
Hampton Roads Chamber of Commerce	8,500
Hampton Roads Economic Development Alliance	400,000
Hampton Roads Military & Federal Facilities Alliance	225,836
HRPDC – Membership	361,338
HRPDC – MMRS	90,334
Men of Faith	12,000
Navy League	21,250
Southeast 4-H	6,036
Southeastern Tidewater Opportunity Project	27,603
Square One/GrowSmart Foundation	53,000
Students of the Swim	20,000
Tidewater Builders Association	63,000
Tidewater Community College	5,100
USO Wounded Warrior Week	20,000
Vibes Board	15,000
Virginia Arts Festival	275,000
Virginia Beach SPCA	30,000
Virginia Dare Soil & Water Conservation District	8,000
Virginians for High Speed Rail	10,000
Virginia Offshore Wind Coalition	5,000
Virginia Symphony	25,000
Total	\$ 2,306,691.00

* The total reflects the adopted FY 207-17 amount.

Major Budget Changes

	Change	Impact
↑	Community Organization Grant Funding	Funded at \$1.10 per capita, increasing funding by \$90,874, which matches funding to the Arts & Humanities Commission. This should allow COG's Review and Allocation Committee to fund additional organizations.
↑	Regional Organizations	\$20,000 for United Services Organizations' Wounded Warrior Week to fund activities for wounded warriors that also run concurrently with the Patriotic Festival; and \$15,000 for Vibes District Board, which will provide matching funds for a part-time executive director.
↑	Real Estate Tax Relief	Funded an additional \$637,000 to address increased demand from qualified Veterans as well as modest overall property appreciation.
↓	Citywide Municipal Solid Waste	This funding (\$750,000) was distributed to departments who receive municipal solid waste services to reimburse the Solid Waste Enterprise Fund for these costs. The decrease in municipal waste reflects allocating the cost of this enterprise operation to appropriate funds.
↑	Computer Replacement Program	As a part of transitioning Sheriff Office information technology needs to the Information Technology Department, the computer replacement program was increased \$237,697 to replace microcomputers on a regular cycle.
↓	Tourism Investment Program Fund	Adjustments to revenues and transfers were made to reflect the change in accounting for revenues to the Sandbridge Special Service District. These revenues are now accounted for directly in that fund. An ordinance is included in the ordinance section of this document.

Reserve for Contingencies by Fund*

Fund and Purpose	Amount
General Fund (002)	
Compensation	\$ 6,640,000
Compensation Overtime	\$ (279,567)
Regular	1,519,012
Vertical Compression	850,000
State Budget Reconciliation	-
Compression	2,100,000
Bi-Weekly Payroll Conversion	1,200,000
Energy Fuel	600,000
Health Insurance Reserve	(1,660,481)
Neighborhood Dredging	810,000
Replacement of Totaled Vehicles	225,000
Law Library Fund (130)	
Compensation	3,472
Parks and Recreation Special Revenue Fund (151)	
Compensation	393,900
Future Capital Projects	237,346
Tourism Investment Program Fund (152)	
Compensation	37,543
Future CIP Commitments	5,250,375
Agriculture Reserve Program Special Revenue Fund (161)	
Compensation	2,521
Tourism Advertising Program Special Revenue Fund (163)	
Compensation	274,138
Sandbridge Tax Increment Financing (166)	
Future Capital Projects	8,000,000
Central Business District-South TIF (169)	
Future Commitments	40,972
Open Space Special Revenue Fund (172)	
Compensation	9,022
Multimodal Transportation Special Revenue Fund (179)	
Future CIP Commitments	15,710,723
Water and Sewer Fund (241)	
Compensation	790,000
Regular	703,774
Parking Enterprise Fund (253)	
Compensation	8,287
Regular	13,225
Parking Maintenance Reserve	-
Waste Management Special Revenue Fund (254)	
Compensation	165,020
Regular	1,114,595

Reserve for Contingencies by Fund* (cont.)

Fund and Purpose	Amount
Storm Water Utility Enterprise Fund (255)	
Compensation	200,000
Regular	196,238
Future CIP Commitments	399,757
Chesopeian Colony Dredging SSD (313)	
Regular	10,887
City Garage Internal Service Fund (606)	
Compensation	104,000
Regular	48,423
Risk Management Internal Service Fund (607)	
Compensation	9,900
Regular	366,743
Capital Projects Internal Service Fund (610)	
Compensation	23,508
Regular	3,140
School Landscaping Internal Service Fund (613)	
Compensation	57,290
Regular	69,773
Telecommunications Internal Service Fund (620)	
Compensation	43,194
Regular	98,448
Total	<u>\$ 46,390,178</u>

*The total reflects the adopted FY 2016-17 amount.

Non-Departmental - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Community Organization Grants	410,234	409,126	500,000	90,874
Virginia Beach Living River Trust	0	100,000	100,000	0
Employee Special Benefits	6,715,922	8,177,750	7,993,800	(183,950)
Benefits Administration	635,538	635,538	635,538	0
Vehicle Replacements	5,407,402	5,107,514	5,107,514	0
Computer Replacement Program	1,836,842	1,320,892	1,558,589	237,697
Revenue Reimbursements	15,321,866	13,239,529	13,877,317	637,788
Regional Participation	2,071,051	2,218,478	2,306,691	88,213
Independent Financial Services	87,882	153,878	164,999	11,121
Leases	1,589,801	1,678,889	1,711,319	32,430
Citywide Municipal Waste Management	750,000	750,000	0	(750,000)
Total Expenditures	34,826,539	33,791,594	33,955,767	164,173
<u>Revenues</u>				
Fees	501,632	628,500	628,500	0
Transfers	0	1,268,875	1,075,000	(193,875)
Total Revenues	501,632	1,897,375	1,703,500	(193,875)
General City Support	34,324,907	31,894,219	32,252,267	358,048
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
Debt Service	24,122,590	24,071,789	22,795,037	(1,276,752)
Reserve for Contingencies	0	2,616,575	5,287,918	2,671,343
Transfer to Other Funds	7,184,543	3,190,237	847,375	(2,342,862)
Total Expenditures	31,307,133	29,878,601	28,930,330	(948,271)
<u>Revenues</u>				
Local Taxes	29,997,630	29,874,701	28,928,530	(946,171)
Fees	16,819	3,900	1,800	(2,100)
Total Revenues	30,014,449	29,878,601	28,930,330	(948,271)
General City Support	1,292,685	0	0	0
<u>169 Central Business District-South TIF (Twn Cntr) Fd</u>				
<u>Expenditures</u>				
Debt Service	7,300,450	7,649,568	7,786,521	136,953
Future C.I.P. Commitments	0	0	40,972	40,972
Transfer to Other Funds	150,000	150,000	150,000	0
Total Expenditures	7,450,450	7,799,568	7,977,493	177,925
<u>Revenues</u>				
Local Taxes	6,311,208	6,877,444	7,436,483	559,039
Fees	2,350	402,000	2,000	(400,000)
Fund Balance	0	520,124	539,010	18,886
Total Revenues	6,313,558	7,799,568	7,977,493	177,925
General City Support	1,136,892	0	0	0

Non-Departmental - Departmental Resource Summary

	FY 2015 Actual	FY 2016 Adjusted	FY 2017 Adopted	Variance from FY 2016
174 Town Center Special Service District				
<u>Expenditures</u>				
Town Center Parking Operations	1,468,486	1,981,980	1,917,321	(64,659)
Transfer to Other Funds	386,199	461,404	452,726	(8,678)
Total Expenditures	<u>1,854,685</u>	<u>2,443,384</u>	<u>2,370,047</u>	<u>(73,337)</u>
<u>Revenues</u>				
Local Taxes	1,675,542	1,754,185	1,920,070	165,885
Fees	29,087	1,000	281,300	280,300
Transfers	150,000	150,000	150,000	0
Fund Balance	0	538,199	18,677	(519,522)
Total Revenues	<u>1,854,629</u>	<u>2,443,384</u>	<u>2,370,047</u>	<u>(73,337)</u>
General City Support	<u>56</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	75,438,808	73,913,147	73,233,637	(679,510)
Total Department Revenue	<u>38,684,268</u>	<u>42,018,928</u>	<u>40,981,370</u>	<u>(1,037,558)</u>
Total General City Support	<u>36,754,540</u>	<u>31,894,219</u>	<u>32,252,267</u>	<u>358,048</u>

Expenditure Category by Department

Personnel	6,650,471	8,112,299	7,928,349	(183,950)
Operating	22,763,180	21,519,396	21,606,860	87,464
Capital	6,881,374	6,141,879	6,337,879	196,000
Debt Service	31,423,041	31,721,357	30,581,558	(1,139,799)
Reserves	0	2,616,575	5,328,890	2,712,315
Transfers	7,720,742	3,801,641	1,450,101	(2,351,540)
Total Expenditures:	<u>75,438,808</u>	<u>73,913,147</u>	<u>73,233,637</u>	<u>(679,510)</u>

Revenue Category by Department

Real Estate	7,486,750	8,131,629	8,856,553	724,924
Cigarette Tax	979,106	831,606	790,245	(41,361)
Amusement Tax	5,902,808	6,443,446	6,201,490	(241,956)
Hotel Room Tax	12,182,088	11,516,741	10,061,248	(1,455,493)
Restaurant Meal Tax	11,433,628	11,582,908	12,375,547	792,639
From the Use of Money and Property	21,612	35,400	263,300	227,900
Charges for Services	22,275	0	24,300	24,300
Miscellaneous Revenue	504,371	1,000,000	600,000	(400,000)
Fines and Forfeitures	1,630	0	26,000	26,000
Transfers from Other Funds	150,000	1,418,875	1,225,000	(193,875)
Specific Fund Reserves	0	1,058,323	557,687	(500,636)
Total Revenue:	<u>38,684,268</u>	<u>42,018,928</u>	<u>40,981,370</u>	<u>(1,037,558)</u>

Resource Summary Notes

The increase in Revenue Reimbursement reflects rising demand for Veteran's Real Estate Tax Relief and general increase in preciation.
 The decrease in Employee Special Benefits reflects allocating retiree health care to appropriate funds.
 The decrease in Citywide Municipal Waste Management reflects allocating the cost of this enterprise operation to appropriate funds.
 In the 169 Fund, a \$400,000 one-time development fee for FY 2015-16 is eliminated.
 Regarding the 152 Fund, the decrease in Transfers to Other Funds reflects compliance with GASB 54.
 Hotel revenue will now be recorded in the Sandbridge Special Service District Fund rather than in the 152 Fund and transferred to that fund.
 The increase in the Computer Replacement Program will fund computer replacements for the Sheriff's Office.

DEBT SERVICE

Department 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. Generally the city issues debt over a 20 year-term; however, the debt issuance for light rail is anticipated to be based on a 25 year-term.
- ➔ Where possible, the city will develop, authorize, and issue revenue, special fee, or other self-supporting 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.

Trends and Issues

City Saves \$4.2 Million by Refunding Previously Issued Debt

In February, the city issued \$50 million of refunding bonds at an interest rate of 1.77%. As a result, the city will save \$4.2 million in debt payments over the next 14 years. The city's outstanding AAA bond ratings helped make the savings possible. This is the seventh year in a row that Virginia Beach has earned AAA bond ratings from all three major rating agencies. No other city in Hampton Roads has the highest possible bond rating from all three major rating agencies.

City Most Recent General Obligation Bond Sale Sets Interest Rate Record

The city also issued \$61 million in new general obligation bonds in February. The debt was issued at the very low rate of 2.44% - the lowest rate the city has ever received on a large, new-money bond issue. The money will be used for 22 construction projects, including the new Kempsville Recreation Center, the new Kemps Landing/Old Donation School replacement, renovations to John B. Dey Elementary School, replacing the Lesner Bridge, improving the intersection of Indian River Road, Kempsville Road, and the new Blackwater Fire and Rescue Station.

Energy Performance Contracts

Due to the success of this program within the school system, additional debt funding has been included in the FY 2016-17 CIP for additional energy efficiency projects throughout the school division. This type of debt uses the savings in energy costs resulting from the installation of energy efficient fixtures to pay the debt service associated with the Energy Performance Contract. This type of debt is not included in any of the City's debt indicators.

Projected Debt

The total outstanding debt for the city is projected to be \$1.42 billion by June 30, 2017 as summarized in the table below:

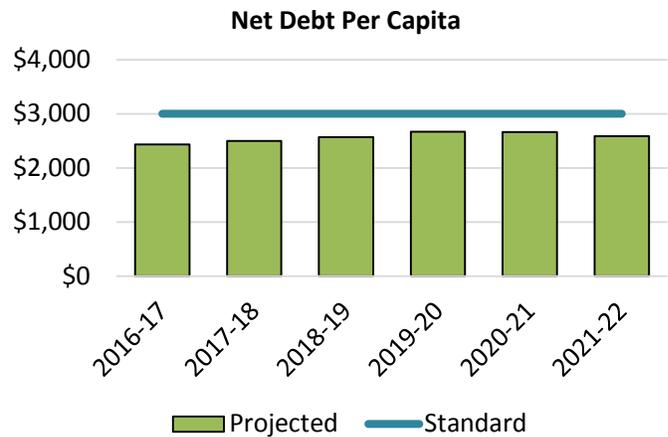
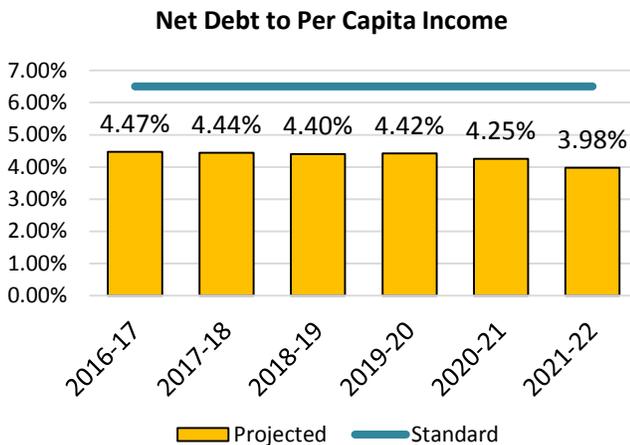
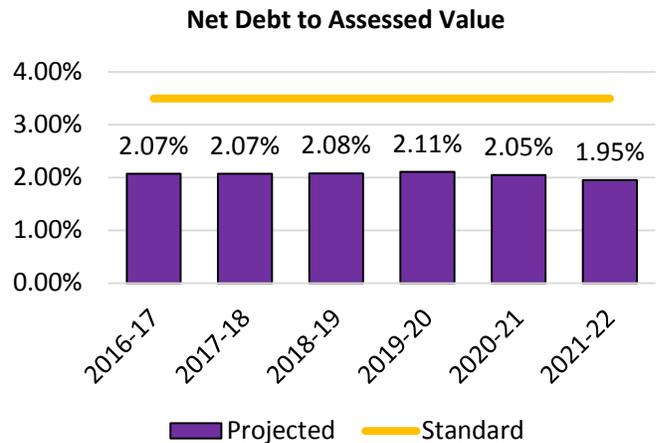
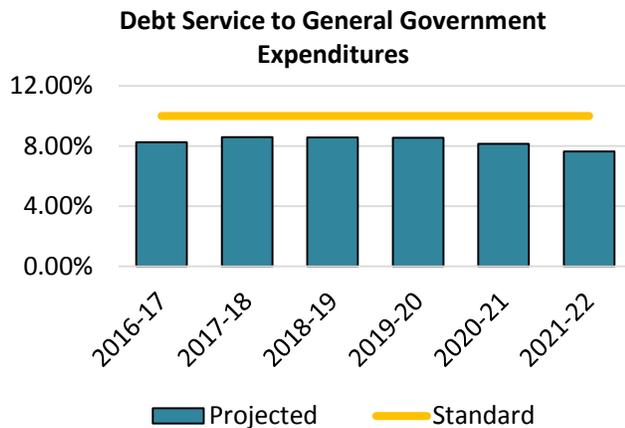
Purpose	Amount	Percent
Schools	\$ 323,555,060	22.8%
General Government	831,028,494	58.4%
Utilities	267,291,004	18.8%
Total	\$1,421,874,558	100.0%

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 2016-17, the city's assessed value of real property is estimated at \$53.7 billion. By the end of the fiscal year, the city's projected debt amount will be 2.07% of the total assessed value.

Debt Indicators

The city uses four indicators to help in its debt management. Using data from the FY 2016-17 through FY 2021-22 Capital Improvement Program, projections of these indicators are shown on the following charts. Additional information on the debt management policies of the city can be found in the Financial Management section of this document.



Debt Service by Purpose

The table below provides a comparison of the debt service costs by functional area for FY 2015-16 and FY 2016-17. The amounts shown for "Utilities" includes water, sewer, and storm water debt. The amount shown for "General Government" includes all other City debt including debt for the Agricultural Reserve Program. School related debt is shown separately.

Purpose	FY 2015-16	FY 2016-17	% Change
Schools	\$ 45,224,509	\$ 46,289,542	2.4%
General Government	91,528,118	92,968,371	1.6%
Utilities	28,201,851	28,206,515	0.0%
Total	\$ 164,954,478	\$ 167,464,428	1.5%

Debt Service by Fund

The following table lists the various funds in which debt service costs are budgeted.

Fund	FY 2015-16	FY 2016-17	% Change
General Fund	\$ 49,682,686	\$ 50,486,171	1.6%
School Operating Fund	45,224,509	46,289,542	2.4%
Parks and Recreation SRF	3,774,676	4,673,630	23.8%
Tourism Investment Program	24,071,789	22,795,037	-5.3%
Agricultural Reserve Program	3,089,564	3,972,051	28.6%
Central Business District South TIF	7,649,568	7,786,521	1.8%
Open Space SRF	2,571,781	2,582,588	0.4%
Water and Sewer Enterprise Fund	24,803,483	24,809,333	0.0%
Parking Enterprise Fund	688,054	672,373	-2.3%
Storm Water Enterprise Utility Fund	3,398,368	3,397,182	0.0%
Total	\$ 164,954,478	\$ 167,464,428	1.5%

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 2016-17 is projected at \$655.1 million. As a result of principal retirements and the anticipated issuances of new debt, the balance is projected to be \$731.9 million at the end of six years. Funding of \$40.7 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 General Obligation Debt (Charter Bonds)

	Issue Amt.	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
General Obligation Bonds							
Beginning General Obligation Debt		655,146,524	595,646,664	541,611,804	490,663,610	442,244,575	393,699,073
Less: Principal Retirement		59,499,860	54,034,860	50,948,194	48,419,035	48,545,502	44,832,635
Ending General Obligation Debt		595,646,664	541,611,804	490,663,610	442,244,575	393,699,073	348,866,438
Spring 2017 Issue	75,797,359	75,797,359	75,797,359	72,007,491	68,217,623	64,427,755	60,637,887
Less: Principal Retirement			3,789,868	3,789,868	3,789,868	3,789,868	3,789,868
Ending General Obligation Debt		75,797,359	72,007,491	68,217,623	64,427,755	60,637,887	56,848,019
Spring 2018 Issue	67,895,784		67,895,784	67,895,784	64,500,995	61,106,206	57,711,416
Less: Principal Retirement				3,394,789	3,394,789	3,394,789	3,394,789
Ending General Obligation Debt		-	67,895,784	64,500,995	61,106,206	57,711,416	54,316,627
Spring 2019 Issue	73,933,975			73,933,975	73,933,975	70,237,276	66,540,578
Less: Principal Retirement					3,696,699	3,696,699	3,696,699
Ending General Obligation Debt		-	-	73,933,975	70,237,276	66,540,578	62,843,879
Spring 2020 Issue	75,621,191				75,621,191	75,621,191	71,840,131
Less: Principal Retirement						3,781,060	3,781,060
Ending General Obligation Debt		-	-	-	75,621,191	71,840,131	68,059,072
Spring 2021 Issue	73,474,733					73,474,733	73,474,733
Less: Principal Retirement							3,673,737
Ending General Obligation Debt		-	-	-	-	73,474,733	69,800,996
Spring 2022 Issue	71,141,674						71,141,674
Less: Principal Retirement							
Ending General Obligation Debt		-	-	-	-	-	71,141,674
Total-Outstanding Gen Obligation Debt		671,444,023	681,515,079	697,316,203	713,637,003	723,903,819	731,876,705

Leases & 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. This debt is included in the net debt per capita calculation.

