



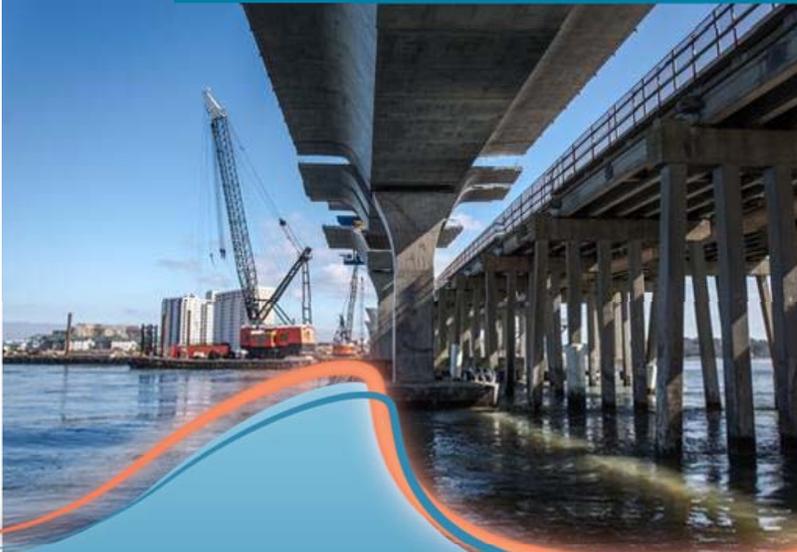
*Adopted*

# **EXECUTIVE SUMMARY**

RESOURCE MANAGEMENT PLAN

FY 2017-18

*City of Virginia Beach*



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# DISTINGUISHED BUDGET AWARD

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The Government Finance Officers Association (GFOA) presented a “Distinguished Budget Award” to the City of Virginia Beach for the annual budget beginning July 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



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# ACKNOWLEDGMENTS

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The Department of Budget and Management Services expresses its gratitude to every department for their thoughtful submissions of budgetary needs. A special thank you goes to the City Manager and Deputy City Managers who spent many hours sorting through a variety of complex issues. As with any proposed budget, our objective is to meet the goals as defined by City Council, and we appreciate their vision for our City's future. The reader will notice the Executive Summary, Operating Budget and Capital Improvement Program link City services, programs and projects to City Council's goals.

Finally, I want to express my sincere appreciation to the staff of the Department of Budget and Management Services. Their dedication, professionalism, competence and positive attitude are unsurpassed:

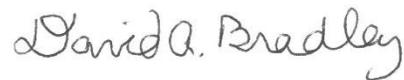
◆◆ Luis Asercion ◆ Jason Beasley ◆◆

◆◆ Kevin Chatellier ◆ Jacqueline Conley ◆ Crystal Featherston ◆ Paul Harris ◆◆

◆◆ Stacy Hershberger ◆ Jonathan Hobbs ◆ Beth Kavanaugh ◆ ShaDonna Mayfield ◆◆

◆◆ Jesse Stephenson ◆ Brandi Swansen ◆◆

Sincerely,



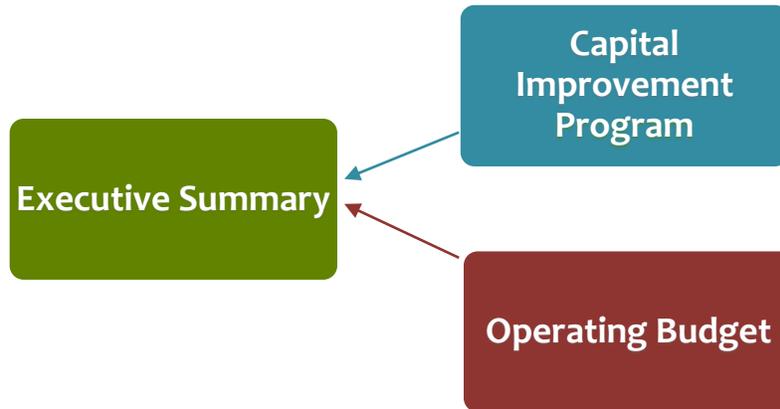
David A. Bradley, Director  
Budget and Management Services

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# OVERVIEW

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



## Executive Summary

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

## Operating Budget

This volume provides detailed information on the City's anticipated spending needs for the upcoming fiscal year, beginning July 1<sup>st</sup> through June 30<sup>th</sup>. It provides detailed discussions of revenues and expenses for each department.