Projection of Outstanding Public Facility Bonds and Lease Debt*

	Issue Amt.	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Public Facility Bonds & Leases							
Beginning Outstanding Debt		340,395,000	310,270,000	278,975,000	247,155,000	214,435,000	182,495,000
Less: Principal Retirement		30,125,000	31,295,000	31,820,000	32,720,000	31,940,000	32,835,000
Ending Outstanding Balance		310,270,000	278,975,000	247,155,000	214,435,000	182,495,000	149,660,000
Summer 2016 Issue	24,700,000	24,700,000	24,700,000	23,465,000	22,230,000	20,995,000	19,760,000
Less: Principal Retirement		-	1,235,000	1,235,000	1,235,000	1,235,000	1,235,000
Ending Outstanding Balance		24,700,000	23,465,000	22,230,000	20,995,000	19,760,000	18,525,000
Spring 2017 Issue	78,446,410	78,446,410	78,446,410	74,524,090	70,601,769	66,679,449	62,757,128
Less: Principal Retirement			3,922,321	3,922,321	3,922,321	3,922,321	3,922,321
Ending Outstanding Balance		78,446,410	74,524,090	70,601,769	66,679,449	62,757,128	58,834,808
Spring 2017 Issue Light Rail	24,505,200	24,505,200	24,505,200	23,991,756	23,452,639	22,886,567	22,292,192
Less: Principal Retirement			513,444	539,116	566,072	594,376	624,095
Ending Outstanding Balance		24,505,200	23,991,756	23,452,639	22,886,567	22,292,192	21,668,097
Spring 2018 Issue	42,519,785		42,519,785	42,519,785	40,393,796	38,267,807	36,141,817
Less: Principal Retirement				2,125,989	2,125,989	2,125,989	2,125,989
Ending Outstanding Balance		-	42,519,785	40,393,796	38,267,807	36,141,817	34,015,828
Spring 2018 Issue Light Rail	21,043,828		21,043,828	21,043,828	20,602,908	20,139,942	19,653,828
Less: Principal Retirement				440,920	462,966	486,114	510,420
Ending Outstanding Balance		-	21,043,828	20,602,908	20,139,942	19,653,828	19,143,408
Spring 2019 Issue	19,959,893			19,959,893	19,959,893	19,498,818	19,037,743
Less: Principal Retirement					461,075	461,075	461,075
Ending Outstanding Balance			-	19,959,893	19,498,818	19,037,743	18,576,667
Spring 2019 Issue Light Rail	41,713,910			41,713,910	41,713,910	40,839,901	39,922,192
Less: Principal Retirement					874,009	917,709	963,595
Ending Outstanding Balance		-	-	41,713,910	40,839,901	39,922,192	38,958,597
Spring 2020 Issue	18,979,946				18,979,946	18,979,946	18,541,508
Less: Principal Retirement						438,438	438,438
Ending Outstanding Balance				-	18,979,946	18,541,508	18,103,069
Spring 2020 Issue Light Rail	61,170,564				61,170,564	61,170,564	59,888,890
Less: Principal Retirement						1,281,674	1,345,757
Ending Outstanding Balance		-	-	-	61,170,564	59,888,890	58,543,133
Spring 2021 Issue	8,000,000					8,000,000	8,000,000
Less: Principal Retirement							701,230
Ending Outstanding Balance				-	-	8,000,000	7,298,770
Spring 2021 Issue Light Rail	28,988,709					28,988,709	28,988,709
Less: Principal Retirement							607,385
Ending Outstanding Balance		-	-	-	-	28,988,709	28,381,324
Spring 2022 Issue	8,000,000						8,000,000
Less: Principal Retirement							-
Ending Outstanding Balance		-	-	-	-	-	8,000,000
Total-Outstanding Leases & Other Debt		437,921,610	464,519,458	486,109,915	523,892,993	517,479,006	479,708,701

* Does not include issuance of Energy Performance contracts.

Agricultural Reserve Program

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 the ARP is in the operating budget section for the Agriculture department. 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 Agriculture Reserve Program Debt

Agricultural Reserve Program	Issue Amt.	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Beginning Outstanding Debt		41,808,934	41,808,934	41,808,934	41,808,934	41,808,934	41,808,934
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		<u>41,808,934</u>	<u>41,808,934</u>	<u>41,808,934</u>	<u>41,808,934</u>	<u>41,808,934</u>	<u>41,808,934</u>
FY 17 Installment Purchase	3,408,987	3,408,987	3,408,987	3,408,987	3,408,987	3,408,987	3,408,987
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		<u>3,408,987</u>	<u>3,408,987</u>	<u>3,408,987</u>	<u>3,408,987</u>	<u>3,408,987</u>	<u>3,408,987</u>
FY 18 Installment Purchase	3,545,346		3,545,346	3,545,346	3,545,346	3,545,346	3,545,346
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>3,545,346</u>	<u>3,545,346</u>	<u>3,545,346</u>	<u>3,545,346</u>	<u>3,545,346</u>
FY 19 Installment Purchase	3,687,160			3,687,160	3,687,160	3,687,160	3,687,160
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>3,687,160</u>	<u>3,687,160</u>	<u>3,687,160</u>	<u>3,687,160</u>
FY 20 Installment Purchase	1,917,323				1,917,323	1,917,323	1,917,323
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,917,323</u>	<u>1,917,323</u>	<u>1,917,323</u>
FY 21 Installment Purchase	2,073,777					2,073,777	2,073,777
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,073,777</u>	<u>2,073,777</u>
FY 22 Installment Purchase	2,156,728						2,156,728
Less: Principal Retirement		-	-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,156,728</u>
Total-Outstanding ARP Debt		45,217,921	48,763,267	52,450,427	54,367,750	56,441,527	58,598,255

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. This is revenue-supported debt; therefore, it is not included in the net debt per capita calculation. Funding of \$157,368 of unallocated water and sewer Bond capacity and \$302,312 in storm water bond capacity are available in the six-year CIP. This unallocated bond authority is the result of premiums during the last water and sewer and storm water bond sales.

Projection of Outstanding Debt

	Issue Amt.	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
<u>Water & Sewer Utility Debt</u>							
Beginning Water & Sewer Revenue Bond Debt		183,553,711	173,771,004	164,625,276	155,045,000	146,135,000	136,865,000
Less: Principal Retirement		9,782,707	9,145,728	9,580,276	8,910,000	9,270,000	9,670,000
Ending Outstanding Debt		<u>173,771,004</u>	<u>164,625,276</u>	<u>155,045,000</u>	<u>146,135,000</u>	<u>136,865,000</u>	<u>127,195,000</u>
FY 2016 Issue	50,000,000	50,000,000	50,000,000	50,000,000	48,899,996	47,744,992	46,532,237
Less: Principal Retirement			1,047,623	1,100,004	1,155,004	1,212,754	1,273,392
Ending Outstanding Debt		<u>50,000,000</u>	<u>48,952,377</u>	<u>48,899,996</u>	<u>47,744,992</u>	<u>46,532,237</u>	<u>45,258,845</u>
FY 2018 Issue	50,000,000	-	-	50,000,000	50,000,000	50,000,000	48,899,996
Less: Principal Retirement					1,047,623	1,100,004	1,155,004
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>50,000,000</u>	<u>48,952,377</u>	<u>48,899,996</u>	<u>47,744,992</u>
FY 2020 Issue	50,000,000	-	-	-	-	50,000,000	50,000,000
Less: Principal Retirement							1,047,623
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000,000</u>	<u>48,952,377</u>
Total Outstanding W&S Debt		<u>223,771,004</u>	<u>213,577,653</u>	<u>253,944,996</u>	<u>242,832,369</u>	<u>282,297,233</u>	<u>269,151,214</u>
<u>Storm Water Utility Debt</u>							
	Issue Amt.	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Beginning Storm Water Bond Debt		45,220,000	43,520,000	41,780,000	39,985,000	38,130,000	36,215,000
Less: Principal Retirement		1,700,000	1,740,000	1,795,000	1,855,000	1,915,000	1,980,000
Ending Outstanding Debt		<u>43,520,000</u>	<u>41,780,000</u>	<u>39,985,000</u>	<u>38,130,000</u>	<u>36,215,000</u>	<u>34,235,000</u>
FY 2017 Issue	25,000,000		25,000,000	25,000,000	24,476,189	23,926,187	23,348,684
Less: Principal Retirement				523,811	550,002	577,502	606,377
Ending Outstanding Debt		<u>-</u>	<u>25,000,000</u>	<u>24,476,189</u>	<u>23,926,187</u>	<u>23,348,684</u>	<u>22,742,307</u>
FY 2019 Issue	25,000,000		-		25,000,000	25,000,000	24,476,189
Less: Principal Retirement			-			523,811	550,002
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000,000</u>	<u>24,476,189</u>	<u>23,926,187</u>
FY 2021 Issue	25,000,000		-	-	-	25,000,000	25,000,000
Less: Principal Retirement			-	-	-		523,811
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000,000</u>	<u>24,476,189</u>
Total Outstanding SWU Utility Debt		<u>43,520,000</u>	<u>66,780,000</u>	<u>64,461,189</u>	<u>87,056,187</u>	<u>109,039,873</u>	<u>105,379,682</u>

Computation of Charter Bonding Limits

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 below shows the projected amounts of charter bond authorizations over a six year period. The amount for calendar year 2016 is used for FY 2016-17 bond authorization and the same calendar year to fiscal year relationship is used for each subsequent year.

Computation of Bonding Limits

CALENDAR YEAR RETIREMENT	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
	2016	2017	2018	2019	2020	2021	
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	
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	60,869,073	56,372,405	59,368,244	54,734,709	46,001,840	40,504,280	317,850,551
<u>New Bond Issues</u>	<u>Amount</u>						
2015 Bonds (Spring 2016)	69,403,949	0	3,470,197	3,470,197	3,470,197	3,470,197	17,350,987
2016 Bonds (Spring 2017)	75,797,359	0	3,789,868	3,789,868	3,789,868	3,789,868	15,159,472
2017 Bonds (Spring 2018)	66,495,784	0	0	3,324,789	3,324,789	3,324,789	9,974,368
2018 Bonds (Spring 2019)	73,093,975	0	0	0	3,654,699	3,654,699	7,309,398
2019 Bonds (Spring 2020)	75,117,191	0	0	0	0	3,755,860	3,755,860
2020 Bonds (Spring 2021)	73,172,333	0	0	0	0	0	0
2021 Bonds (Spring 2022)	70,960,234	0	0	0	0	0	0
Total Estimated Principal Retirement	60,869,073	59,842,602	66,628,309	65,319,564	60,241,393	58,499,693	371,400,635
Total Bonding Limits	70,869,073	69,842,602	76,628,309	75,319,564	70,241,393	68,499,693	431,400,635
Total Bonding Limits - Rounded	70,800,000	73,600,000	80,000,000	79,000,000	74,100,000	72,300,000	449,800,000
Charter Bonds Allocated	84,791,729	72,278,043	78,099,265	75,774,983	68,356,073	62,978,268	442,278,361
Total Annual Unallocated Bond Authority	(13,991,729)	1,321,957	1,900,735	3,225,017	5,743,927	9,321,732	7,521,639
Prior Year Unallocated Bond Authority*	14,760,796	0	0	0	0	0	14,760,796
Cumulative Unallocated Bond Authority	769,067	2,091,024	3,991,759	7,216,776	12,960,703	22,282,435	

*Includes unallocated bond authority from Spring 2015 and Spring 2016 General Obligation Bond sales.

Notes: (1) Retirement of bonded debt assumes the issuance of bonds with 20-year, level principal retirement with principal payments beginning on 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. (2) While the Ordinance authorizing General Obligation bonds in the CIP document shows the Charter Bond Limit for FY 2016-17 as an amount not to exceed \$74.3 million, the limit imposed by the City Charter has been calculated at \$70.8 million.

1 **AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR**
2 **BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017 IN THE SUM**
3 **OF \$1,914,914,786 FOR OPERATIONS**

4 WHEREAS, the City Manager has heretofore submitted an Annual Budget for the City for the fiscal year
5 beginning July 1, 2016, and ending June 30, 2017, and it is necessary to appropriate sufficient funds to cover said
6 budget;

7
8 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:
9

10 **Sec. 1.** That the amounts named aggregating \$2,671,119,669 consisting of \$543,297,785 in inter-fund transfers,
11 \$212,907,098 for internal service funds, and \$1,914,914,786 for operations, are hereby appropriated subject to the
12 conditions hereinafter set forth for the use of departments, and designated funds of the City government, and for
13 the purposes hereinafter mentioned, as set forth in the Annual Operating Budget, which is hereby incorporated by
14 reference, for the fiscal year beginning July 1, 2016, and ending June 30, 2017 (hereinafter, the "Fiscal Year"), a
15 summary of which is attached to this ordinance as "Attachment A – Appropriations." The City Council elects to fund
16 the Virginia Beach City Public Schools by lump sum appropriation.

17
18 **Sec. 2.** That in accordance with Section 5.04 of the City Charter, Estimated Revenue in Support of Appropriations
19 is set forth in said Annual Operating Budget, with a summary of Estimated Revenue in Support of Appropriations
20 attached to this ordinance as "Attachment B – Revenues."

21
22 **Sec. 3.** With the exception of the funds under the control of the School Board, specifically the funds numbered
23 104, 107, 108, 109, 112, 114, 115, 116, 117, 119, 614, and 615 (hereinafter referred to as "School Board Funds"), the
24 total number of full-time permanent positions shall be the maximum number of positions authorized for the various
25 departments of the City during the Fiscal Year, except for changes or additions authorized by the Council or as
26 hereinafter provided. The City Manager may from time to time increase or decrease the number of part-time or
27 temporary positions provided the aggregate amount expended for such services shall not exceed the respective
28 appropriations made therefore. The City Manager is further authorized to make such rearrangements of positions
29 within and between the departments as may best meet the needs and interests of the City, including changes
30 necessary to implement the employee transition program.

31
32 **Sec. 4.** To improve the effectiveness and efficiencies of the government in service delivery, the City Council hereby
33 authorizes the City Manager or his designee to transfer appropriated funds and existing positions throughout the
34 Fiscal Year as may be necessary to implement organizational adjustments that have been authorized by the City
35 Council. Unless otherwise directed by the City Council, such organizational adjustments shall be implemented on
36 such date or dates as the City Manager determines, in his discretion, to be necessary to guarantee a smooth and
37 orderly transition of existing organizational functions. The City Manager shall make a report each year to the City
38 Council identifying the status and progress of any such organizational adjustments.

39
40 **Sec. 5.** All current and delinquent collections of local taxes shall be credited to the General Fund, Special Service
41 District Funds, Tax Increment Financing Fund or any fund to which City Council has, by ordinance, dedicated a tax
42 levy.

43
44 **Sec. 6.** All balances of the appropriations payable out of each fund of the City Treasury at the close of the Fiscal
45 Year, unless otherwise provided for, are hereby declared to be lapsed into the fund balance of the respective funds,
46 except all appropriations to School Board Funds derived from local public sources which shall lapse and revert to the
47 General Fund Balance, and may be used for the payment of the appropriations that may be made in the
48 appropriation ordinance for the fiscal year beginning July 1, 2017. Prior to the expenditure of any sums that have
49 lapsed to the fund balance of any fund, an appropriation by the City Council shall be required.

50
51 **Sec. 7.** That the City's debt management policies for the Water and Sewer Enterprise Fund shall serve as a basis
52 for developing financial strategies for the water and sanitary sewer system based on the following guidelines: (a) for

53 the Water and Sewer Fund, the goal of retaining working capital equal to 80% to 100% of one year's operating
54 expense shall be pursued; (b) for the Water and Sewer Fund, the goal shall be for debt service coverage on its water
55 and sewer revenue bonds at not less than 1.50 times and, on a combined basis, including water and sewer general
56 obligation bonds, at no less than 1.20 times and (c) for the Water and Sewer Fund, contributions from non-borrowed
57 funds, on a five-year rolling average basis, will be sought for approximately 25% of the annual capital program for
58 the water and sewer system.

59
60 **Sec. 8.** All balances of appropriations in each fund which support authorized obligations or are encumbered at the
61 close of the business for the Fiscal Year, are hereby declared to be re-appropriated into the fiscal year beginning July
62 1, 2017, and estimated revenues adjusted accordingly.

63
64 **Sec. 9.** All balances of appropriations attributable to grants or other similar funding mechanism from state or
65 federal sources and trust or gift funds, whose period of expenditure extends beyond the fiscal year ending on June
66 30, 2016, are hereby declared to be re-appropriated into the Fiscal Year, and estimated revenues adjusted
67 accordingly. The close-out of any grant or similar funding mechanism shall account for all expenditures in such grant,
68 and provided there is any remaining balance in the grant, the portion of the balance attributable to local sources
69 shall revert to the General Fund, special revenue fund, or enterprise fund that provided the local contribution.

70
71 **Sec.10.** No department or agency for which appropriations are made under the provisions of this ordinance shall
72 exceed the amount of such appropriations except with the consent and approval of the City Council first being
73 obtained. It is expressly provided that the restrictions with respect to the expenditure of the funds appropriated
74 shall apply only to the totals for each Appropriation Unit included in this ordinance and does not apply to Inter-fund
75 Transfers.

76
77 **Sec.11.** The City Manager or the Director of Budget and Management Services is hereby authorized to approve
78 transfers of appropriations in an amount up to \$100,000 between any Appropriation Units included in this ordinance
79 through the accrual period. The City Manager shall make a monthly report to the City Council of all transfers between
80 \$25,000 and \$100,000. In addition, the City Manager may transfer, in amounts necessary, appropriations from all
81 Reserves for Contingencies except Reserve for Contingencies – Regular, within the intent of the Reserve as approved
82 by City Council.

83
84 **Sec. 12.** The City Manager or the Director of Budget and Management Services is hereby authorized to establish and
85 administer budgeting within Appropriation Units consistent with best management practices, reporting
86 requirements, and the programs and services adopted by the City Council. Consistent with best management
87 practices, the City utilizes a modified accrual system of accounting. Revenues are considered available when
88 collectible either during the current period or after the end of the current period, but in time to pay year-end
89 liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable
90 resources rather than future resources. In practical effect, the modified accrual system allows a window of 45 days
91 wherein the City may accrue back to the immediately preceding fiscal year revenues and expenditures. The City
92 Manager or the Director of Budget and Management Services is further authorized to establish administrative
93 directives to provide additional management oversight and control to ensure the integrity of the City's budget.

94
95 **Sec. 13.** The City Manager or the Director of Budget and Management Services is hereby authorized to change the
96 Estimated Revenues included in this ordinance to reflect expected collections. If the Estimated Revenue in support
97 of an Operating Appropriation Unit declines, the City Manager or the Director of Budget and Management Services
98 is hereby authorized to reduce, subject to any other provision of law, those appropriations to equal the decline in
99 Estimated Revenue. The City Manager shall give prior notice to the City Council of any reduction to total
100 appropriations exceeding \$100,000. The notice to City Council shall identify the basis and amount of the
101 appropriation reduction and the Appropriation Units affected. The accounting records of the City will be maintained
102 in a manner that the total of Estimated Revenue is equal to the total of the Appropriation Units for each of the City's
103 funds. The City Manager or the Director of Budget and Management Services is hereby authorized to transfer any
104 excess appropriations to the Reserve for Contingencies after all anticipated expenditures for which those funds were
105 appropriated have been incurred. Nothing in this section shall be construed as authorizing any reduction to be made

106 in the amount appropriated in this ordinance for the payment of interest or principal on the bonded debt of the City
107 Government.
108

109 **Sec. 14.** The Department of Economic Development is hereby authorized to pay an amount up to \$1,000,000 from
110 their FY 2016-17 Operating Budget to the Virginia Beach Economic Development Authority, for the purpose of
111 pursuing, implementing, and furthering initiatives recommended by the Bio-medical Task Force.
112

113 **Sec. 15.** Allowances made from the appropriations made in this ordinance by any or all of the City departments,
114 bureaus, or agencies, to any of their officers and employees for expenses on account of the use by such officers and
115 employees of their personal automobiles in the discharge of their official duties shall ~~not exceed fifty six cents (\$0.56)~~
116 ~~per mile of actual travel for the first 15,000 miles and fifteen cents (\$0.15) per mile for additional miles of such use~~
117 within the fiscal year follow the Internal Revenue Service standard mileage rates used to calculate the deductible
118 costs of operating an automobile for business, charitable, medical or moving purposes.
119

120 **Sec. 16.** In the event of an emergency and under emergency circumstances wherein the City Council cannot
121 reasonably hold a meeting, the City Manager is authorized to transfer and expend appropriated sums from any
122 budget account to ensure that the emergency is handled as efficiently and expeditiously as possible. Immediately
123 following the expenditure of funds under this provision, and as soon as the City Council can reasonably meet under
124 the existing circumstances, the City Manager shall notify the City Council of the reason for such action, how funds
125 were expended, and present to the City Council for adoption an emergency appropriations ordinance that sets forth
126 what measures are required to ensure that funds are forthwith restored to the appropriate accounts and that the
127 budget is balanced at the end of the fiscal year in which the emergency expenditures occurred.
128

129 An emergency is defined for the purposes of this provision as an event that could not have been
130 reasonably foreseen at the time of the adoption of the budget, and in which (i) an immediate threat to the public
131 health, safety or welfare is involved, such as clean-up after a hurricane, and/or (ii) immediate action is required to
132 protect or preserve public properties.
133

134 **Sec. 17.** All travel expense accounts shall be submitted on forms approved by the Director of Finance and according
135 to regulations approved by the City Council. Each account shall show the dates expenses were incurred or paid;
136 number of miles traveled; method of travel; hotel expenses; meals; and incidental expenses. The Director of Finance
137 is specifically directed to withhold the issuance of checks in the event expense accounts are submitted for "lump-
138 sum" amounts.
139

140 **Sec. 18.** The City Manager is hereby authorized to allocate funding, within the aggregate amounts approved by City
141 Council for total compensation, to implement the General Assembly mandated changes to the Virginia Retirement
142 System ("VRS") that require all full-time City employees hired before July 1, 2010 to pay five percent (5%) of their
143 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
144 phase this in with 1% increments with 1% provided for fiscal year 2017. To accommodate VRS requirements that the
145 entire paycheck provided on July 15th include the fiscal year 2017 increase, the City Manager or designee is
146 authorized to make the changes in this section for the pay period relating back to June 22, 2016. While not mandated
147 by the General Assembly, a 1% increase is provided for all full time City employees hired after July 1, 2010.
148

149 **Sec. 19.** A salary increase of 1.34% on the pay period relating back to June 22, 2016 for all full-time and part-time
150 City employees is hereby provided. The amount authorized by this Section 19 does not include the 1% VRS required
151 increase provided in Section 18 for full-time City employees.
152

153 **Sec. 20.** A 1% merit pay increase is authorized for full-time employees with a performance feedback completed from
154 December 1, 2015 to November 30, 2016 that indicates overall performance meets expectations. The merit pay
155 increase shall be calculated against the mid-point of each pay range and paid as a flat dollar amount to full-time
156 employees on that pay range. Notwithstanding the timing provisions provided by City Code §§ 2-109 and 2-116, the
157 merit pay increase authorized by this section shall be provided on December 1, 2016. The other requirements
158 provided by City Code §§ 2-109 and 2-116 such as the eligibility for such merit pay being limited to non-probationary

159 employees shall still apply. To ensure accountability, the failure of a supervisor responsible for preparing the
160 performance feedback, to complete the same prior to December 1, 2016, shall result in the supervisor and
161 employee(s) merit pay increase being delayed until such time as the performance feedback is completed. In those
162 cases, the merit pay increase will be retroactive upon completion of the performance feedback for both the
163 supervisor responsible for completing the performance feedback and the employee(s).

164
165 **Sec. 21.** In lieu of the 1% merit pay increase authorized in Section 20, those employees that are the subject of the
166 state-funded general pay increase authorized by the General Assembly in the 2016-2018 Biennial Budget will be
167 provided a 0.66% general salary increase and a 0.34% merit pay increase December 1, 2016. The mid-point
168 calculation and current performance feedback status, for employees and supervisors, requirements of the merit pay
169 increase set forth in Section 20 shall apply to issuance of the merit pay increase only.

170
171 **Sec. 22 20.** The city will be moving from semi-monthly payroll (24 pay checks) to bi-weekly payroll (26 pay checks)
172 effective May 2017. As a result of this switch paychecks for employees will be smaller and more frequent. Employee
173 salaries will not be affected. Because of the impact of the smaller checks the city manager is authorized to provide
174 short term pay supplements for the first 2 to 3 pay periods after the conversion to assist employees with this
175 transition.

176
177 **Sec. 23 21.** Violation of this ordinance may result in disciplinary action by the City Manager against the person or
178 persons responsible for the management of the Appropriation Unit in which the violation occurred.

179
180 **Sec. 24 22.** This ordinance shall be effective on July 1, 2016. The portion of Sections 18 and 19 addressing the
181 requirements of VRS and the payroll period that crosses fiscal years shall be effective June 22, 2016.

182
183 **Sec. 25 23.** If any part of this ordinance is for any reason declared to be unconstitutional or invalid, such decision
184 shall not affect the validity of the remaining parts of this ordinance.

185
186 *Requires an affirmative vote by a majority of all of the members of City Council.*

187
188
189 Adopted by the Council of the City of Virginia Beach, Virginia, on the 10th day of May, 2016.

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

**FY 2016-17
Adopted**

002 General Fund

Agriculture	835,667
Aquarium and Historic Houses	11,458,683
Benefits Administration	635,538
Board of Equalization	2,997
Budget and Management Services	1,600,325
Circuit Court	1,085,355
City Attorney	4,067,393
City Auditor	774,309
City Clerk	620,309
City Manager	4,157,600
City Real Estate Assessor	3,154,539
City Treasurer	5,886,194
Clerk of the Circuit Court	3,310,116
Commissioner of the Revenue	4,546,834
Commonwealth's Attorney	8,124,911
Community Organization Grants	500,000
Computer Replacement Program	1,558,589
Convention and Visitor Bureau	9,010,480
Cultural Affairs	2,377,600
Debt Service	50,486,171
Economic Development	3,929,051
Emergency Communications and Citizen Services	10,503,102
Emergency Medical Services	10,727,408
Employee Special Benefits	7,993,800
Finance	4,825,715
Fire	50,828,272
General District Court	452,413
General Registrar	1,905,803
Health	3,191,017
Housing and Neighborhood Preservation	1,814,986
Human Resources	4,313,223
Human Services	110,862,195
Independent Financial Services	164,999
Information Technology	23,724,536
Juvenile and Domestic Relations District Court	181,768
Juvenile Probation	1,507,366
Leases	1,711,319
Library	17,520,306
Magistrates	80,483
Municipal Council	525,226
Parks and Recreation	14,108,883
Planning	12,111,286
Police	98,800,096
Public Works	65,118,700
Regional Participation	2,306,691
Reserve for Contingencies	12,003,964
Revenue Reimbursements	13,877,317
Transfer to Other Funds	480,196,347
Vehicle Replacements	5,107,514
Virginia Beach Living River Trust	100,000

Fund 002 Appropriation Totals 1,074,687,396

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

**FY 2016-17
Adopted**

098 School Reserve Special Revenue Fund

Transfer to Other Funds		5,000,000
	Fund 098 Appropriation Totals	5,000,000

104 Green Run Collegiate Charter School

Education		3,686,686
	Fund 104 Appropriation Totals	3,686,686

107 School Equipment Replacement Special Revenue Fund

Reserve for Contingencies		1,106,301
	Fund 107 Appropriation Totals	1,106,301

108 School Instructional Technology Fund

Instructional Technology		53,678
	Fund 108 Appropriation Totals	53,678

109 School Vending Operations Fund

Vending		229,702
	Fund 109 Appropriation Totals	229,702

112 School Communication Tower Technology Fund

Instructional Technology		600,000
	Fund 112 Appropriation Totals	600,000

114 School Cafeteria Fund

Cafeteria		30,742,626
	Fund 114 Appropriation Totals	30,742,626

115 School Operating Fund

Debt Service		46,289,542
Education		721,242,113
Transfer to Other Funds		3,686,686
	Fund 115 Appropriation Totals	771,218,341

116 School Grants Fund

Grants		55,023,849
	Fund 116 Appropriation Totals	55,023,849

117 School Textbook Fund

Textbook		9,182,874
	Fund 117 Appropriation Totals	9,182,874

119 School Athletic Special Revenue Fund

Athletic		4,922,642
	Fund 119 Appropriation Totals	4,922,642

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

**FY 2016-17
Adopted**

130 Law Library Fund

Library	222,751
Reserve for Contingencies	3,472
Transfer to Other Funds	80,416
Fund 130 Appropriation Totals	306,639

140 Commonwealth Attorney's Fed & State Seized Assets SRF

Commonwealth's Attorney	400,000
Fund 140 Appropriation Totals	400,000

142 Police Federal & State Seized Assets SRF

Police	260,205
Fund 142 Appropriation Totals	260,205

147 Federal Section 8 Program Special Revenue Fund

Housing and Neighborhood Preservation	21,106,363
Fund 147 Appropriation Totals	21,106,363

149 Sheriff's Department Special Revenue Fund

Sheriff and Corrections	45,114,804
Fund 149 Appropriation Totals	45,114,804

151 Parks and Recreation Special Revenue Fund

Debt Service	4,673,630
Future C.I.P. Commitments	237,346
Parks and Recreation	30,230,423
Public Works	2,631,292
Reserve for Contingencies	393,900
Transfer to Other Funds	1,561,550
Fund 151 Appropriation Totals	39,728,141

152 Tourism Investment Program Fund

Convention and Visitor Bureau	100,000
Cultural Affairs	50,500
Debt Service	22,795,037
Parks and Recreation	627,026
Planning	4,225,946
Public Works	2,370,672
Reserve for Contingencies	5,287,918
Transfer to Other Funds	847,375
Fund 152 Appropriation Totals	36,304,474

157 Sandbridge Special Service District Spec Rev Fd

Transfer to Other Funds	4,423,430
Fund 157 Appropriation Totals	4,423,430

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

**FY 2016-17
Adopted**

161 Agriculture Reserve Program Special Revenue Fund

Agriculture	223,035
Debt Service	3,972,051
Reserve for Contingencies	<u>2,521</u>
Fund 161 Appropriation Totals	<u>4,197,607</u>

163 Tourism Advertising Program Special Revenue Fund

Convention and Visitor Bureau	11,312,200
Reserve for Contingencies	274,138
Transfer to Other Funds	<u>56,838</u>
Fund 163 Appropriation Totals	<u>11,643,176</u>

166 Sandbridge Tax Increment Financing Fund

Future C.I.P. Commitments	8,000,000
Transfer to Other Funds	<u>1,926,570</u>
Fund 166 Appropriation Totals	<u>9,926,570</u>

169 Central Business District-South TIF (Twn Cntr) Fd

Debt Service	7,786,521
Future C.I.P. Commitments	40,972
Transfer to Other Funds	<u>150,000</u>
Fund 169 Appropriation Totals	<u>7,977,493</u>

172 Open Space Special Revenue Fund

Debt Service	2,582,588
Parks and Recreation	532,550
Reserve for Contingencies	<u>9,022</u>
Fund 172 Appropriation Totals	<u>3,124,160</u>

174 Town Center Special Service District

Parks and Recreation	50,508
Town Center Special Tax District	1,917,321
Transfer to Other Funds	<u>452,726</u>
Fund 174 Appropriation Totals	<u>2,420,555</u>

179 Multimodal Transportation Special Revenue Fund

Planning	7,183,999
Reserve for Contingencies	15,710,723
Transfer to Other Funds	<u>10,517,959</u>
Fund 179 Appropriation Totals	<u>33,412,681</u>

180 Community Development Special Revenue Fund

Housing and Neighborhood Preservation	1,833,486
Transfer to Other Funds	<u>128,858</u>
Fund 180 Appropriation Totals	<u>1,962,344</u>

181 CD Loan and Grant Fund

Housing and Neighborhood Preservation	<u>956,477</u>
Fund 181 Appropriation Totals	<u>956,477</u>

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

**FY 2016-17
Adopted**

182 Federal Housing Assistance Grant Fund

Housing and Neighborhood Preservation	882,798
Fund 182 Appropriation Totals	882,798

183 Grants Consolidated Fund

Commonwealth's Attorney	338,517
Emergency Communications and Citizen Services	2,000
Emergency Medical Services	375,000
Fire	637,656
Housing and Neighborhood Preservation	1,440,877
Human Services	1,825,368
Public Works	15,000
Transfer to Other Funds	665,427
Fund 183 Appropriation Totals	5,299,845

241 Water and Sewer Fund

Debt Service	24,809,333
Public Utilities	78,984,831
Reserve for Contingencies	1,493,774
Transfer to Other Funds	18,466,048
Fund 241 Appropriation Totals	123,753,986

253 Parking Enterprise Fund

Debt Service	672,373
Planning	3,686,780
Reserve for Contingencies	21,512
Transfer to Other Funds	752,765
Fund 253 Appropriation Totals	5,133,430

254 Waste Management Enterprise Fund

Public Works	40,795,361
Reserve for Contingencies	1,279,615
Transfer to Other Funds	2,818,909
Fund 254 Appropriation Totals	44,893,885

255 Storm Water Utility Enterprise Fund

Debt Service	3,397,182
Public Works	25,172,503
Reserve for Contingencies	795,995
Transfer to Other Funds	10,494,003
Fund 255 Appropriation Totals	39,859,683

310 Old Donation Creek Area Dredging SSD

Transfer to Other Funds	195,339
Fund 310 Appropriation Totals	195,339

311 Bayville Creek Neighborhood Dredging SSD Fund

Transfer to Other Funds	114,705
Fund 311 Appropriation Totals	114,705

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

**FY 2016-17
Adopted**

312 Shadowlawn Area Dredging SSD

Transfer to Other Funds		55,040
	Fund 312 Appropriation Totals	55,040

313 Chesapeake Colony Dredging SSD

Reserve for Contingencies		10,887
Transfer to Other Funds		195,374
	Fund 313 Appropriation Totals	206,261

314 Harbour Point Dredging SSD

Transfer to Other Funds		31,604
	Fund 314 Appropriation Totals	31,604

315 Gills Cove Dredging SSD

Transfer to Other Funds		15,495
	Fund 315 Appropriation Totals	15,495

316 Hurds Cove Dredging SSD

Transfer to Other Funds		464,321
	Fund 316 Appropriation Totals	464,321

540 General Government Capital Projects Fund

Building Capital Projects		5,032,761
Coastal Capital Projects		10,046,986
Economic and Tourism Development Capital Projects		3,231,509
Information Technology Projects		7,295,299
Parks and Recreation Capital Projects		4,664,856
Roadways Capital Projects		11,642,959
	Fund 540 Appropriation Totals	41,914,370

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		7,500,000
	Fund 555 Appropriation Totals	7,500,000

606 City Garage Internal Service Fund

Public Works		13,145,837
Reserve for Contingencies		152,423
	Fund 606 Appropriation Totals	13,298,260

607 Risk Management Internal Service Fund

Finance		18,294,976
Reserve for Contingencies		376,643
	Fund 607 Appropriation Totals	18,671,619

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

**FY 2016-17
Adopted**

610 Capital Projects Internal Service Fund

City Treasurer	70,000
Finance	172,079
Public Works	<u>1,139,647</u>
Fund 610 Appropriation Totals	<u>1,381,726</u>

613 School Landscaping Internal Service Fund

Parks and Recreation	4,040,845
Reserve for Contingencies	<u>127,063</u>
Fund 613 Appropriation Totals	<u>4,167,908</u>

614 School Risk Management Fund

School Risk Management	<u>6,805,724</u>
Fund 614 Appropriation Totals	<u>6,805,724</u>

615 City and School Health Insurance Fund

City and School Health Insurance	<u>155,908,780</u>
Fund 615 Appropriation Totals	<u>155,908,780</u>

616 Fuels Internal Service Fund

Public Works	<u>5,475,919</u>
Fund 616 Appropriation Totals	<u>5,475,919</u>

620 Telecommunications Internal Service Fund

Information Technology	3,036,924
Reserve for Contingencies	<u>141,642</u>
Fund 620 Appropriation Totals	<u>3,178,566</u>

621 Subscriptions Internal Service Fund

Information Technology	<u>4,018,596</u>
Fund 621 Appropriation Totals	<u>4,018,596</u>

908 City Beautification Fund

Parks and Recreation	<u>100,000</u>
Fund 908 Appropriation Totals	<u>100,000</u>

909 Library Gift Fund

Library	<u>6,095</u>
Fund 909 Appropriation Totals	<u>6,095</u>

910 Parking Meters - Homeless Donation Fund

Housing and Neighborhood Preservation	<u>5,000</u>
Fund 910 Appropriation Totals	<u>5,000</u>

911 Parks and Recreation Gift Fund

Parks and Recreation	<u>55,000</u>
Fund 911 Appropriation Totals	<u>55,000</u>

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment A - Appropriations

	<u>FY 2016-17 Adopted</u>
<u>916 Social Services Gift Fund</u>	
Human Services	<u>6,500</u>
Fund 916 Appropriation Totals	<u>6,500</u>
Total Budget Appropriations	2,671,119,669
Less Internal Service Funds	212,907,098
Less Interfund Transfers	<u>543,297,785</u>
NET BUDGET APPROPRIATIONS	<u><u>1,914,914,786</u></u>

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

002 General Fund

Revenue From Local Sources	
Automobile License	9,336,210
Business License	46,389,703
Charges for Services	38,414,968
Cigarette Tax	11,063,425
Fines and Forfeitures	6,538,394
From the Use of Money and Property	5,457,485
General Sales Tax	63,160,061
Hotel Room Tax	6,714,871
Miscellaneous Revenue	5,384,673
Other Taxes	18,202,776
Permits, Privilege Fees, and Regulatory Licenses	5,577,542
Personal Property	146,979,656
Real Estate	479,990,793
Restaurant Meal Tax	41,342,843
Utility Tax	42,471,686
Revenue from the Commonwealth	
Other Sources from the Commonwealth	99,592,618
Revenue from the Federal Government	
Specific Fund Reserves	10,903,254
Transfers from Other Funds	17,427,160
Fund 002 Revenue Totals	1,074,687,396

098 School Reserve Special Revenue Fund

Specific Fund Reserves	5,000,000
Fund 098 Revenue Totals	5,000,000

104 Green Run Collegiate Charter School

Transfers from Other Funds	3,686,686
Fund 104 Revenue Totals	3,686,686

107 School Equipment Replacement Special Revenue Fund

Specific Fund Reserves	1,106,301
Fund 107 Revenue Totals	1,106,301

108 School Instructional Technology Fund

Specific Fund Reserves	53,678
Fund 108 Revenue Totals	53,678

109 School Vending Operations Fund

Revenue From Local Sources	
Miscellaneous Revenue	192,550
Specific Fund Reserves	37,152
Fund 109 Revenue Totals	229,702

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

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	12,014,495
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	18,021,131
Fund 114 Revenue Totals	30,742,626

115 School Operating Fund

Revenue From Local Sources	
Charges for Services	2,116,638
From the Use of Money and Property	465,000
Miscellaneous Revenue	836,703
Revenue from the Commonwealth	
Other Sources from the Commonwealth	263,423,825
State Shared Sales Tax	74,741,805
Revenue from the Federal Government	12,946,597
Transfers from Other Funds	416,687,773
Fund 115 Revenue Totals	771,218,341

116 School Grants Fund

Revenue From Local Sources	
Miscellaneous Revenue	3,651,878
Revenue from the Commonwealth	
Other Sources from the Commonwealth	11,820,594
Revenue from the Federal Government	39,551,377
Fund 116 Revenue Totals	55,023,849

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	4,489,728
Specific Fund Reserves	4,583,146
Fund 117 Revenue Totals	9,182,874

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

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

130 Law Library Fund

Revenue From Local Sources	
Charges for Services	280,210
From the Use of Money and Property	3,265
Specific Fund Reserves	23,164
Fund 130 Revenue Totals	306,639

140 Commonwealth Attorney's Fed & State Seized Assets SRF

Specific Fund Reserves	400,000
Fund 140 Revenue Totals	400,000

142 Police Federal & State Seized Assets SRF

Specific Fund Reserves	260,205
Fund 142 Revenue Totals	260,205

147 Federal Section 8 Program Special Revenue Fund

Revenue From Local Sources	
Charges for Services	2,697,966
Miscellaneous Revenue	8,800
Revenue from the Federal Government	18,139,187
Transfers from Other Funds	260,410
Fund 147 Revenue Totals	21,106,363

149 Sheriff's Department Special Revenue Fund

Revenue From Local Sources	
Charges for Services	4,520,608
From the Use of Money and Property	11,000
Miscellaneous Revenue	2,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	17,950,000
Revenue from the Federal Government	160,000
Transfers from Other Funds	22,471,196
Fund 149 Revenue Totals	45,114,804

151 Parks and Recreation Special Revenue Fund

Revenue From Local Sources	
Charges for Services	15,110,481
From the Use of Money and Property	1,679,934
Miscellaneous Revenue	1,400
Permits, Privilege Fees, and Regulatory Licenses	1,375
Real Estate	18,280,214
Revenue from the Commonwealth	
Other Sources from the Commonwealth	24,250
Specific Fund Reserves	27,000
Transfers from Other Funds	4,603,487
Fund 151 Revenue Totals	39,728,141

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

152 Tourism Investment Program Fund

Revenue From Local Sources	
Amusement Tax	6,201,490
Charges for Services	2,000
Cigarette Tax	790,245
Fines and Forfeitures	470,000
From the Use of Money and Property	975,400
Hotel Room Tax	15,079,811
Miscellaneous Revenue	3,800
Permits, Privilege Fees, and Regulatory Licenses	280,987
Restaurant Meal Tax	12,475,547
Transfers from Other Funds	25,194
Fund 152 Revenue Totals	36,304,474