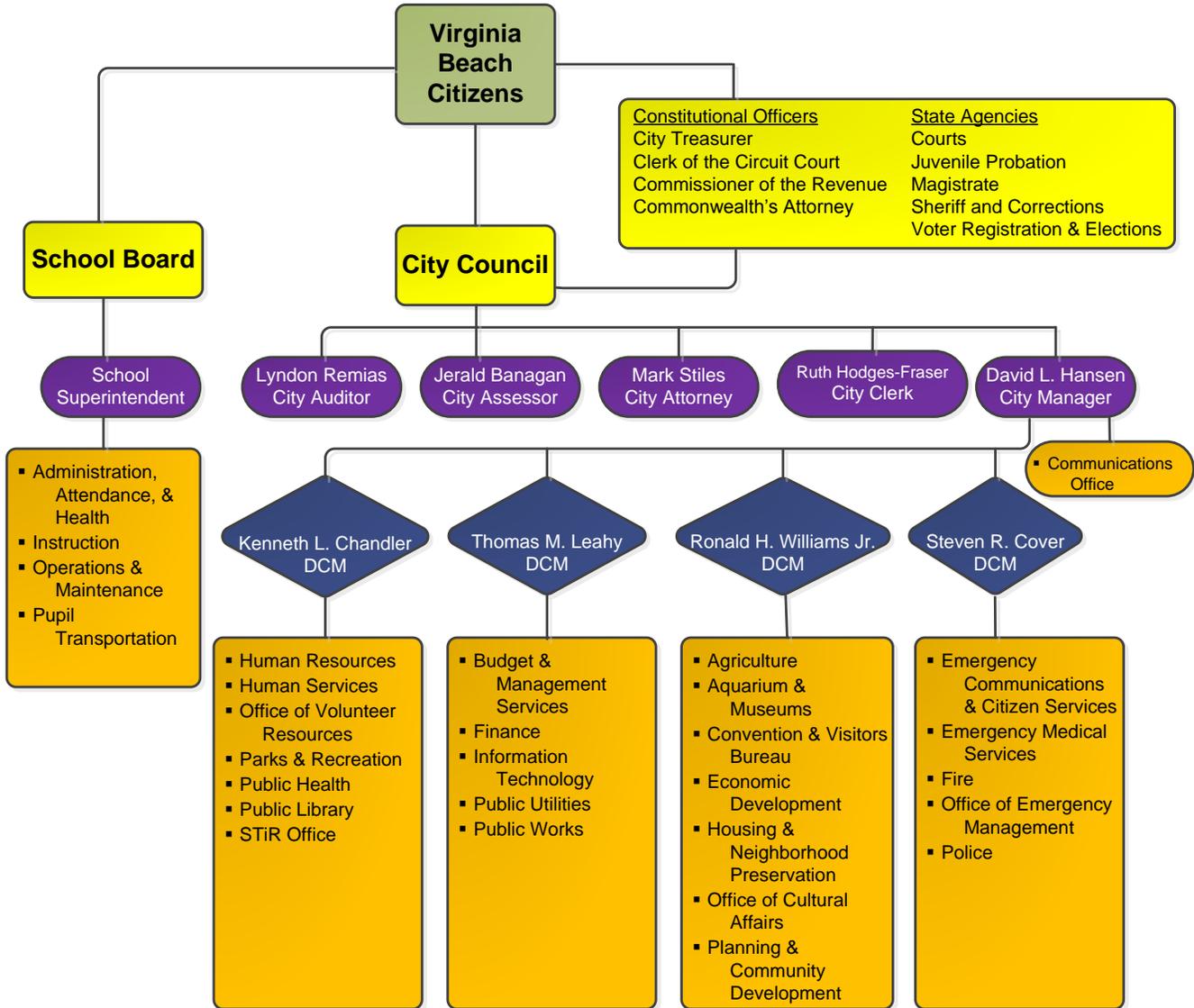
## Capital Improvement Program (CIP)

This volume is comprised of the annual Capital Budget (year one of the six year plan) and five planning years (years two through six). The CIP is organized into sections based on functional areas: Roadways, Buildings and Assets, Coastal, Economic and Tourism Development, Schools, Parks and Recreation, Water Utilities, Sewer Utilities, Storm Water Utilities, and Information Technology. Within each functional area, each project page includes a brief description of the project, a financing plan, and a location map, if applicable.

# CITY ORGANIZATION & INFORMATION

The City of Virginia Beach was chartered as a municipal corporation by the General Assembly of Virginia on January 1, 1963. The city operates under a Council-Manager form of government. The 11 member City Council is the city's legislative body. The city manager is appointed by Council and acts as Chief Executive Officer and, through city staff, the city manager implements policies established by Council.