157 Sandbridge Special Service District Spec Rev Fd

Revenue From Local Sources	
From the Use of Money and Property	7,037
Hotel Room Tax	3,646,502
Real Estate	679,891
Transfers from Other Funds	90,000
Fund 157 Revenue Totals	4,423,430

161 Agriculture Reserve Program Special Revenue Fund

Revenue From Local Sources	
From the Use of Money and Property	31,917
Real Estate	2,945,029
Specific Fund Reserves	1,220,661
Fund 161 Revenue Totals	4,197,607

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	5,584,187
Miscellaneous Revenue	27,399
Restaurant Meal Tax	5,884,692
Fund 163 Revenue Totals	11,643,176

166 Sandbridge Tax Increment Financing Fund

Revenue From Local Sources	
From the Use of Money and Property	28,126
Real Estate	9,177,724
Specific Fund Reserves	720,720
Fund 166 Revenue Totals	9,926,570

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

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
Real Estate	6,936,483
Specific Fund Reserves	539,010
Fund 169 Revenue Totals	7,977,493

172 Open Space Special Revenue Fund

Revenue From Local Sources	
Restaurant Meal Tax	2,589,265
Specific Fund Reserves	534,895
Fund 172 Revenue Totals	3,124,160

174 Town Center Special Service District

Revenue From Local Sources	
Charges for Services	24,300
Fines and Forfeitures	26,000
From the Use of Money and Property	231,000
Real Estate	1,970,578
Specific Fund Reserves	18,677
Transfers from Other Funds	150,000
Fund 174 Revenue Totals	2,420,555

179 Multimodal Transportation Special Revenue Fund

Revenue From Local Sources	
Automobile License	1,867,242
Real Estate	21,772,176
Restaurant Meal Tax	2,589,264
Transfers from Other Funds	7,183,999
Fund 179 Revenue Totals	33,412,681

180 Community Development Special Revenue Fund

Revenue from the Federal Government	1,191,257
Transfers from Other Funds	771,087
Fund 180 Revenue Totals	1,962,344

181 CD Loan and Grant Fund

Non-Revenue Receipts	90,000
Revenue from the Federal Government	586,444
Transfers from Other Funds	280,033
Fund 181 Revenue Totals	956,477

182 Federal Housing Assistance Grant Fund

Non-Revenue Receipts	75,000
Revenue from the Federal Government	807,798
Fund 182 Revenue Totals	882,798

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

183 Grants Consolidated Fund

Revenue From Local Sources	
Charges for Services	33,068
Revenue from the Commonwealth	
Other Sources from the Commonwealth	3,093,867
Revenue from the Federal Government	1,540,993
Transfers from Other Funds	<u>631,917</u>
Fund 183 Revenue Totals	<u>5,299,845</u>

241 Water and Sewer Fund

Non-Revenue Receipts	2,499,890
Revenue From Local Sources	
Charges for Services	118,203,578
From the Use of Money and Property	401,600
Miscellaneous Revenue	215,000
Revenue from the Federal Government	936,823
Transfers from Other Funds	<u>1,497,095</u>
Fund 241 Revenue Totals	<u>123,753,986</u>

253 Parking Enterprise Fund

Revenue From Local Sources	
Charges for Services	4,584,006
Fines and Forfeitures	180,000
From the Use of Money and Property	205,862
Permits, Privilege Fees, and Regulatory Licenses	138,562
Transfers from Other Funds	<u>25,000</u>
Fund 253 Revenue Totals	<u>5,133,430</u>

254 Waste Management Enterprise Fund

Revenue From Local Sources	
Charges for Services	33,749,380
From the Use of Money and Property	130,000
Miscellaneous Revenue	782,000
Permits, Privilege Fees, and Regulatory Licenses	125,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	45,000
Transfers from Other Funds	<u>10,062,505</u>
Fund 254 Revenue Totals	<u>44,893,885</u>

255 Storm Water Utility Enterprise Fund

Revenue From Local Sources	
Charges for Services	39,417,213
From the Use of Money and Property	85,000
Miscellaneous Revenue	60,000
Revenue from the Federal Government	267,597
Transfers from Other Funds	<u>29,873</u>
Fund 255 Revenue Totals	<u>39,859,683</u>

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

310 Old Donation Creek Area Dredging SSD

Revenue From Local Sources	
Real Estate	68,754
Specific Fund Reserves	126,585
Fund 310 Revenue Totals	195,339

311 Bayville Creek Neighborhood Dredging SSD Fund

Revenue From Local Sources	
Real Estate	56,594
Specific Fund Reserves	58,111
Fund 311 Revenue Totals	114,705

312 Shadowlawn Area Dredging SSD

Revenue From Local Sources	
Real Estate	27,965
Specific Fund Reserves	27,075
Fund 312 Revenue Totals	55,040

313 Chesapeake Colony Dredging SSD

Revenue From Local Sources	
Real Estate	206,261
Fund 313 Revenue Totals	206,261

314 Harbour Point Dredging SSD

Revenue From Local Sources	
Real Estate	16,040
Specific Fund Reserves	15,564
Fund 314 Revenue Totals	31,604

315 Gills Cove Dredging SSD

Revenue From Local Sources	
Real Estate	13,507
Specific Fund Reserves	1,988
Fund 315 Revenue Totals	15,495

316 Hurds Cove Dredging SSD

Revenue From Local Sources	
Real Estate	242,475
Specific Fund Reserves	221,846
Fund 316 Revenue Totals	464,321

540 General Government Capital Projects Fund

Transfers from Other Funds	
	41,914,370
Fund 540 Revenue Totals	41,914,370

541 Water and Sewer Capital Projects Fund

Transfers from Other Funds	
	8,000,000
Fund 541 Revenue Totals	8,000,000

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

555 Storm Water Capital Projects Fund

Transfers from Other Funds		7,500,000
	Fund 555 Revenue Totals	7,500,000

606 City Garage Internal Service Fund

Revenue From Local Sources		
Charges for Services		12,999,460
Miscellaneous Revenue		69,930
Specific Fund Reserves		228,870
	Fund 606 Revenue Totals	13,298,260

607 Risk Management Internal Service Fund

Revenue From Local Sources		
Charges for Services		18,566,519
From the Use of Money and Property		30,100
Miscellaneous Revenue		75,000
	Fund 607 Revenue Totals	18,671,619

610 Capital Projects Internal Service Fund

Revenue From Local Sources		
Charges for Services		1,381,726
	Fund 610 Revenue Totals	1,381,726

613 School Landscaping Internal Service Fund

Revenue From Local Sources		
Charges for Services		4,167,908
	Fund 613 Revenue Totals	4,167,908

614 School Risk Management Fund

Revenue From Local Sources		
Charges for Services		6,805,724
	Fund 614 Revenue Totals	6,805,724

615 City and School Health Insurance Fund

Revenue From Local Sources		
Miscellaneous Revenue		155,908,780
	Fund 615 Revenue Totals	155,908,780

616 Fuels Internal Service Fund

Revenue From Local Sources		
Charges for Services		5,475,919
	Fund 616 Revenue Totals	5,475,919

620 Telecommunications Internal Service Fund

Revenue From Local Sources		
Charges for Services		3,172,091
From the Use of Money and Property		6,475
	Fund 620 Revenue Totals	3,178,566

**City of Virginia Beach, Virginia
Fiscal Year 2016-17 Budget Ordinance**

Attachment B - Revenue

**FY 2016-17
Adopted**

621 Subscriptions Internal Service Fund

Revenue From Local Sources	
Charges for Services	2,469,103
Specific Fund Reserves	<u>1,549,493</u>
Fund 621 Revenue Totals	<u>4,018,596</u>

908 City Beautification Fund

Revenue From Local Sources	
Miscellaneous Revenue	<u>100,000</u>
Fund 908 Revenue Totals	<u>100,000</u>

909 Library Gift Fund

Revenue From Local Sources	
Miscellaneous Revenue	<u>6,095</u>
Fund 909 Revenue Totals	<u>6,095</u>

910 Parking Meters - Homeless Donation Fund

Revenue From Local Sources	
Miscellaneous Revenue	<u>5,000</u>
Fund 910 Revenue Totals	<u>5,000</u>

911 Parks and Recreation Gift Fund

Revenue From Local Sources	
Miscellaneous Revenue	<u>55,000</u>
Fund 911 Revenue Totals	<u>55,000</u>

916 Social Services Gift Fund

Revenue From Local Sources	
Miscellaneous Revenue	<u>6,500</u>
Fund 916 Revenue Totals	<u>6,500</u>

Total Budget Revenues	2,671,119,669
Less Internal Service Funds	212,907,098
Less Interfund Transfers	<u>543,297,785</u>
NET BUDGET REVENUES	<u><u>1,914,914,786</u></u>

1 **AN ORDINANCE ESTABLISHING THE TAX LEVY ON REAL ESTATE FOR**
2 **FISCAL YEAR 2017**

3 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:
4

5 **Sec. 1. Amount of Levy on Real Estate.**

6 There shall be levied and collected for fiscal year 2017 taxes for general purposes on all real estate,
7 including all separate classifications of real estate set forth in the Code of Virginia, not exempt from taxation and
8 not otherwise provided for in this ordinance, at the rate of ninety-nine (\$0.99) on each one hundred dollars (\$100)
9 of assessed valuation thereof. The real property tax rate that has been prescribed in this section shall be applied
10 on the basis of one hundred percentum of the fair market value of such real property, except for public service real
11 property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia. It is the intention of
12 the Council that four cents of the tax rate is dedicated, subject to annual appropriation, to provide funding for the
13 Schools to offset the decrease in State funding through the Local Composite Index, and two cents of the tax rate is
14 dedicated, subject to annual appropriation, to offset the State reduction in funding for urban road construction
15 and the increased local obligations under the Line of Duty Act. The Council directs the City Manager in the
16 production of future budgets to provide an analysis of State funding for Schools, urban road construction, and the
17 Line of Duty Act. At such time as the State restores funding above the following benchmarks: funding for Schools
18 at \$350M (per annum, net of School Facility Funds); urban road construction at \$20M (per annum); and Line of
19 Duty Act at \$0 (per annum), the City Manager will recommend a reduction, in whole or in part, to the four cent or
20 two cent tax rate dedication in an amount roughly equal to the increased State funding with a corresponding
21 decrease in the real estate tax rate.
22

23 **Sec. 2. Amount of Levy on "Certified Storm Water Management Developments and Property," "Certified Solar**
24 **Energy Recycling Equipment, Facilities or Devices" Classified as Real Estate, and "Environmental**
25 **Restoration Sites," Real Estate Improved by Erosion Controls, and Certain Wetlands and Riparian**
26 **Buffers.**

27 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
28 the Code of Virginia, there shall be levied and collected for general purposes for fiscal year 2017, taxes on all real
29 estate (a) certified by the Department of Environmental Quality as "Certified Storm Water Management
30 Developments and Property," (b) certified as provided by Code of Virginia Section 58.1-3661 as "Certified Solar
31 Energy Equipment, Facilities or Devices," or "Certified Recycling Equipment, Facilities or Devices," (c) defined by
32 Code of Virginia Section 58.1-3664 as an "Environmental Restoration Site," (d) improved to control erosion as
33 defined by Code of Virginia § 58.1-3665, or (e) qualifying as wetlands and riparian buffers as described by Code of
34 Virginia § 58.1-3666, not exempt from taxation, at a rate of ninety-nine cents (\$0.99) on each one hundred dollars
35 of assessed valuation thereof. The real property tax rates imposed in this section shall be applied on the basis of
36 one hundred percentum of fair market value of such real property except for public service property, which shall
37 be on the basis as provided in Section 58.1-2604 of the Code of Virginia.
38

39 **Sec. 3. Amount of Levy on Real Estate Within the Sandbridge Special Service District.**

40 There shall be levied and collected for fiscal year 2017, taxes for the special purpose of providing beach
41 and shoreline restoration and management at Sandbridge on all real estate within the Sandbridge Special Service
42 District, not exempt from taxation, at the rate of six cents (\$0.06) on each one hundred dollars (\$100) of assessed
43 value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this
44 ordinance. For real property that qualifies for Land Use Assessment, pursuant to Division 2 of Chapter 35 of the
45 City Code, or Exemption, or Freeze for Elderly and Disabled Persons, pursuant to Division 3 of Chapter 35 of the
46 City Code, this real estate tax rate shall be applied in the same manner as the real estate tax rate set forth in
47 Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred
48 percentum of the fair market value of such real property except for public service real property, which shall be on
49 the basis as provided in Section 58.1-2604 of the Code of Virginia.
50

51 **Sec. 4. Amount of Levy on Real Estate Within the Town Center Special Service District.**

52 For the special purpose of operating and maintaining the parking garage and providing enhanced services
53 for the plaza and public spaces within the boundaries of the service district at the Town Center, as well as other
54 additional services authorized by Virginia Code § 15.2-2403, there shall be levied and collected for fiscal year 2017,
55 taxes on all real estate within the Town Center Special Service District, not exempt from taxation, at the rate of
56 forty-five cents (\$0.45) on each one hundred dollars (\$100) of assessed value thereof. This real estate tax rate shall
57 be in addition to the real estate tax set forth in Section 1 of this ordinance. For real property that qualifies for Land
58 Use Assessment, pursuant to Division 2 of Chapter 35 of the City Code, or Exemption or Freeze for Elderly and
59 Disabled Persons, pursuant to Division 3 of Chapter 35 of the City Code, this real estate tax rate shall be applied in
60 the same manner as the real estate tax rate set forth in Section 1 of this ordinance. The real estate tax rate
61 imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real
62 property, except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of
63 the Code of Virginia.

64
65 **Sec. 5. Amount of Levy on “Energy-Efficient Buildings”.**

66 In accordance with Section 58.1-3221.2 of the Code of Virginia and any relevant section of the City Code,
67 there shall be levied and collected for general purposes for the fiscal year 2017, taxes on all real estate that has
68 been classified as an energy efficient building, not exempt from taxation, at a rate of eighty-four cents (\$0.84) on
69 each one hundred dollars of assessed valuation thereof. The real property tax rate imposed in this section shall be
70 applied on the basis of one hundred percentum of fair market value of such real property except for public service
71 property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

72
73 **Sec. 6. Amount of Levy on Properties Listed in the Virginia Landmarks Register.**

74 In accordance with Section 58.1-3221.5 of the Code of Virginia and any relevant section of the City Code,
75 there shall be levied and collected for general purposes for the fiscal year 2017, taxes on buildings that are
76 individually listed on the Virginia Landmarks Register, not including the real estate or land on which the building is
77 located, so long as the building is maintained in a condition such that it retains the characteristics for which it was
78 listed on the Virginia Landmarks Register at a rate of fifty-two (\$0.52) on each one hundred dollars of assessed
79 valuation thereof. The real property tax rate imposed in this section shall be applied on the basis of one hundred
80 percentum of fair market value of such real property except for public service property, which shall be on the basis
81 as provided by Section 58.1-2604 of the Code of Virginia.

82
83 **Sec. 7. Amount of Levy on Real Estate Within the Various Dredging Special Service Districts.**

84 There shall be levied and collected for fiscal year 2017, taxes for the special purpose of providing
85 neighborhood channel dredging of creeks and rivers to maintain existing uses on all real estate within each special
86 service district listed below:

- 87 a. Old Donation Special Service District, not exempt from taxation, at the rate of eighteen and four-
88 tenths cents (\$0.184) on each one hundred dollars (\$100) of assessed value thereof.
- 89 b. Bayville Creek Special Service District, not exempt from taxation, at the rate of thirty six and three-
90 tenths cents (\$0.363) on each one hundred dollars (\$100) of assessed value thereof.
- 91 c. Shadowlawn Special Service District, not exempt from taxation, at the rate of fifteen and ninety-four
92 hundredths cents (\$0.1594) on each one hundred dollars (\$100) of assessed value thereof.
- 93 d. Chesopeian Special Service District, not exempt from taxation, at the rate of twenty nine and thirteen
94 hundredths cents (\$0.2913) on each one hundred dollars (\$100) of assessed value thereof.
- 95 e. Harbour Point Special Service District, not exempt from taxation, at the rate of seven and nine-tenths
96 cents (\$0.079) on each one hundred dollars (\$100) of assessed value thereof.
- 97 f. Gills Cove Special Service District, not exempt from taxation, at the rate of six and three-tenths cents
98 (\$0.063) on each one hundred dollars (\$100) of assessed value thereof.
- 99 g. Hurd’s Cove Special Service District, not exempt from taxation, at the rate of forty-three and eight-
100 tenths cents (\$0.438) on each one hundred dollars (\$100) of assessed value thereof.

101
102 This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance.
103 Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall apply
104 without reduction to any properties subject to ad valorem taxes including those properties enrolled in the

105 Exemption or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in Code of Virginia,
106 section 15.2-2403(6), written consent is required to apply this tax rate to the full assessed value of properties
107 subject to special use value assessment. The real estate tax rate imposed herein shall be applied on the basis of
108 one hundred percentum (100%) of the fair market value of such real property except for public service real
109 property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

110

111 **Sec. 8 Severability.**

112 If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision
113 shall not affect the validity of the remaining portions of this ordinance.

114

115 **Sec. 9 Effective Date.**

116 The effective date of this ordinance shall be July 1, 2016.

117

118 *Requires an affirmative vote by a majority of all of the members of City Council.*

119

120 Adopted by the City Council of the City of Virginia Beach, Virginia on the 10th day of May, 2016.

1 **AN ORDINANCE ESTABLISHING THE TAX LEVY ON PERSONAL**
2 **PROPERTY AND MACHINERY AND TOOLS FOR THE**
3 **CALENDAR YEAR 2017**

4 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

5
6 **Sec. 1. Amount of Levy on the General Classification of Tangible Personal Property.**

7 In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for
8 general purposes for the calendar year 2017 on all tangible personal property, including all separate classifications
9 of personal property set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in
10 this ordinance, at the rate of four dollars (\$4.00) on each one hundred dollars (\$100) assessed valuation thereof.

11
12 **Sec. 2. Personal Property Tax Relief.**

13 As required by § 58.1-3523 of the Code of Virginia, qualifying vehicles (as defined by § 58.1-3523), not
14 otherwise exempted from taxation in this ordinance or by law, shall be subject to the following:

15 1. Any qualifying-vehicle with a total assessed value of \$1,000 or less will be levied no tax, reflecting
16 a reimbursement of 100% Personal Property Tax Relief Act.

17 2. Any qualifying vehicle with an assessed value of between \$1,001 and \$20,000 will be levied ~~47.5%~~
18 47.9% of the computed tax based on the total assessed value of the vehicle. Reimbursement is expected from the
19 state under the Personal Property Tax Relief Act equal to the remaining ~~52.5%~~ 52.1% of the computed tax on the
20 first \$20,000 of assessed value.

21 3. Any qualifying vehicle with an assessed value of over \$20,000 will be levied ~~47.5%~~ 47.9% of the
22 computed tax based on the first \$20,000 of assessed value and 100% of the computed tax based on the assessed
23 value in excess of \$20,000. Reimbursement is expected from the state under the Personal Property Tax Relief Act
24 equal to the remaining ~~52.5%~~ 52.1% of the computed tax on the first \$20,000 of assessed value.

25
26 **Sec. 3. Amount of Levy on Certain Classifications of Tangible Personal Property**

27 In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for
28 general purposes for the calendar year 2017 on the certain classifications of tangible personal property set forth
29 below at the rate of four dollars (\$4.00) on each one hundred dollars (\$100) assessed valuation thereof.

- 30 a. heavy construction equipment as described in Code of Virginia § 58.1-3506 (A) (8);
31 b. computer equipment as described in Code of Virginia § 58.1-3506 (A) (11);
32 c. tangible personal property as described in (a) Code of Virginia § 58.1-3506 as “certified pollution
33 control equipment and facilities” and (b) Code of Virginia § 58.1-3661 as “certified solar equipment, facilities or
34 devices and certified recycling equipment, facilities or devices”;
35 d. furniture, office, and maintenance equipment as described in Code of Virginia § 58.1-3506 (A) (24);
36 e. all tangible personal property employed in a trade or business other than described in subdivisions A
37 1 through A 18, except for subdivision A 17, of § 58.1-3503 as described in Code of Virginia § 58.1-3506 (A) (26);
38 f. programmable computer equipment and peripherals employed in a trade or business as described in
39 Code of Virginia § 58.1-3506 (A) (27);
40 g. tangible personal property used in the provision of internet service as described in Code of Virginia §
41 58-1-3506 (A) (31);
42 h. forest harvesting and silvicultural activity as described in Code of Virginia § 58-1-3506 (A) (33);
43 i. equipment used primarily for research, development, production or provision of biotechnology as
44 described in Code of Virginia § 58-1-3506 (A) (34);
45 j. tangible personal property which is owned and operated by a service provider who is not a CMRS
46 provider and is not licensed by the FCC used to provide, for a fee, wireless broadband internet service as described
47 in Code of Virginia § 58-1-3506 (A) (37).

48
49 **Sec. 4. Amount of Levy on Manufactured Homes.**

50 There shall be levied and collected for general purposes for the calendar year 2017 taxes on all vehicles
51 without motive power, used or designated to be used as manufactured homes, as defined by Section 36-85.3 of
52 the Code of Virginia, at the rate of ninety-nine cents (\$0.99) on each one hundred dollars (\$100) of assessed

53 valuation thereof. Such property declared a separate class of tangible personal property in Section 58.1-3506 (A)
54 (10).

55
56 **Sec. 5. Amount of Levy on All Boats or Watercraft Used for Business Purposes Only.**

57 There shall be levied and collected for general purposes for the calendar year 2017 taxes on all boats or
58 watercraft used for business purposes (both boats weighing less than five (5) tons and boats weighing five (5) tons
59 or more), except as provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents (\$1.50) on
60 each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible
61 personal property in Sections 58.1-3506 (A) (35) and (A) (36).

62
63 **Sec. 6. Amount of Levy on All Boats or Watercraft Not Used Solely for Business Purposes.**

64 There shall be levied and collected for general purposes for the calendar year 2017 taxes on all boats or
65 watercraft not used solely for business purposes weighing less than five (5) tons, and weighing five (5) tons or
66 more, except as provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents (\$1.50) on each
67 one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible
68 personal property in Sections 58.1-3506 (A) (1) (a) and (A) (1) (b).

69
70 **Sec. 7. Amount of Levy on Machinery and Tools.**

71 In accordance with Section 58.1-3507 of the Code of Virginia, there shall be levied and collected for
72 general purposes for the calendar year 2017 taxes on machinery and tools, including machinery and tools used
73 directly in the harvesting of forest products or semiconductor manufacturing, not exempt from taxation, at the
74 rate of one millionth of one cent (\$.000001) on each one hundred dollars (\$100) of assessed valuation thereof. As
75 provided by Code of Virginia § 58.1-3506 (B), the following personal property shall also be taxed at the rate of
76 machinery and tools:

- 77 a. all tangible personal property used in research and development businesses, as described in Code of
78 Virginia § 58.1-3506 (A) (7);
- 79 b. generating or cogenerating equipment, as described in Code of Virginia § 58.1-3506 (A) (9); and
- 80 c. all motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more
81 used to transport property for hire by a motor carrier engaged in interstate commerce, as described in Code of
82 Virginia § 58.1-3506 (A) (25).

83
84 **Sec. 8. Amount of Levy on Privately Owned Pleasure Boats and Watercraft Used for Recreational Purposes Only.**

85 There shall be levied and collected for general purposes for the calendar year 2017 taxes on all privately
86 owned pleasure boats and watercraft used for recreational purposes only, at the rate of one millionth of one cent
87 (\$.000001) on each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate
88 class of tangible personal property in Sections 58.1-3506 (A) (12), (A) (28), and (A) (29).

89
90 **Sec. 9. Amount of Levy on Privately Owned Camping Trailers, Privately Owned Travel Trailers, and Motor Homes
91 Used for Recreational Purposes Only, and Privately Owned Horse Trailers.**

92 There shall be levied and collected for general purposes for the calendar year 2017 taxes at the rate of
93 one dollar and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation thereof on the
94 following property: (a) all privately owned camping trailers and motor homes as defined in Section 46.2-100 of the
95 Code of Virginia and privately owned travel trailers as defined in Code of Virginia § 46.2-1900, that are used for
96 recreational purposes only; and (b) privately owned trailers as defined in § 46.2-100 of the Code of Virginia that
97 are designed and used for the transportation of horses, except those trailers described in subdivision (A) (11) of §
98 58.1-3505 of the Code of Virginia. Such property declared a separate class of tangible personal property in Sections
99 58.1-3506 (A) (18) and (A) (30).

100
101 **Sec. 10. Amount of Levy on One Motor Vehicle Owned and Regularly Used by a Disabled Veteran.**

102 There shall be a reduced tax, levied and collected for general purposes for the calendar year 2017 at the
103 rate of one dollar and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation, on one (1)
104 motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an
105 arm or a hand, or who is blind, or who is permanently and totally disabled as certified by the Department of

106 Veterans' Affairs. Any motor vehicles in addition to the one (1) so taxed shall not qualify for the taxation at the rate
107 established herein, and shall be taxed at the rate or rates applicable to that class of property. To qualify, the
108 veteran shall provide a written statement to the Commissioner of the Revenue from the Department of Veterans'
109 Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to meet the
110 requirements of Section 58.1-3506 (A) (19), and that his or her disability is service connected. Such property
111 declared a separate class of tangible personal property in Section 58.1-3506 (A) (19).
112

113 **Sec.11. Amount of Levy on a Motor Vehicle Owned and Used Primarily by or for Someone at Least Sixty-Five**
114 **Years of Age or Anyone Found to be Permanently and Totally Disabled.**

115 a. In accordance with Sections 58.1-3506.1 et seq. of the Code of Virginia, there shall be a reduced tax,
116 levied and collected for general purposes for calendar year 2017, at the rate of three dollars (\$3.00) on each one
117 hundred dollars (\$100.00) of assessed valuation, on one (1) automobile or pickup truck owned and used primarily
118 by or for anyone at least sixty-five years of age or anyone found to be permanently and totally disabled, as defined
119 in Section 58.1-3506.3 of the Code of Virginia, subject to the following conditions:

120 1. The total combined income received, excluding the first \$7,500 of income, from all sources
121 during calendar year 2015 by the owner of the motor vehicle shall not exceed twenty-two thousand dollars
122 (\$22,000).

123 2. The owner's net financial worth, including the present value of all equitable interests, as of
124 December 31 of calendar year 2015, excluding the value of the principal residence and the land, not exceeding one
125 (1) acre, upon which it is situated, shall not exceed seventy thousand dollars (\$70,000).

126 3. All income and net worth limitations shall be computed by aggregating the income and assets,
127 as the case may be, of a husband and wife who reside in the same dwelling and shall be applied to any owner of
128 the motor vehicle who seeks the benefit of the preferential tax rate permitted under this ordinance, irrespective of
129 how such motor vehicle may be titled.

130 b. Any such motor vehicle owned by a husband and wife may qualify if either spouse is sixty-five or over
131 or if either spouse is permanently and totally disabled, and the conditions set forth in subsection (a) have been
132 satisfied.
133

134 **Sec. 12. Assessed Value Determination.**

135 In accordance with Section 58.1-3103 of the Code of Virginia, personal property mentioned in the above
136 sections shall be assessed at actual fair market value, to be determined by the Commissioner of the Revenue for
137 the City of Virginia Beach.
138

139 **Sec. 13. Severability.**

140 If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision
141 shall not affect the validity of the remaining portions of this ordinance.
142

143 **Sec. 14. Effective Date.**

144 This ordinance shall be effective January 1, 2017.

145
146 *Requires an affirmative vote by a majority of all of the members of City Council.*

147
148 adopted by the City Council of the City of Virginia Beach, Virginia on the 10th day of May, 2016.

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**AN ORDINANCE TO DECLARE \$8,000,000 OF FUNDING
WITHIN THE SANDBRIDGE TAX INCREMENT FINANCING
DISTRICT AS SURPLUS FUNDS IN THE FY 2015-16 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, \$ 8,000,000 is available as an unencumbered appropriation in the FY 2015-16 Sandbridge TIF Reserve for Future Commitments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That \$ 8,000,000 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.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on June 30, 2016.

Adopted by the City Council of the City of Virginia Beach, Virginia, on the 10th day of May, 2016.

**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, 2016, to each such employee in service on June 30, 2016, 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, 2016:

Plan 1	Percent		Plan 2	Percent
Employer Paid Member Contribution	0%		Employer Paid Member Contribution	0%
Employee Paid Member Contribution	5%		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

47 BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to
48 VRS members to receive pick up contributions made by the City directly instead of having them paid to VRS; and
49

50 BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each
51 member of VRS who is an employee of the City shall be reduced by the amount of member contributions picked up
52 by the City on behalf of such employee pursuant to the forgoing resolutions; and
53

54 BE IT FURTHER RESOLVED, that in accordance with the Appropriation Act, no salary increases that were
55 provided solely to offset the cost of required member contributions to the Virginia Retirement System under
56 §51.1-144 of the Code of Virginia will be used to certify that the salary increases required by the Appropriations
57 Act have been provided.
58

59 NOW, THEREFORE, the City Manager or designee is hereby authorized and directed in the name of the
60 City to carry out the provisions of this resolution, and said officers are authorized and directed to pay over to the
61 Treasurer of Virginia from time to time such sums as are due to be paid by the City for this purpose.
62

63 Adopted by the Council of the City of Virginia Beach, Virginia, on the 10th day of May, 2016.

**A RESOLUTION REGARDING THE CITY'S 2017 EMPLOYEE AND
RETIREE HEALTH INSURANCE PLANS**

WHEREAS, the next Health Insurance Plan Year takes effect January 1, 2017;

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 2017 and maintain three plan offerings of Basic, Standard, and Premier.
- b. Establish an employer contribution strategy as to provide a defined contribution to each tier of each of the three plans offered, resulting in the following monthly defined employer contributions:

Employee Only	\$489.45	Retiree Only	\$561.56
Employee Plus Child	\$739.62	Retiree Plus Child	\$811.98
Employee Plus Children	\$1,071.61	Retiree Plus Children	\$1,145.09
Employee Plus Spouse	\$892.49	Retiree Plus Spouse	\$1,040.91
Family	\$1,268.72	Retiree Family	\$1,418.43

- c. A one-time lump sum Health Savings Account contribution in the amount of \$500 will be made for members choosing to newly enroll in the Basic POS plan effective January 1, 2017, as well as to newly enrolled members that were eligible in 2016, but did not previously receive a contribution.
- d. 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.
- 4. This Resolution shall become effective on January 1, 2017.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 10th day of May, 2016.

Attachment A

Calendar Year Plans for 2017 Compared to Current Plans

	2016 Current Plans			2017 Plans		
	POS Premier	POS Standard	POS Basic	POS Premier	POS Standard	POS Basic
Deductibles	\$850/\$1,700	\$1,300/\$2,600 (non-embedded)	\$2,000/\$4,000 (non-embedded)	\$850/\$1,700	\$1,300/\$2,600 ⁵ (non-embedded)	\$2,000/\$4,000 ⁵ (non-embedded)
HSA Eligible	No	Yes	Yes	No	Yes	Yes
HSA Funding	N/A	No	\$500 ¹	N/A	No	\$500 ¹
Out of Pocket Max	\$3,000/\$6,000	\$3,500/\$7,000 (not to exceed \$6,850 for one individual)	\$4,000/\$8,000 (not to exceed \$6,850 for one individual)	\$3,000/\$6,000	\$3,500/\$7,000 ⁵ (not to exceed \$6,850 for one individual)	\$4,000/\$8,000 ⁵ (not to exceed \$6,850 for one individual)
SQCN² PCP	N/A	N/A	N/A	\$20 Copay ³	10% Coinsurance	15% Coinsurance
Non-SQCN PCP	\$20 Copay ³	20% Coinsurance	25% Coinsurance	\$40 Copay ³	20% Coinsurance	25% Coinsurance
Preventive Visit	100% ³	100% ³	100% ³	100% ³	100% ³	100% ³
SQCN² Specialist	N/A	N/A	N/A	\$40 Copay ³	10% Coinsurance	15% Coinsurance
Non-SQCN Specialist	\$40 Copay ³	20% Coinsurance	25% Coinsurance	\$60 Copay ³	20% Coinsurance	25% Coinsurance
Diagnostic (x-ray, blood work)	15% Coinsurance	20% Coinsurance	25% Coinsurance	15% Coinsurance	20% Coinsurance	25% Coinsurance
Imaging (CT/PET/MRI)	15% Coinsurance	20% Coinsurance	25% Coinsurance	15% Coinsurance	20% Coinsurance	25% Coinsurance
Inpatient Hospital	15% Coinsurance	20% Coinsurance	25% Coinsurance	15% Coinsurance	20% Coinsurance	25% Coinsurance
Outpatient Surgery	15% Coinsurance	20% Coinsurance	25% Coinsurance	15% Coinsurance	20% Coinsurance	25% Coinsurance
Maternity Care	\$350 Copay ³	20% Coinsurance	25% Coinsurance	\$350 Copay ³	20% Coinsurance	25% Coinsurance
Preferred Pharmacy⁴ (Walgreens, Walmart/Sams Club)						
Tier 1	\$10 Copay ³	\$10 Copay	\$10 Copay	\$10 Copay ³	\$10 Copay	\$10 Copay
Tier 2	\$25 Copay ³	\$25 Copay	\$25 Copay	\$25 Copay ³	\$25 Copay	\$25 Copay
Tier 3	Covered at 75% ³ (Max \$50)	Covered at 75% (Max \$50)	Covered at 75% (Max \$50)	Covered at 75% ³ (Max \$50)	Covered at 75% (Max \$50)	Covered at 75% (Max \$50)
Non-Preferred Pharmacy⁴						
Tier 1	\$25 Copay ³	\$25 Copay	\$25 Copay	\$25 Copay ³	\$25 Copay	\$25 Copay
Tier 2	\$45 Copay ³	\$45 Copay	\$45 Copay	\$45 Copay ³	\$45 Copay	\$45 Copay
Tier 3	Covered at 75% ³ (Max \$75)	Covered at 75% (Max \$75)	Covered at 75% (Max \$75)	Covered at 75% ³ (Max \$75)	Covered at 75% (Max \$75)	Covered at 75% (Max \$75)
Specialty Pharmacy⁴	Covered at 75% ³ (Max \$200)	Covered at 75% (Max \$200)	Covered at 75% (Max \$200)	Covered at 75% ³ (Max \$200)	Covered at 75% (Max \$200)	Covered at 75% (Max \$200)

Notes:

- ¹ Basic \$500 HSA contribution offered first plan year ONLY
- ² Sentara Quality Care Network
- ³ Deductible does not apply to this service
- ⁴ Closed Formulary Prescription Drug Benefit - Contains specific drugs in each drug class. Non-formulary medications must meet medical necessity criteria through an exception process to be covered
- ⁵ Pending IRS 2017 deductible limits for qualified HSA compatible plans

1 **AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO SUBMIT AN ANNUAL**
2 **FUNDING PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

3
4 WHEREAS, the United States Congress has established legislation designated as the Housing and
5 Community Development Act of 1974 that sets forth the development of viable urban communities as a national
6 goal; and has established additional legislation addressing the goals of reducing homelessness, increasing
7 affordable housing opportunities, and providing housing for people with HIV/AIDS; and

8
9 WHEREAS, there is federal assistance available to help achieve these goals and conduct related activities
10 ~~directed toward specific objectives, such as eliminating deteriorated conditions in low and moderate income~~
11 ~~neighborhoods that are detrimental to the public health, safety, and welfare, as well as improving the City's~~
12 ~~housing stock and community services, along with other related activities; and~~

13
14 WHEREAS, as a prerequisite to receiving the above-referenced federal assistance, the City of Virginia
15 Beach has developed an Annual Funding Plan for submission to the Department of Housing and Urban
16 Development and has created the necessary mechanisms for its implementation in compliance with federal and
17 local directives,

18 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

19
20
21 That the City Manager is hereby authorized and directed, as the executive and administrative head of the
22 City, to submit the City's FY 2016-17 Annual Funding Plan (the "Plan") and amendments thereto, along with
23 understandings and assurances contained therein and such additional information as may be required, to the
24 Department of Housing and Urban Development to permit the review, approval, and funding of the Plan.

25
26 Adopted by the Council of the City of Virginia Beach, Virginia, on the 10th day of May, 2016.
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**AN ORDINANCE TO INCREASE THE SOLID WASTE
MANAGEMENT FEE TO BE CHARGED BY THE CITY OF
VIRGINIA BEACH FOR THE SERVICES OF SOLID WASTE
COLLECTION, MANAGEMENT, AND DISPOSAL OF SOLID
WASTE AND OTHER REFUSE**

WHEREAS, under Virginia Code § 15.2-928, the City Council of the City of Virginia Beach, Virginia, is authorized to impose fees for providing the services to its residents of collection, management, and disposal of solid waste, recyclable materials, and other refuse; and

WHEREAS, the City held public hearings on this fee to provide public comment; and

WHEREAS, the City Council desires to have a fiscally responsible solution to solid waste collection, management, and disposal.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

A. That rates to be charged for access to the service of solid waste collection, management, and disposal of solid waste materials, and other refuse shall be as follows:

1. A waste collection fee of ~~\$23.00~~ ~~\$21.36~~ per month shall be charged to each occupied dwelling unit eligible for, and each participating church receiving, City trash collection services in accordance with City Code Chapter 31. The solid waste management fee shall be collected on the combined services bill and subject to the restrictions and limitations of City Code Section § 37-53.

2. This ordinance and the fee increased described herein shall be effective on July 1, 2016.

Requires an affirmative vote by a majority of all of the members of City Council.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 10th day of May, 2016.

1 **AN ORDINANCE TO AMEND CITY CODE SECTIONS 18-32 AND**
2 **27-3 TO INCREASE THE PERMIT FEE FOR PAWN AND**
3 **SECONDHAND PERMITS**

4
5 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:
6

7 1. That Sections 18-32 and 27-3 are hereby amended and reordained to read as follows:
8

9 **Sec. 18-32. Permit required.**

10 a. No person shall engage in the activities of a dealer as defined in section 18-76.1, pawnbroker, junk dealer, or
11 secondhand dealer without first obtaining a permit from the chief of police.
12

13 ...
14

15 c. The chief of police, prior to issuance or renewal of a permit, shall determine that the applicant intends to
16 conduct business at a fixed and permanent location, and shall require proof of ownership of the proposed
17 business premises by the applicant or the applicant's employer, or evidence of a valid lease of such premises
18 held by the applicant or the applicant's employer ~~of no less duration than the term of the license~~. Conduct of
19 business from a hotel, motel, temporary lodging unit or similar location shall not satisfy the requirements of this
20 section.
21

22 ...
23

24 g. The initial and annual permit fee shall be three hundred dollars (\$300) for a dealer as defined in section 18-
25 76.1, and ~~two hundred dollars (\$200) one hundred dollars (\$100)~~ for a pawnbroker, ~~junk dealer~~, or secondhand
26 dealer, ~~and fifty dollars (\$50) for a junk dealer~~; provided, however, that if an applicant applies for an initial or
27 renewal permit as a dealer of precious metals and gems at the same time as the applicant applies for an initial
28 or renewal permit as a pawnbroker, junk dealer or secondhand dealer, the applicant need only pay the three
29 hundred dollar (\$300) permit fee. If the chief of police refuses to issue such permit, the applicant shall be
30 notified, in writing, of the reasons for the refusal and the applicant may appeal such refusal to the city council
31 within thirty (30) days from the date of such notice.

32 **Sec. 27-3. Authority of department to furnish copies of records, perform certain services, etc., and fees**
33 **therefor.**
34

35 a. The department of police is hereby authorized to release forensic photographs after all criminal charges are
36 resolved and when such release is provided by law, to furnish photostatic copies of accident reports and offense
37 reports, and to allow such reports to be viewed by proper persons consistent with the provisions of the Virginia
38 Freedom of Information Act, Code of Virginia, §2.2-3700.

39 b. The chief of police is hereby authorized to make record checks and reports (local record only) and take
40 fingerprints of individuals on request. For the processing of applications for permits required by law, the
41 following fees shall be charged:

- 42 (1) Record check and report by name ... \$15.00
43 (2) First fingerprint card requested by individuals ... \$10.00
44 (3) Subsequent fingerprint cards requested by individuals ... \$5.00
45 (4) Certificate of public convenience and necessity...\$50.00
46 (5) Precious metals permit ~~\$300.00~~ \$550.00
47 (6) Vendor permit....\$25.00.
48

49 2. That this ordinance shall be effective on July 1, 2016.
50

51 Adopted by the City Council of the City of Virginia Beach, Virginia on this 10th day of May, 2016.

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**AN ORDINANCE TO AMEND THE BUDGETING AND
ACCOUNTING OF SANDBRIDGE TRANSIENT OCCUPANCY TAX
REVENUE**

WHEREAS, the Governmental Accounting Standards Board (GASB) changed the reporting requirements for Special Revenue Funds effective for periods beginning after June 15, 2010, under GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" Special Revenue Funds, which required Special Revenue Funds have their own unique sources of revenues;

WHEREAS, the FY 2001-02 Operating Budget established the Major Projects Special Revenue Fund, by ordinance (ORD-2641H), and dedicated a portion of the transient occupancy tax to such Fund;

WHEREAS, as directed in ORD-2641H, the portion of transient occupancy taxes attributable to the Sandbridge Special Service District were transferred from the Major Projects Special Revenue Fund to the Sandbridge Special Service District Special Revenue Fund;

WHEREAS, the FY2011-12 Operating Budget established the Tourism Investment Program as a consolidation of the Major Projects Special Revenue Fund and the Tourism Growth and Investment Fund by ordinance (ORD-3178K);

WHEREAS, to be in compliance with GASB Statement 54, the budgeting and accounting of this revenue should be amended to reflect transient occupancy tax revenue generated in Sandbridge to be budgeted directly in the Sandbridge Special Service District Special Revenue Fund; and

WHEREAS, although such funds are budgeted to the Sandbridge Special Service District Special Revenue Fund, these funds are subject to appropriation by the City Council at such time and for such reason as the City Council may prescribe.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

To accommodate GASB Statement 54, transient occupancy tax revenues previously directed to the Tourism Investment Program with subsequent transfer to the Sandbridge Special Service District are hereby budgeted directly to the Sandbridge Special Service District.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on July 1, 2016.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 10th day of May, 2016.

**AN ORDINANCE TO AMEND SECTION 1-12.1 OF THE CITY CODE PERTAINING
TO THE ASSESSMENT OF COURT COSTS UPON CIVIL ACTION TO BE UTILIZED
FOR CONSTRUCTION, MAINTENANCE OR RENOVATION OF THE VIRGINIA
BEACH COURTHOUSE AND FACILITIES**

1 WHEREAS, under Virginia Code § 17.1-281, a Virginia locality may to impose a fee of up to two dollars upon (i) each
2 civil action filed in the district or circuit courts located within its boundaries and (ii) each criminal or traffic violation and the
3 proceeds of such fee shall be used for the construction, renovation, or maintenance of courthouse or jail and court-related
4 facilities and to defray increases in the cost of heating, cooling, electricity, and ordinary maintenance;

5
6 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

7
8 1. That section 1-12.1 of the City code is hereby amended and reordained to read as follows:

9
10 Sec. 1-12.1. **Assessment of court costs for construction, maintenance or renovation of courthouse and facilities.**

11
12 (a) As an addition to other fees prescribed by law, the clerks of the circuit court, general district court and juvenile
13 and domestic relations district court shall charge and collect, as a part of the fees taxed as costs, a fee of two
14 dollars (\$2.00) in each civil action, criminal and traffic case.

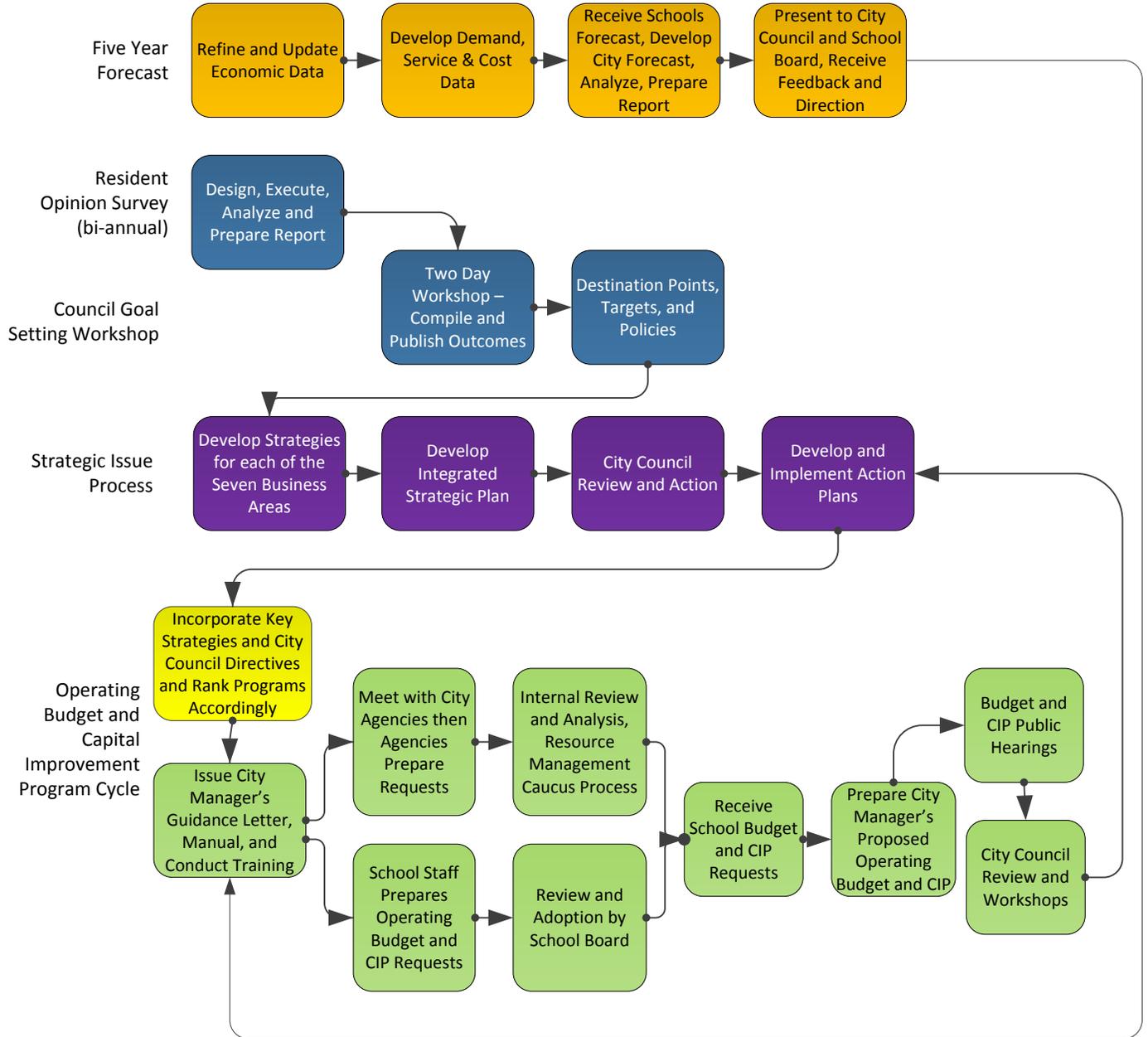
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17 2. This ordinance and the fee increased described herein shall be effective on July 1, 2016.

18
19
20 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 10th day of May, 2016.

RMP 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, 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 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 CIP 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.

Citizen Satisfaction 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 city 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 Issue Process - In order to develop implementation plans for attaining the City Council goal areas, the City Manager and Management Leadership Team (MLT) establish a series of director level teams. Each Strategic Issue Team (SIT), comprised of members from other departments, is charged with a specific goal, area, or sub-goal area. The teams examine the root causes, key factors, and driving forces of the issues defined. SITs 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 Report of revenues and expenditures for city and school 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 - Department Directors, the MLT, 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:

- ➔ Departments prepare their resource requests in accordance with program needs and issues in response to the City Council's goals and the Strategic Plan. Included in their request is:
 1. A description of the department, its mission, objectives, and performance indicators.
 2. Funding requests necessary to maintain the same levels of effort/service delivery as provided during the current fiscal year.
 3. Funding requests necessary to meet known increases in demand for existing services.
 4. Requests for expansion of services or new programs are submitted through the use of budget proposals 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.
- ➔ Summaries of each department's unfunded requests and information on revenues are provided to the MLT and City Manager for information and review. These summaries illustrate any gap between service needs and revenues.
- ➔ The MLT, 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 Proposed Operating Budget.
- ➔ The City Council receives the Proposed 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 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. Citywide indicators assess outcomes at the citywide 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 the Strategic Growth Area Office 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 projects requests are: School 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 MLT. The CIP Caucus reviews non-school project requests that are above the basic/target level of funding to determine priorities. Thereafter, the MLT 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 allowing citizens the opportunity 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 at public libraries, City Hall, and on the city's website at vbgov.com/budget. Public notices, which present highlights of the plan are published in the local newspaper.

RMP CALENDAR

August/September

08/01/15 - 09/30/15 – 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

10/09/15 - Operating Budget Caucus is held to disseminate information to departments on revenue estimates, the state budget outlook, the economy, budget process overview and changes, and funding targets.

10/09/15 – 11/30/15 - Departments, with assistance as needed from their assigned analysts from Budget and Management Services, spend the next six weeks developing individual program resource requests, capital project requests, program priority rankings, and entering the data into the Budget and CIP database.

November

11/02/15 - CIP requests are due to the Department of Budget and Management Services.

11/17/15 – Five Year Forecast Report is presented to City Council and School Board members detailing the city's financial position over the next five years and other economic trends affecting the city.

11/30/15- Department budget submissions are due to the Department of Budget and Management Services.

January

01/04/16 - 02/28/16 - Budget meetings are held between Budget and Management Services and the MLT discuss the departments' budget requests and reach consensus on which items will receive further consideration for funding.

01/22/16 - The CIP Caucus members meet to listen to presentations by the managing agencies of the different CIP sections outlining the highlights and funding for roadways, buildings, communication and information technology, parks and recreation, water, sewer, storm water, coastal, and economic and tourism development projects.

01/27/15 - CIP Caucus meets to prioritize funding requests of capital project needs.

February

02/02/16 - School Superintendent submits the schools Estimate of Needs for FY 2016-17 to the School Board.

March

03/01/16 - Adoption of Schools Operating Budget and Capital Improvement Program by the School Board.

03/22/16 - Proposed Resource Management Plan is presented to the City Council.

April

04/05/16 - City Council Workshop on the Proposed Resource Management Plan.

04/12/16 - City Council Workshop on the Proposed Resource Management Plan.

04/19/16 - City Council Workshop on the Proposed Resource Management Plan.

04/21/16 - Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/26/16 - City Council Workshop on the Proposed Resource Management Plan.

04/26/16 - Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

May

05/03/16 - City Council Reconciliation Workshop on the Proposed Resource Management Plan.

05/10/16 - 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 resource 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 this 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 that can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. 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 measurement of economic resources 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 the 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, 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 (i.e. grant monies are received prior to incurring qualifying expenditures). In subsequent periods when 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.

Included through June 30 financial statements are: unbilled water, sewer, and storm water funds received for services provided.

FY 2016-17 Nonrecurring Capital Budget Appropriations

This section reflects nonrecurring capital appropriations/expenditures for FY 2016-17. Capital appropriations/expenditures include projects that are \$250,000 or more. For more detailed information, reference the CIP.

Project Number	Projects	Appropriations FY 2016-17
<u>Buildings - CRO</u>		
3028000	Aquarium Marsh Pavilion Enhancements	2,000,000
3103000	Heritage Building Maintenance	1,056,411
3146000	VA Aquarium Bldg Systems & Facility Infrastructure	1,500,000
3278000	Virginia Aquarium Renewal and Replacement II	600,000
3292000	Virginia Aquarium Marine Animal Care Center	9,405,000
	Total Buildings - CRO Projects	<u>14,561,411</u>
<u>Buildings - FYO</u>		
3510000	Intermediate Care Facilities Renewal/Replacement	120,627
	Total Buildings - FYO Projects	<u>120,627</u>
<u>Buildings - QPE</u>		
3047000	Landfill #2 Phase 1 Capping	983,122
3072000	City Hall Planning and Concept Development	250,000
3136000	Various Buildings HVAC Rehabilitation & Renewal III	2,000,000
3137000	Various Buildings Rehabilitation and Renewal III	2,500,000
3139000	Various Site Acquisitions II	1,143,644
3508000	ARC Flash Mitigation	700,000
3518000	Convention Center Capital Maintenance	1,643,563
	Total Buildings - QPE Projects	<u>9,220,329</u>
<u>Buildings - SC</u>		
3056000	Public Safety Equipment Replacement Project	1,200,000
3075000	Fire/EMS Station Burton Station	960,000
3080000	Commonwealth Attorney Building Renovations	1,500,000
3115000	Judicial Center Maintenance	254,678
3133000	Fire Training Center Improvements III	665,427
3134000	Fire Apparatus III	1,460,975
3344000	Police Fourth Precinct-Replacement	2,122,209
3506000	Fire Facility Rehabilitation and Renewal III	500,000
3523000	Correctional Center Master Control Center Upgrade	3,284,599
	Total Buildings - SC Projects	<u>11,947,888</u>

FY 2016-17 Nonrecurring Capital Budget Appropriations

Project Number	Projects	Appropriations FY 2016-17
<u>Coastal</u>		
8008000	Beach Replenishment	2,050,000
8010000	Sandbridge Beach Restoration II	6,050,000
8011000	Various Minor Dredging Projects II	325,000
8013000	Lynnhaven Inlet Maintenance Dredging II	300,000
8015000	Beach Profile Monitoring Program II	50,000
8016000	Gills Cove Neighborhood Dredging	634,971
8405000	Sandbridge Beach Access Improvements II	300,000
8406000	Rudee Inlet Federal Dredging II	400,000
8407000	Rudee Inlet Outer Channel Maintenance Dredging II	675,000
8408000	Pleasure House Point Mitigation	2,800,000
8505000	Hurd's Cove Neighborhood Dredging	2,862,000
Total Coastal Projects		<u>16,446,971</u>
<u>Economic and Tourism Dev - EV</u>		
9017000	Arena Infrastructure Development-Off Site	14,171,000
9020000	ViBe District Street Infrastructure Improvements - I	1,500,000
9021000	London Bridge Commerce Center Infrastructure Improvements - I	1,300,000
9022000	Burton Station Roadway Improvements I	1,040,497
9082000	Oceanfront Parking Facilities Capital Maintenance and Development	850,000
9083000	Town Center Garage and Plaza Capital Maintenance	352,726
9091000	SGA-Burton Station Road Improvements-III	2,420,595
9096000	Oceanfront Capital Projects Reinvestment	427,499
9100000	19th Street Infrastructure Improvements	10,863,200
9141000	Economic Development Investment Program (On-Going)	2,528,783
9276000	Cape Henry Lighthouse Restoration-Phase II	90,700
9500000	Virginia Beach Amphitheater Capital Maintenance	200,000
Total Economic and Tourism Dev - EV Projects		<u>35,745,000</u>
<u>Information Technology - QO</u>		
3068000	CIT-IT Network Infrastructure Replacement II	1,759,429
3119000	CIT-Cable Access Infrastructure Replacement I	322,000
3648000	CIT-Bi-Weekly Payroll Implementation	728,410
3677000	CIT - GIS Early Warning Sea Level Rise Sensors	306,658
3681000	CIT-Electronic Procurement System	340,000
3683000	CIT-Maintain and Secure Corporate Data	230,000
3693000	CIT - IT Service Continuity II	1,000,000
Total Information Technology - QO Projects		<u>4,686,497</u>

FY 2016-17 Nonrecurring Capital Budget Appropriations

Project Number	Projects	Appropriations FY 2016-17
<u>Information Technology - SC</u>		
3095000	CIT-Police Integrated Public Safety Record Management	2,717,815
3142000	CIT-Communications Infrastructure Replacement II	1,233,777
3678000	CIT-Fire Mobile Radio Repeaters	494,000
	Total Information Technology - SC Projects	<u>4,445,592</u>
<u>Parks and Recreation</u>		
4039000	PAAC Multi-Purpose Athletic Field Renovations	975,000
4064000	City Bikeways and Trails Plan Implementation II	120,000
4079000	Thalia Creek Greenway I	1,500,000
4080000	Sportsplex/Field Hockey National Trng Ctr Rep/Reno I	226,135
4300000	Community Recreation Centers Repairs and Renovations III	2,000,000
4301000	Parks and Special Use Facilities Development/Reno III	1,333,813
4302000	Golf Courses Contractual Obligations-Maintenance I	120,000
4303000	Greenways, Scenic Waterways and Natural Areas III	150,000
4305000	Tennis Court Renovations III	300,000
4307000	Athletic Fields Lighting and Renovations III	275,000
4308000	Open Space Program Site Acquisition III	44,250
4500000	Park Playground Renovations III	412,908
4502000	Lynnhaven Boat Ramp & Beach Facility Repairs/Reno I	50,000
4506000	Parks Infrastructure Renewal and Replacement	1,000,000
4517000	Stumpy Lake Golf Course Contractual Obligations I	27,000
4519000	Bikeways/Trails Repairs and Renovations I	280,000
	Total Parks and Recreation Projects	<u>8,814,106</u>

FY 2016-17 Nonrecurring Capital Budget Appropriations

Project Number	Projects	Appropriations FY 2016-17
<u>Roadways</u>		
2022000	Major Bridge Rehabilitation II	1,460,000
2024000	Rural Road Improvements II	200,000
2025000	Witchduck Road Phase II	1,160,275
2026000	Street Reconstruction II	1,150,000
2027000	Various Cost Participation Projects II	50,000
2028000	Wetlands Mitigation Banking II	100,000
2038000	Rosemont Road Phase V	4,000,000
2040000	Laskin Road Bridge Replacement	5,000,000
2054000	Ferrell Parkway	780,000
2072000	First Colonial Rd & VA. Beach Blvd. Intersection Imp.	4,000,000
2078000	Sandbridge Road-Nimmo Phase VII-A	500,000
2088000	West Neck Road Phase IV	5,200,000
2092000	Virginia Beach Transit Extension Project	20,000,000
2094000	Bus Stop Infrastructure and Accessibility Improvements	282,000
2108000	Light Rail Corridor Shared-Use Path	16,436,000
2110000	Nimmo Parkway VII-B	1,010,380
2111000	Traffic Safety Improvements IV	2,969,127
2117000	Shore Drive Corridor Improvements Phase III	250,000
2152000	Elbow Road Extended Phase II	500,182
2160000	Citywide Street Lighting Improvements II	60,000
2176000	Transportation Network Modeling	100,000
2195000	Princess Anne Road Phase VII	6,000,000
2256000	Indian River Road Phase VII	1,910,000
2410000	Traffic Signal Rehabilitation II	350,000
2414000	Shipps Corner Road Improvements	753,821
2416000	Sandbridge Road Bridge Replacement	750,000
2418000	Indian River Rd/Kempsville Rd Intersection Improvements	2,897,072
2419000	Centerville Turnpike Phase III	2,000,000
2501000	Nimmo Parkway Phases II	250,000
Total Roadways Projects		80,118,857

FY 2016-17 Nonrecurring Capital Budget Appropriations

Project Number	Projects	Appropriations FY 2016-17
<u>Schools</u>		
1003000	Renovation and Replacement Energy Management/Sustainability	1,325,000
1004000	Tennis Court Renovations II	200,000
1035000	John B. Dey Elementary School Modernization	16,402,241
1043000	Thoroughgood Elementary School Replacement	8,888,759
1056000	Princess Anne Middle School Replacement	14,650,000
1099000	Renovations and Replacements Grounds II	1,575,000
1103000	Renovations and Replacements HVAC Systems II	7,625,000
1104000	Renovations and Replacements Reroofing II	3,975,000
1105000	Renovations and Replacements Various II	1,650,000
1110000	Energy Performance Contracts II	5,000,000
Total Schools Projects		<u>61,291,000</u>
<u>Sewer Utility</u>		
6019000	Resort Area Neighborhood Revitalization	500,000
6041000	Pump Station Modifications V	8,100,000
6070000	Infiltration, Inflow, and Rehabilitation V	2,675,000
6087000	Sanitary Sewer Pump Station Generator Replacement Program	100,000
6088000	Cleveland Street Sewer Improvements	200,000
6091000	Sewer Requests & Agreements VI 51% Program	50,000
6092000	Vacuum Valve Monitoring System	660,000
6151000	Landstown Yard Improvements IV	580,000
6550000	Comprehensive Sewer Master Planning V	700,000
6551000	System Expansion Cost Participation Agreements III	500,000
6552000	Sanitary Sewer System Revitalization Program II	3,000,000
6556000	Various Roadway/Storm Water Coordination VI	750,000
6565000	Information, Mapping & Records Management Initiatives III	100,000
6601000	First Colonial Rd/VA Beach Blvd Intersection Improvements	200,000
6804000	Sanitary Sewer Regulatory Compliance Program I	1,500,000
6952000	Sewer Pump Station Flow Monitoring & Data Storage	8,000,000
6953000	Sewer Tap Installation Program II	330,000
Total Sewer Utility Projects		<u>27,945,000</u>

FY 2016-17 Nonrecurring Capital Budget Appropriations

Project Number	Projects	Appropriations FY 2016-17
<u>Storm Water</u>		
7005000	North Lake Holly Watershed	200,000
7016000	South Lake Holly Watershed	2,300,000
7023000	Primary System Infrastructure Improvements II	2,270,000
7024000	Southern Canal/Lead Ditch and Culvert Improvements	300,000
7026000	Residential Drainage Cost Participation Program II	50,000
7027000	SWM Master Planning, Analysis, and Inventory	1,800,000
7028000	Windsor Woods Drainage	700,000
7034000	Stormwater Operations Modular Building	400,000
7041000	Central Resort District Drainage Improvements	300,000
7042000	Surface Water Regulatory Compliance Program	1,100,000
7043000	Water Quality and Restoration Participation Projects II	600,000
7153000	Lynnhaven Watershed Restoration	309,068
7406000	Elizabeth River TMDL Implementation Plan	200,000
7410000	Southern Rivers TMDL Implementation Plan	200,000
7411000	Oceanfront Storm Water Facilities Maintenance	750,000
7412000	Storm Water Pump Station Modifications	750,000
7413000	Neighborhood SW Infrastructure Improvements II	150,000
7414000	Storm Water Quality Enhancements II	602,694
7415000	Lake Management II	5,247,652
7416000	SW Infrastructure Rehabilitation & Improvements II	5,550,000
Total Storm Water Projects		<u>23,779,414</u>
<u>Water Utility</u>		
5010000	Lake Gaston Raw Water Transmission System Rehabilitation I	900,000
5019000	Advanced Water Metering	300,000
5020000	Cleveland Street Water Improvements	200,000
5031000	System Expansion Cost Participation Agreements III	120,000
5151000	Landstown Yard Improvements Phase IV	580,000
5254000	Water Requests & Agreements VI 51% Program	50,000
5407000	Computerized Mapping & Infrastructure Management III	100,000
5452000	Comprehensive Water Master Planning VI	600,000
5501000	Water Transmission System Upgrade Program I	460,361
5601000	First Colonial Rd/VA Beach Blvd Intersection Improvements	120,000
5604000	Princess Anne Road Water Improvements Phase VII	50,000
5708000	Resort Area Neighborhood Revitalization	500,000
5804000	Water Line Extension, Replacement & Rehab Program I	200,000
5953000	Water Tap Installation Program II	220,000
5967000	Water Resources Investigation and Planning	100,000
Total Water Utility Projects		<u>4,500,361</u>
Total Capital Budget		<u><u>303,623,053</u></u>

**Fiscal Years 2017 through 2022 Capital Improvement Program
Appropriation and Financing Plan**
This page reflects the overall appropriations and sources of funding for the CIP

Appropriation/Financing	Appropriated to Date	Un-Appropriated Subsequent Years						CIP Total
		FY 2017 Budget	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget	
Capital Improvement Program By Business Area/Category								
<u>Cultural and Recreational Opportunities</u>								
Buildings - CRO	33,955,442	14,561,411	2,725,000	13,297,409	2,659,540	2,609,540	2,334,540	72,142,882
Parks and Recreation	98,022,226	8,814,106	6,649,856	6,649,856	6,649,856	6,649,856	6,899,856	140,335,612
Total Cultural and Recreational Opportunities	131,977,668	23,375,517	9,374,856	19,947,265	9,309,396	9,259,396	9,234,396	212,478,494
<u>Economic Vitality</u>								
Economic and Tourism Dev - EV	173,296,622	35,745,000	7,103,583	10,972,852	4,957,275	4,908,184	4,908,184	241,891,700
Total Economic Vitality	173,296,622	35,745,000	7,103,583	10,972,852	4,957,275	4,908,184	4,908,184	241,891,700
<u>Family and Youth Opportunities</u>								
Buildings - FYO	31,151,687	120,627	120,627	120,627	120,627	120,627	120,627	31,875,449
Total Family and Youth Opportunities	31,151,687	120,627	120,627	120,627	120,627	120,627	120,627	31,875,449
<u>Quality Education and Lifelong Learning</u>								
Buildings - QELL	1,600,000	0	200,000	200,000	200,000	200,000	200,000	2,600,000
Schools	154,807,811	61,291,000	53,891,000	40,891,000	51,891,000	37,391,000	37,891,000	438,053,811
Total Quality Education and Lifelong Learning	156,407,811	61,291,000	54,091,000	41,091,000	52,091,000	37,591,000	38,091,000	440,653,811
<u>Quality Organization</u>								
Information Technology - QO	25,088,511	4,686,497	6,066,735	3,715,070	2,985,084	3,910,699	3,910,699	50,363,295
Total Quality Organization	25,088,511	4,686,497	6,066,735	3,715,070	2,985,084	3,910,699	3,910,699	50,363,295
<u>Quality Physical Environment</u>								
Buildings - QPE	42,616,196	9,220,329	13,931,189	7,687,204	10,187,204	6,686,704	11,061,704	101,390,530
Coastal	52,964,119	16,446,971	14,385,000	10,674,000	11,809,000	12,430,157	13,625,777	132,335,024
Roadways	435,341,400	80,118,857	124,830,168	155,958,063	131,038,615	37,443,167	23,165,362	987,895,632
Sewer Utility	193,740,589	27,945,000	23,210,000	27,520,000	28,345,000	25,035,000	24,430,000	350,225,589
Storm Water	128,660,949	23,779,414	23,179,414	22,179,414	22,179,414	22,179,414	22,179,414	264,337,433
Water Utility	50,295,734	4,500,361	12,590,000	8,430,000	8,145,000	9,140,000	9,720,000	102,821,095
Total Quality Physical Environment	903,618,987	162,010,932	212,125,771	232,448,681	211,704,233	112,914,442	104,182,257	1,939,005,303
<u>Safe Community</u>								
Buildings - SC	23,091,591	11,947,888	9,911,709	6,341,095	3,826,402	3,826,402	3,826,402	62,771,489
Information Technology - SC	53,306,938	4,445,592	1,233,777	1,233,777	9,069,377	3,448,666	7,248,666	79,986,793
Total Safe Community	76,398,529	16,393,480	11,145,486	7,574,872	12,895,779	7,275,068	11,075,068	142,758,282
Total Capital Improvement Program	1,497,939,815	303,623,053	300,028,058	315,870,367	294,063,394	175,979,416	171,522,231	3,059,026,334

Means of Financing

Operating Budget CIP Allocations

ATD Local Funding	1,202,717,088	0	0	0	0	0	0	1,202,717,088
General Appropriations								
Cigarette Tax	0	2,528,783	2,555,757	2,504,642	2,454,549	2,405,458	2,405,458	14,854,647
Pay-As-You-Go - Bayville Creek	151,008	0	0	0	60,000	375,000	0	586,008
Pay-As-You-Go - Fire Programs Fund	5,162,076	665,427	665,427	665,427	665,427	665,427	665,427	9,154,638
Pay-As-You-Go - General Fund	8,985,945	18,075,938	9,405,775	13,621,989	12,533,682	14,380,339	16,267,459	93,271,127
Pay-As-You-Go - Gills Cove Dredging	24,286	15,495	0	0	0	0	0	39,781
Pay-As-You-Go - Harbour Point Dredging	36,923	0	0	0	0	18,500	0	55,423
Pay-As-You-Go - Housing CD Loan/Grant SR Fund	425,000	0	0	0	0	0	0	425,000
Pay-As-You-Go - Old Donation Creek Area Dredging	191,993	0	0	88,000	352,000	0	0	631,993
Pay-As-You-Go - Open Space	0	0	0	0	0	0	0	0
Pay-As-You-Go - Outdoor Initiative	0	2,471,721	2,471,721	2,471,721	2,471,721	2,471,721	2,471,721	14,830,326
Pay-As-You-Go - Parks & Recreation Fd - Ref.	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000

**Fiscal Years 2017 through 2022 Capital Improvement Program
Appropriation and Financing Plan**

Appropriation/Financing	Appropriated to Date	FY 2017 Budget	Un-Appropriated Subsequent Years					CIP Total
			FY 2018 Budget	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget	
General Appropriations								
Pay-As-You-Go - Parks and Recreation SR Fund	0	197,000	197,000	197,000	197,000	197,000	197,000	1,182,000
Pay-As-You-Go - Sandbridge SSD	17,133,678	4,423,430	4,824,533	4,788,599	4,842,651	4,898,369	4,955,807	45,867,067
Pay-As-You-Go - Sandbridge TIF	4,891,727	1,926,570	1,525,467	1,561,401	1,812,349	1,756,631	1,724,193	15,198,338
Pay-As-You-Go - Schools	0	0	0	0	1,000,000	1,500,000	2,000,000	4,500,000
Pay-As-You-Go - Town Center SSD	0	352,726	352,726	352,726	352,726	352,726	352,726	2,116,356
Pay-As-You-Go - Transportation General Fund	0	9,442,959	9,442,959	9,442,959	9,442,959	9,442,959	9,442,959	56,657,754
Pay-As-You-Go Chesopeian Colony	591,599	0	0	0	0	218,000	0	809,599
Pay-As-You-Go Hurds Cove	0	464,321	0	0	0	0	0	464,321
Pay-As-You-Go Shadowlawn	50,648	0	0	0	30,000	105,000	0	185,648
Tourism Investment Program	0	0	0	0	0	0	0	0
Parking Enterprise Fund	0	350,000	350,000	350,000	350,000	350,000	350,000	2,100,000
Storm Water Utility Fund	30,000	7,500,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	47,530,000
Water and Sewer Fund	310,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	48,310,000
Total Operating Budget CIP Allocations	1,240,701,971	57,414,370	48,791,365	53,044,464	53,565,064	56,137,130	57,832,750	1,567,487,114
Policy Allocation of Year Ending Balances								
Fund Balance - General Fund	5,346,413	8,012,051	11,055,937	10,271,723	10,824,777	7,591,000	7,591,000	60,692,901
Fund Balance - Other	178,850	2,019,250	1,000,000	1,000,000	1,000,000	1,000,000	1,250,000	7,448,100
Retained Earnings - Parking Enterprise Fund	0	500,000	0	0	0	0	0	500,000
Retained Earnings - Telecommunications	104,494	0	0	0	0	0	0	104,494
Retained Earnings - Storm Water Utility	0	0	0	0	0	0	0	0
Retained Earnings - Water and Sewer Fund	0	24,445,361	5,145,000	5,915,000	6,010,000	5,150,000	5,150,000	51,815,361
Total Policy Allocation of Year Ending Balances	5,629,757	34,976,662	17,200,937	17,186,723	17,834,777	13,741,000	13,991,000	120,560,856
Other Sources of Funding								
Other Localities	9,500,000	0	0	0	0	0	0	9,500,000
Federal Contribution	38,015,885	2,897,254	3,104,073	3,885,242	3,410,686	800,000	0	52,113,140
State Contribution	142,708,649	29,043,912	106,618,420	69,571,310	19,527,671	200,000	0	367,669,962
Developer Contribution	0	21,000	0	0	0	0	0	21,000
Development Proffers	207,601	0	0	0	0	0	0	207,601
Franchise Fees	2,560,331	322,000	322,000	322,000	322,000	322,000	322,000	4,492,331
Reimbursement - Interest Expense	2,223,549	0	0	0	0	0	0	2,223,549
Interest Income	6,602,427	0	0	0	0	0	0	6,602,427
Insurance Recovery	18,173	0	0	0	0	0	0	18,173
Lease of Properties (BRAC)	75,711	0	0	0	0	0	0	75,711
Lease of Property	0	98,172	98,172	98,172	98,172	98,172	98,172	589,032
Medicaid Cost Settlement	1,187,895	120,627	120,627	120,627	120,627	120,627	120,627	1,911,657
Private Contribution	8,422,432	2,829,125	0	928,150	0	0	0	12,179,707
Rental Income	807,679	0	0	0	0	0	0	807,679
Sale of Property	7,473,723	402,500	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,876,223
Total Other Sources of Funding	219,804,055	35,734,590	111,263,292	75,925,501	24,479,156	2,540,799	1,540,799	471,288,192
Debt Financing								
Contractual Obligation Debt	27,220,117	-2,043,912	-25,176,205	0	0	0	0	0
General Obligation Bonds	0	84,791,729	72,278,043	78,099,265	75,774,983	68,356,073	62,978,268	442,278,361
Public Facility Bonds	0	71,470,200	32,836,212	50,400,000	85,750,000	0	0	240,456,412
Storm Water Utility Bonds	0	16,279,414	15,179,414	14,179,414	14,179,414	14,179,414	14,179,414	88,176,484
Water and Sewer Bonds	0	0	22,655,000	22,035,000	22,480,000	21,025,000	21,000,000	109,195,000
Energy Performance Contract	4,583,915	5,000,000	5,000,000	5,000,000	0	0	0	19,583,915
Lease-Purchase	0	0	0	0	0	0	0	0
Total Debt Financing	31,804,032	175,497,431	122,772,464	169,713,679	198,184,397	103,560,487	98,157,682	899,690,172
Total Means of Financing	1,497,939,815	303,623,053	300,028,058	315,870,367	294,063,394	175,979,416	171,522,231	3,059,026,334

SUMMARY OF POSITIONS BY DEPARTMENT

	Adopted Budget FY 2014-15 FTE	Adopted Budget FY 2015-16 FTE	Adjusted Budget FY 2015-16 FTE	Adopted Budget FY 2016-17 FTE	Change in FTEs From Adjusted FY 2015-16 to FY 2016-17	Change in FTEs from FY 2014-15 to FY 2016-17
Agriculture	12.00	12.00	12.00	12.00	0.00	0.00
Aquarium and Historic Houses	155.85	164.47	164.47	156.75	(7.72)	0.90
Budget and Management Services	14.00	15.00	15.00	15.00	0.00	1.00
City Attorney	39.61	39.61	39.61	40.61	1.00	1.00
City Auditor	6.00	7.00	7.00	7.00	0.00	1.00
City Clerk	6.00	6.00	6.00	6.00	0.00	0.00
City Manager	19.50	34.00	20.50	36.00	15.50	16.50
City Real Estate Assessor	34.30	34.27	34.27	34.00	(0.27)	(0.30)
City Treasurer	75.83	74.60	74.60	74.60	0.00	(1.23)
Commissioner of the Revenue	63.93	64.93	64.93	64.93	0.00	1.00
Commonwealth's Attorney	86.25	87.43	87.43	91.43	4.00	5.18
Convention and Visitors Bureau	110.52	106.28	106.28	106.28	0.00	(4.24)
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
Economic Development	18.00	18.00	18.00	18.00	0.00	0.00
Emergency Communications and Citizen Services	127.75	131.75	131.75	130.75	(1.00)	3.00
Emergency Medical Services	69.30	75.05	75.05	80.05	5.00	10.75
Finance	57.00	57.00	57.00	57.00	0.00	0.00
Fire	479.71	485.71	485.71	493.71	8.00	14.00
General Registrar	12.03	11.86	11.86	12.00	0.14	(0.03)
Health	9.13	9.08	9.08	9.08	0.00	(0.05)
Housing and Neighborhood Preservation	63.00	61.00	61.00	61.00	0.00	(2.00)
Human Resources	47.00	47.00	47.00	47.00	0.00	0.00
Human Services	1,081.41	1,091.91	1,094.91	1,094.46	(0.45)	13.05
Information Technology	180.50	168.00	168.00	174.00	6.00	(6.50)
Library	260.00	253.50	253.50	251.50	(2.00)	(8.50)
Municipal Council	11.00	11.00	11.00	11.00	0.00	0.00
Parks and Recreation	843.93	830.13	830.13	882.30	52.17	38.37
Planning	109.00	115.50	115.50	139.97	24.47	30.97
Police	1,009.36	1,015.76	1,015.76	1,028.76	13.00	19.40
Public Education	10,220.02	10,034.32	10,034.32	10,154.82	120.50	(65.20)
Public Utilities	412.00	417.00	417.00	414.00	(3.00)	2.00
Public Works	890.38	903.88	903.88	902.88	(1.00)	12.50
Sheriff's Office	525.44	514.44	514.44	527.44	13.00	2.00
Strategic Growth Area	17.00	20.00	20.00	0.00	(20.00)	(17.00)
Total	17,144.75	16,995.48	16,984.98	17,212.32	227.34	67.57



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: 11/17/2015	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 General Fund 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 dedication for Schools, and the Outdoor Initiative); Personal Property (less dedication for public safety); General Sales; Utility; 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 dedication to Schools (4 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; 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 in the Executive Summary and Operating Budget each year.
- 2.4. “Net -new Revenues” as used in Section 2.3 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 real estate tax dedication to Schools.
- 2.10. “Required Local Match” refers to the City funding required by the State’s Standards of Quality (SOQ).

3. Procedure to Calculate the Revenue Sharing Formula:

3.1. Initial Estimate

- 3.1.1 In October, Budget Management Services will provide to Schools 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, Budget and 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: Budget and Management Services will then allocate to Schools 34.11% of the remaining Local Tax Revenues.
 - 3.1.3.2. School 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 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, Budget and 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 – Budget and Management Services will then allocate to Schools the formula component (34.11% of the remaining estimated Local Tax Revenues) plus the School’s 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 Budget and 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, Budget and 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 Budget and 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 Budget and 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 2018 at which time it will be reviewed and considered for reauthorization.

Approved:

As to Content:	<u>Dr. Aaron Spence</u> School Superintendent	<u>11/17/15</u> Date
	<u>James K. Spore</u> City Manager	<u>11/18/15</u> Date
As to Legal Sufficiency:	<u>Mark D. Stiles</u> City Attorney	<u>11/19/15</u> Date
Approved by School Board:	<u>Daniel D. Edwards</u> School Board Chairman	<u>11/17/15</u> Date
APPROVED BY CITY COUNCIL:	<u>William D. Sessoms, Jr.</u> Mayor	<u>11/20/15</u> Date

Total General Fund, Non-Dedicated Local Taxes:	Adopted FY 2015-16	Adopted FY 2016-17
Real Estate	467,993,529	479,990,793
Less: Schools & City Dedication	(29,205,746)	(29,976,186)
Less: Outdoor Initiative Dedication	(2,408,193)	(2,471,721)
Personal Property	143,202,521	146,979,656
Less: Public Safety Dedication	(9,981,764)	(11,205,687)
General Sales	59,780,905	63,160,061
Utility Tax	25,579,268	25,472,704
Virginia Telecommunications	18,225,051	16,998,982
Business License	46,842,468	46,389,703
Cable Franchise	8,146,171	8,703,443
Cigarette - General Fund Only	11,642,478	11,063,425
Less: EDIP & City Dedication	(3,492,744)	(3,319,028)
Hotel Room	6,328,444	6,714,871
Restaurant Meals	38,725,639	41,342,843
Automobile License	11,459,845	11,203,452
Less: City Deductions	(1,925,000)	(1,867,242)
Bank Net Capital	2,348,972	2,604,375
City Tax on Deeds	6,878,623	6,820,299
City Tax on Wills	79,882	74,659
Total Non-Dedicated Local Taxes	800,220,349	818,679,402
Less: Required SOQ Match	167,640,500	168,499,399
Remaining Non-Dedicated Local Taxes	632,579,849	650,180,003
Formula %	34.11%	34.11%
Discretionary Local Match	215,781,848	221,776,399
Dedicated 4.0 Cents of Real Estate Tax to Schools	20,495,260	21,035,920
Total Revenue Sharing Formula Revenues	403,917,608	411,311,718



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:	<u>Catheryn R. Whitesell</u> Director/Administrator	<u>02/05/01</u> Date
Approved as to Legal Sufficiency:	<u>R.M. Blow</u> City Attorney	<u>02/21/01</u> Date
Approved:	<u>Steven T. Thompson</u> Chief Financial Officer	<u>02/26/01</u> Date
Approved:	<u>James K. Spore</u> City Manager	<u>02/26/01</u> Date
Approved:	<u>Meyera E. Oberndorf</u> Mayor	<u>02/26/01</u> 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 2016)

Police Officer Recruit

Locality	Min	Mid	Max	Spread	Title
Virginia Beach	\$ 42,290.64	\$ 51,806.04	\$ 61,321.44	45%	Police Officer Recruit
Chesapeake*	\$ 38,619.00	\$ 49,393.00	\$ 60,167.00	56%	Police Officer Trainee
Hampton	\$ 38,325.00	\$ 42,643.00	\$ 46,961.00	23%	Police Patrol Officer Recruit
Newport News*	\$ 38,325.00	\$ 39,325.00	\$ 40,325.00	5%	Police Officer Recruit**
Norfolk*	\$ 37,974.60	\$ 37,974.60	\$ 37,974.60	0%	Police Recruit
Portsmouth*	\$ 36,347.00	\$ 36,347.00	\$ 36,347.00	0%	Police Officer Trainee
Suffolk*	\$ 35,083.00	\$ 45,830.00	\$ 56,577.00	61%	Police Officer I

Police Officer

Locality	Min	Mid	Max	Spread	Title
Virginia Beach	\$ 44,432.16	\$ 54,429.36	\$ 64,426.56	45%	Police Officer
Chesapeake*	\$ 40,749.00	\$ 52,117.50	\$ 63,486.00	56%	Police Officer
Hampton*	\$ 40,478.00	\$ 55,439.00	\$ 70,400.00	74%	Police Patrol Officer
Newport News*	\$ 43,044.00	\$ 57,196.00	\$ 71,348.00	66%	Police Officer
Norfolk	\$ 40,981.36	\$ 51,665.18	\$ 62,349.00	52%	Police Officer
Portsmouth*	\$ 38,260.00	\$ 49,899.50	\$ 61,539.00	61%	Police Officer
Suffolk*	\$ 36,722.00	\$ 47,970.50	\$ 59,219.00	61%	Police Officer II

*No range adjustment from last year

**Increase \$1000 at 6 months and again at 1 year.

Firefighter Recruit

Locality	Min	Mid	Max	Spread	Title
Virginia Beach	\$ 42,290.64	\$ 51,806.04	\$ 61,321.44	45%	Firefighter Recruit
Chesapeake*	\$ 38,619.00	\$ 49,393.00	\$ 60,167.00	56%	Firefighter Trainee
Hampton	\$ 38,325.00	\$ 42,643.00	\$ 46,961.00	23%	Firefighter Recruit
Newport News	\$ 38,325.00	\$ 39,325.00	\$ 40,325.00	5%	Firefighter/Medic Recruit**
Norfolk*	\$ 36,617.00	\$ 36,617.00	\$ 36,617.00	0%	Firefighter Recruit
Portsmouth*	\$ 36,347.00	\$ 36,347.00	\$ 36,347.00	0%	Firefighter Trainee
Suffolk*	\$ 35,083.00	\$ 45,830.00	\$ 56,577.00	61%	Firefighter I

Firefighter

Locality	Min	Mid	Max	Spread	Title
Virginia Beach	\$ 44,432.16	\$ 54,429.36	\$ 64,426.56	45%	Firefighter
Chesapeake*	\$ 40,749.00	\$ 52,117.50	\$ 63,486.00	56%	Firefighter EMT
Hampton*	\$ 40,478.00	\$ 55,439.00	\$ 70,400.00	74%	Firefighter
Newport News	\$ 43,044.00	\$ 57,196.00	\$ 71,348.00	66%	Firefighter/Medic
Norfolk*	\$ 38,228.00	\$ 48,926.50	\$ 59,625.00	56%	Firefighter-EMT Enhanced
Portsmouth*	\$ 38,260.00	\$ 49,899.50	\$ 61,539.00	61%	Firefighter
Suffolk*	\$ 36,722.00	\$ 47,970.50	\$ 59,219.00	61%	Firefighter II

*No range adjustment from last year

**Increase \$1000 at 6 months and again at 1 year.

Sheriff Recruit

Locality	Min	Mid	Max	Spread	Title
Chesapeake*	\$ 38,619.00	\$ 49,393.00	\$ 60,167.00	56%	Deputy Sheriff - Trainee

Sheriff Deputy (Entry Level)

Locality	Min	Mid	Max	Spread	Title
Virginia Beach	\$ 41,259.12	\$ 50,905.11	\$ 60,551.09	47%	Deputy Sheriff
Chesapeake*	\$ 40,749.00	\$ 52,117.50	\$ 63,486.00	56%	Deputy Sheriff
Hampton*	\$ 34,167.00	\$ 34,167.00	\$ 34,167.00	0%	Deputy Sheriff*
Newport News	\$ 34,067.00	\$ 34,726.50	\$ 35,386.00	4%	Deputy I
Norfolk*	\$ 33,647.39	\$ 43,237.08	\$ 52,826.77	57%	Deputy Sheriff
Portsmouth*	\$ 29,081.00	\$ 41,821.50	\$ 54,562.00	88%	Deputy Sheriff**
Suffolk*	\$ 35,083.00	\$ 45,830.00	\$ 56,577.00	61%	Deputy Sheriff

*Receives 9% increase after 1 year

**Follows the pay set by the Compensation Board



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 superseding 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 Responsibility and Authority

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 08/25/06
Director of Management Services Date

Approved as to Legal Sufficiency: Leslie L. Lilley 08/30/06
City Attorney Date

Approved: David L. Hansen 08/31/06
Chief Financial and Technology Officer Date

Approved: James K. Spore 08/31/06
City Manager 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**

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**

- 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**

- 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**

- 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

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.

<u>Approved as to</u> Content:	<u>Catheryn R. Whitesell</u> Director, Department of Management Services	<u>01/17/03</u> Date
<u>Approved as to</u> Legal Sufficiency:	<u>Leslie L. Lilley</u> City Attorney	<u>02/09/03</u> Date
<u>Approved:</u>	<u>Steven T. Thompson</u> Chief Financial Officer	<u>02/12/03</u> <u>02/12/03</u>
<u>Approved:</u>	<u>James K. Spore</u> City Manager	<u>02/17/03</u>

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 list provides a brief description of account categories.

- ➔ **Personal Services** - Compensation for full-time, part-time, and temporary work of persons employed in the city, and 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 (i.e. utilities, printing, 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 (i.e. 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 identify 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 (i.e. city/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 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 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 City Council adopts the

appropriation ordinance that is submitted with the Operating and Capital Budgets. 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 Proposal - The process for requesting funding for new and/or expanded programs and identifying existing programs for continuation of funding.

Budget Unit - A compilation of all the costs associated with a particular program.

Capital Improvement Program (CIP) - A program which schedules the financing and construction of major municipal facilities such as roads, schools, buildings, and water and sewer lines. This program is linked directly to City Council policies, plans, and goals.

Capital Outlay - The acquisition of, or addition to, fixed assets which cost \$5,000 or more and have an expected service life of more than one year. Exceptions to this are major capital facilities with costs greater than \$250,000 which are constructed or acquired - such as land and buildings which are funded in the 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 that were approved within the current fiscal year but were unexpended by year end are then re-appropriated forward into the next fiscal year.

Charges for Services - Fees the city charges users for government services (i.e. recreation fees, court costs, library fines).

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 qualified voters in the city.

Class - A grouping of jobs having similar duties and responsibilities, requiring similar knowledge, skills, abilities, and demanding similar qualifications so that the jobs may be appropriately titled, described, and 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 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, 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 businesses 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 to employees as part of their total compensation (i.e. FICA, FICA-Medicare, retirement, health, life, dental insurance, employees car allowance, clothing allowance, cell phone stipends, etc.).

Full-Time Equivalent (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 which is the total number of hours worked per year for a full-time employee.

Full-Time Position - A position employed 40 hours or more per week for 52 weeks.

Fund - Separate group of self-balancing accounts which contain related liabilities and resources. Each fund is a separate fiscal entity; therefore, 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. Fund balance results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. Any use of fund balance or net assets must be approved by City Council.

GASB 45 - The Governmental Accounting Standards Board requires governments to fully reflect the actuarial costs of "Other Post-Employment Benefits" (OPEB) in their accounting records.

GASB 54 - The Governmental Accounting Standards Board requires making revenues the determining factor in the budgeting of Special Revenue Funds. These 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 (i.e. Agricultural Reserve Program, Tourism Investment Program, etc.)

General Property Taxes - Taxes on real and personal properties, both tangible and intangible, (i.e. vehicles, real estate, and business equipment). Interest and penalties on delinquent taxes are also included in this category.

GovMax - The city's internet-based budgeting software leased from Sarasota County, Florida. This software incorporates operating, capital budget, and performance measurement modules.

Grants - Funding awarded to the city by another level of government, outside agency, or organization that generally meets certain requirements for use and reporting.

Health Insurance Portability and Accountability Act (HIPAA) - HIPAA was enacted by Federal government 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 signatures; (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 departments for intra-governmentally provided support services (i.e. computer support, schools landscaping, automotive services, and risk management).

Land Structures - Major capital facilities constructed or acquired costing 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 three Deputy City Managers to promote and influence alignment of the organization. The MLT accomplishes this by managing the interfaces of tasks, processes, and environment by identifying and addressing critical issues and needs, and communicating with the organization's customers and members.

Merit Increase - A salary increase within the pay range of a class to which an employee is assigned. Merits are 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 reason for an agency's existence, purpose, and function as related or aligned with City Council goals and visions.

Modified Accrual Basis of Accounting - A mixture of cash and accrual basis used for governmental funds to be recognized as a revenue or expenditure. The actual receipt or disbursement of cash must occur after a transaction or event has occurred to have an impact on current spendable resources. Revenues must be both measurable and

available to pay for the current period's liabilities. Revenues are considered available when collected 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.

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 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 actual and desired levels of service or the outcome of policies or activities.

Ordinance - An ordinance or amendment to an ordinance is a formal and binding type of City Council legislation. Since the budget is a legal document, any expenditure that is not included in the budget document must be ratified by City Council as a separate ordinance.

Other Charges - Expenditures for utilities, 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 of Virginia enables the localities to use and set within the state code (i.e. local share of the sales tax, business licenses, local vehicle registration fees, cigarette taxes, etc.).

Part-Time Position - A city employee scheduled to work less than 35 hours per consecutive week, or an employee who is scheduled to work 35 hours per consecutive week for less than 52 consecutive weeks.

Pay-As-You-Go - 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.

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 - 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 - 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 City Council's policy on a certain matter, or it may direct a certain type of action to occur. 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. 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) - 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 the city's advertising and marketing to promote and increase tourism and convention visitation to Virginia Beach. TAP includes financing of 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 and miscellaneous revenue.

Tourism Investment Program (TIP) - This fund provides funding for tourism related capital projects and initiatives and is supported by dedicated revenue streams as well as other miscellaneous tourism related revenue.

Transfers from Other Funds - Revenues received from another fund that is used to reimburse the recipient fund for expenses incurred on 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 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.

Agriculture Reserve Program Special Revenue Fund - 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 - Supports the special service district in the Bayville Creek area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

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 Fund (Town Center) - City Council adopted the CBD - South TIF District on November 23, 1999. Creating a CBD 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 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 a pedestrian bridge.

Chesapeake Colony Dredging Special Service District - Supports the special service district in the Chesapeake Colony area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

City and School Health Insurance Fund - Provides a means for accounting for health insurance and the administration thereof for city and school employees.

City Beautification Fund - Provides funding for various landscaping beautification projects. This fund 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, 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 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 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 and the city 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 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. This fund 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 needs 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 information 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 - Supports the special service district in the Gills Cove area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Grants Consolidated Fund - Accounts for grants-in-aid received from federal and state agencies and outside agencies or organizations.

Green Run Collegiate Charter School – A public charter school with a focus on college readiness. This fund is 100% supported with local funding and is subject to the reversion policy.

Harbour Point Dredging Special Service District - Supports the special service district in the Harbour Point area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Hurds Cove Dredging Special Service District - Supports the special service district in the Hurds Cove area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Law Library Fund - Finances the legal reference collection used primarily by the court systems. 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.

Multimodal Transportation Special Revenue Fund - This special revenue fund collects and remits revenue dedications from local funding sources to support transportation initiatives across the city. It also receives transfers from the SGA Office to support the annual allocation to HRT for bus services now paid by this fund. Transportation initiatives to be supported by this fund include roadways, multi-purpose use paths, mass transit, etc.

Old Donation Creek Dredging Special Service District - Supports the special service district in the Old Donation Creek area. Additional real estate taxes are assessed in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Open Space Special Revenue Fund - This fund derives its revenue from part of the meals tax and other local sources associated with the acquisition of undeveloped property throughout Virginia Beach.

Parking Enterprise Fund - Accounts for the expenditures and revenues generated by parking meters and the operation of municipal parking lots in the resort area.

Parking Meters Homeless Donation Fund – 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 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 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 - This fund accounts for the cost of sand replenishment within the Sandbridge district oceanfront and receives its funding from specially assessed real estate taxes on properties within the district's boundaries, a transient occupancy tax for the district, 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 - This fund in conjunction with funding from a special service district also created for Sandbridge, will provide for periodic beach restoration/ replenishment.

School Athletic Special Revenue Fund - Accounts for the costs of holding athletic activities at the city's schools. Primary funding is from admission fees to athletic events and additional support from the city's General Fund.

School Cafeteria Fund - Accounts for the costs of operating the city's school cafeterias. Primary funding is from the sale of school lunches and additional support from the state and federal government.

School Communication Tower Technology Fund - This 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 multi-functional copiers.

School Equipment Replacement Special Revenue Fund - This 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 grant agencies.

School Instructional Technology Fund - Established to hold funds provided by the city outside of the Revenue Sharing Policy for school technology.

School Landscaping Internal Service Fund - Accounts for monies provided by the 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 school system and tracks the funds provided for education by the federal and state government.

School Reserve Special Revenue 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. This fund is subsequently appropriated and transferred for emergencies, 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. This fund receives its funding primarily from the State Department of Taxation and 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 Fund - Supports the special service district in the Shadowlawn area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Sheriff's Department Special Revenue Fund - Accounts for state, federal, and local funds in support of the Sheriff's Office. This fund 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 Budget.

Sheriff's Federal and State Seized Assets Special Revenue Fund - Accounts for funds provided to the Sheriff's 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.

Storm Water Capital Projects Fund - Accounts for funds allocated for infrastructure improvements to the storm water utility system. The storm water CIP is designed to create an effective drainage and storm water management

system, protect natural resources, enhance quality of land and waterways, 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. Support is received from the Storm Water Utility Enterprise Funds current revenues, net assets, 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.

Subscriptions Internal Service Fund – Accounts for the financing of existing technology application related subscriptions by city departments.

Telecommunications Internal Service Fund - Accounts for the costs of providing 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 - This fund appropriates dedicated revenues to be used for the city's advertising and marketing program and related activities including the operation of the Visitor Information Centers which promotes and increases tourism and convention visitation to this city.

Tourism Investment Program Fund - This fund provides funding for tourism related capital projects and initiatives. This fund is supported by dedicated revenue streams as well as other miscellaneous tourism related revenue.

Town Center Special Service District - In accordance with the Town Center Development Agreement, this district was created 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. 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 - Established in the FY 2012-13 Budget to account for the annual operating expenses for waste related functions including recycling activities, waste collection, and disposal at the landfill. This fund does not include CIP or rolling stock expenses. 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 expenditures and revenues generated by normal operations of the water and sewer divisions in the Department of Public Utilities.

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 and new water and sanitary sewer services through the Neighborhood 51% program. The water and sewer CIP receives support from the Water and Sewer Utility Enterprise Fund in terms of current revenues, net assets, debt service for revenue bonds issued, and from other sources such as the federal government and Hampton Roads Sanitation District.

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	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 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 needs to be updated periodically when the number and type of aircraft operations change at an installation.
APZ1	Accident Potential Zone 1	An area beyond the airfield runway where an aircraft mishap is most likely to occur if one should occur. 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 identify and reduce urban sprawl in Virginia Beach. Through this program the city will acquire development rights via preservation easements to farm land.
BABS	Build America Bonds	Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The purpose of these bonds is to reduce the cost of borrowing for state and local government issuers and government agencies.
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.
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.

Acronym	Title	Description
BZA	Board of Zoning Appeals	A 7-member body with two alternate members appointed by City Council and responsible for the review of variance requests to the Zoning Ordinance and appeals of decisions by the Zoning Administrator for the city.
CAFR	Comprehensive Annual Financial Report	The city's audited 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 CBD 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 CBDs Town Center area. 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	An Ordinance that affects all property in the city 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 before work may begin on the properties covered by the ordinance.
CC	Certificate of Compliance	A program offered by the Department of Housing that conducts inspections on rental units in City 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.

Acronym	Title	Description
CHINS	Child In Need of Services/Supervision	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	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.
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	City Council appointed committee that awards qualified non-profit agencies monetary grants for providing services to Virginia Beach citizens.
COIA	Conflict of Interest 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	Measures changes in the price level of consumer goods and services purchased by households. The CPI in the U.S. is defined 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.”
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 other 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.
DEA	Drug Enforcement Agency	Federal agency that enforces the controlled substance laws and regulations of the U.S. and bring to the criminal and civil justice system of the U.S., 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 U.S.

Acronym	Title	Description
DEQ	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.
DMV	Department of Motor Vehicles	A state agency responsible for issuing driver's licenses and issuing automotive tags.
DSC	Development Services Center	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.
EAP	Employee Assistance Program	Provides assessment, counseling, and referral services designed to assist employees in resolving personal problems which may impair job performance, thereby enhancing productivity and reducing absenteeism and turnover.
EDIP	Economic Development Investment Program	This program 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.
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.
EPA	Environmental Protection Agency	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.

Acronym	Title	Description
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, dredging, permits and inspections in the city are coordinated through this unit.
FASB	Financial Accounting Standards Board	A designated organization 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 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	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 U.S. against terrorist and foreign intelligence threats, to uphold and enforce the criminal laws of the U.S., 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 that regulates interstate and international communications by radio, television, wire, satellite, and cable in all 50 states, the District of Columbia and U.S. territories.
FEMA	Federal Emergency Management Agency	Is a federal agency within the U.S. Department of Homeland Security whose mission is to reduce loss of life, 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.

Acronym	Title	Description
F.I.C.A., F.I.C.A.- Medicare	Federal Insurance Contributions Act	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).
FOG	Fats, Oils, and Grease	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.
FOIA	Freedom of Information Act	Virginia statute that guarantees citizens the right to examine public documents.
FTE	Full-Time Equivalents	Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080 (the total number of hours per year for a full-time employee).
FY	Fiscal Year	A budget cycle year from July 1 to June 30 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 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-level 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.

Acronym	Title	Description
HIPAA	Health Insurance Portability and Accountability Act	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; (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	Political subdivision of the Commonwealth of Virginia serving 17 counties and cities 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 in the executive branch of the federal government whose mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.
ICF	Intermediate Care Facilities	A health care facility for individuals who are disabled, elderly, or non-acutely ill usually providing less intensive care than that offered at a hospital or skilled nursing facility.
ITA	Interfacility Traffic Area	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.
JUL	Joint Use Library	A collaborative partnership library with Tidewater Community College open to students, faculty, and the general public.

Acronym	Title	Description
LETA	Law Enforcement Training Academy	An indoor training facility operated by the city 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	Navy aviation facility located in the city and is the only U.S. 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, 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	Part of the U.S. Department of Labor 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 of their programs and services on their customer base.
PTA	Parent Teacher Association	A formal organization composed of parents, teachers, and staff that is intended to facilitate parental participation in a school.

Acronym	Title	Description
RBNF	Requested But Not Funded	Programs and services that were requested but could not be funded within available revenue.
RFC	Reserve for Contingencies	RFC 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 RFC 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.
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 ranging \$1,000 - \$30,000 a minimum of 3 telephone or written quotations with at least one quote from a minority or female owned business if available. For procurements ranging \$30,000 - \$50,000 a minimum of 4 written quotations with at least two quotes from minority or female owned businesses if available.
ROW	Right-of-Way	A strip of land that is granted through an easement or other mechanism for certain purposes (i.e. 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 to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.
SGA	Strategic Growth Area	City's growth strategy to accommodate and absorb urban growth with a focus on planning and infrastructure.
SIT	Strategic Issue Team	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 (EV), Safe Community (SC), Quality Physical Environment (QPE), Cultural and Recreational Opportunities (CRO), Quality Education and Lifelong Learning (QELL), Family and Youth Opportunities (FYO) and Quality Organization (QO).
SNAP	Supplemental Nutrition Assistance Program	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.

Acronym	Title	Description
SOL	Standards of Learning	The state of Virginia measures against which students' achievement in school will be measured at different points in their education.
SOQ	Standards of Quality	A term describing the minimum limits the state prescribes for funding reimbursements of school personnel including teachers, principals, and other non-instructional staff.
SPSA	Southeastern Public Service Authority	A regional agency established for the implementation of a regional solid waste disposal system to include a resource recovery operation, featuring a refuse derived fuel 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	An elite tactical unit of highly trained law enforcement officers specializing in weapons and tactics to handle high-risk situations. Duties include performing hostage rescues, counter-terrorism operations, serving high risk arrest and search warrants, subduing barricaded suspects, and engaging heavily-armed criminals.
SWU	Storm Water Utility	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, requiring all participants to find work after receiving assistance for 24 months and must participate in community services within two months.
TAP	Tourism Advertising Program	Advertising fund for the city's advertising and marketing program to promote and increase tourism and convention visitation to this city.
TCC	Tidewater Community College	TCC serves the South Hampton Roads region with campuses in Chesapeake, Norfolk, Portsmouth, and Virginia Beach. TCC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate degrees.
TIF	Tax Increment Financing	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	Provide the necessary opportunities for future strategic growth areas, maintenance of the resort area, beach events, as well as economic development projects. This program provides funding for tourism related capital projects and initiatives and is supported by dedicated revenue streams.

Acronym	Title	Description
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	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 low and moderate-income families.
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.
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	Oversees public health throughout the Commonwealth of Virginia. 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 interstates.
VICAP	Virginia Independent Clinical Assessment Program	Program started by Virginia's Department of Medical Assistance Services (DMAS) which requires that individuals seeking 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.