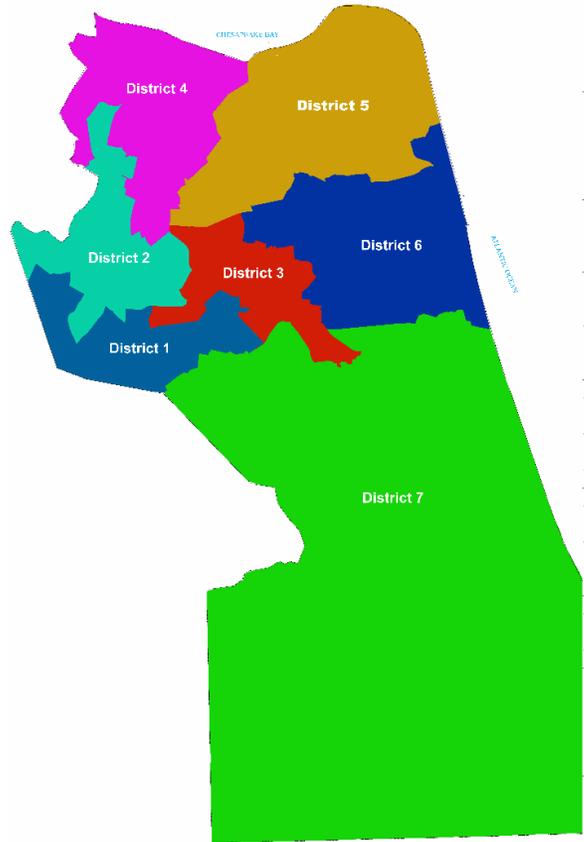
Virginia Beach has 248.3 square miles of land and 58.5 square miles of water. As of FY 2016-17, there was a population of 453,628 residents of which 298,435 are registered voters. Excluding on-base military housing, the city has 178,221 residences/homes.



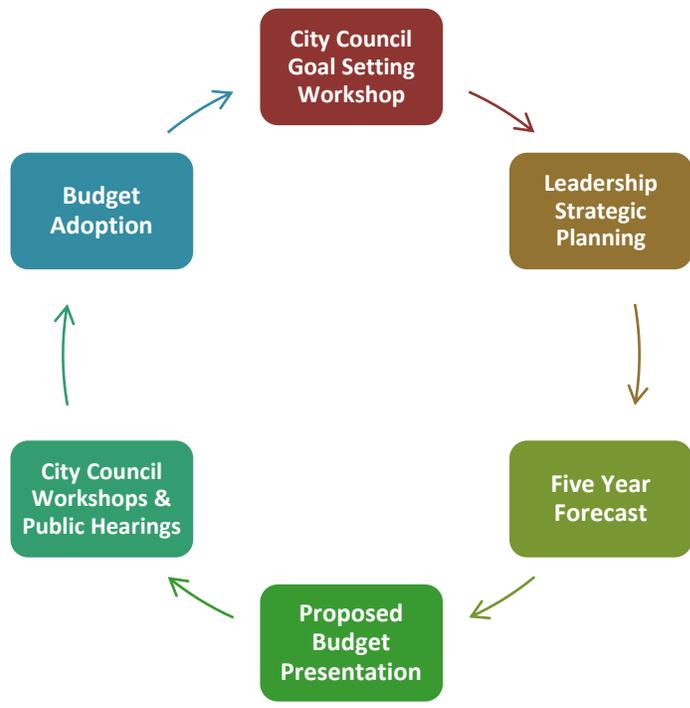
# CITY COUNCIL

The 11 member City Council is the city’s legislative body. Members of Council serve four-year terms and are re-elected on a staggered basis. Three City Council members and the mayor serve “at large” with no district residency requirement; all other members are required to live in the district they represent.

- ➔ William D. Sessoms, Jr., Mayor
- ➔ Louis R. Jones, Vice-Mayor, District 4-Bayside
- ➔ Benjamin Davenport, At-Large
- ➔ Robert M. Dyer, District 1-Centerville
- ➔ Barbara M. Henley, District 7-Princess Anne
- ➔ Shannon DS Kane, District 3-Rose Hall
- ➔ John D. Moss, At-Large
- ➔ Jessica P. Abbott, District 2-Kempsville
- ➔ John E. Uhrin, District 6-Beach
- ➔ Rosemary C. Wilson, At-Large
- ➔ James L. Wood, District 5-Lynnhaven



The City Charter requires the City Council to adopt an annual budget. Virginia Beach’s fiscal year spans from July 1 to June 30 with a year-round budget planning process which includes:





LOUIS R. JONES  
VICE MAYOR

# City of Virginia Beach

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2401 COURTHOUSE DRIVE  
VIRGINIA BEACH, VA 23466-9000  
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FAX (757) 426-5699  
WSESSOMS@VBGOV.COM

May 2, 2017

Members of City Council

## **Subject: FY 2017-18 Operating Budget and CIP Reconciliation**

Dear City Council Members:

After lengthy discussions with you and listening to the public input at the various public meetings, town halls, public hearings and via email, it is recommended that the Operating Budget and CIP be adopted with the following adjustments:

1. The Department of Finance has ruled that the FY 2015-16 HRT true-up must be paid in FY 2016-17 for accounting purposes. The HRT true-up (\$1,572,465) will be paid from the Tourism Investment Program (TIP) Fund (\$386,072) and a portion of the remaining light rail funds (\$1,186,393) in FY 2016-17 instead of the FY 2017-18 budget (this will be accomplished through a transfer authorized by the FY 2017-18 operating budget ordinance and effective in FY 2016-17). The TIP Fund Reserve for Future Commitments in FY 2017-18 will increase by \$386,072. The \$1,186,393 would have reverted to fund balance to pay for General Government CIP projects in the FY 2017-18 CIP. Instead, the General Fund portion for the mass transit true-up in FY 2017-18 will be used as pay-as you-go financing. The net result to the FY 2017-18 Operating Budget is the same.
2. To address storm water concerns, increase from 0.8¢ to 1¢ the portion of the real estate tax allocated in the CIP to storm water projects and decrease the portion of the real estate tax allocated for general government projects by the same amount. Funding of \$1,084,100 will be allocated to a new storm water project entitled "Lake Chubb/Bradford Lake" in each year of the CIP. Funding is reduced by \$1,084,100 in each year of the CIP as identified below:

CIP 3-697 "City Software Upgrade/Replacement Plan" in FY 2017-18 and FY 2018-19

CIP 3-139 "Various Site Acquisitions II" in FY 2019-20

CIP 3-137 "Various Buildings Rehabilitation and Renewal III" in FY 2020-21 and FY 2021-22

CIP 3-504 "Beach Maintenance Facility" in FY 2022-23

3. In an effort to support various organizations and our historic homes, based on citizen input concerning the importance of these organizations, increases are recommended in FY 2017-18 in the following amounts:

- a. Children's Hospital of the King's Daughters - \$25,000
- b. Arts and Humanities Commission - \$25,000
- c. Southeastern Tidewater Opportunity Project (STOP) - \$13,700
- d. Atlantic Waterfowl Museum – \$13,033
- e. Old Coast Guard Museum - \$14,908
- f. Historic Houses Special Events - \$49,000

In order to offset these increased contributions, a reserve set aside for grant opportunities in the Non-Departmental section of the budget will be reduced by \$140,641.

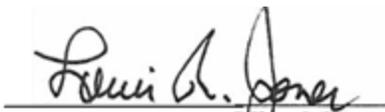
4. To compensate the Sheriff in a manner consistent with the methodology that has been in place since 2006, the Sheriff's stipend is recommended to be increased by \$12,363 with associated FICA taxes. This increase is offset by a decrease in the reserves of the Sheriff's Special Revenue Fund of the same amount.
5. \$50,000 for the lake treatment program with the storm water reserve for contingencies decreased by the same amount.
6. Now that a June 2017 opening for the Kempsville Recreation Center has been determined, it is recommended that the Parks and Recreation Department delay the implementation of increased recreation center membership fees for six months (the fees will become effective on January 1, 2018 instead of July 1, 2017). This delay will allow the staff to address the initial increase in attendance and membership purchases that typically occurs with the opening of a new recreation center. Due to the delay, it is recommended that revenue from recreation center memberships be reduced by \$100,000, and that this decrease in revenue be offset by a decrease in the transfer to the CIP. Further, we recommend that Pay-As-You-Go funding to the Parks and Recreation CIP be reduced by \$100,000 with the same reduction to CIP 4-300 "Community Recreation Center Repairs and Renovations III".
7. Increase funding for Tax Relief for the Elderly and Disabled by \$450,000 with a corresponding decrease in the General Fund Reserve for Contingencies. This increase in funding is mainly due to a higher than projected amount of tax relief for disabled veterans and their spouses.
8. Increase funding to Emergency Communications and Citizen Services by \$250,000 to support 6 FTEs in order to restore the 3-1-1 Call Center to 24/7 operations. This cost will be offset by an increase in interest income of the same amount.

9. Increase CIP 5-101 “ViBes District Water Improvements” by \$600,000 in FY 2017-18 with a corresponding increase of \$600,000 in retained earnings in the Water Utility CIP. This project is being increased to correspond with roadway projects that have been accelerated.
10. Increase CIP 6-101 “ViBes District Sewer Improvements” by \$1 million in FY 2017-18 with a corresponding increase of \$1 million in retained earnings in the Sewer Utility CIP. This project is being increased to correspond with roadway projects that have been accelerated.
11. Increase CIP 3-344 “Police Fourth Precinct – Replacement” by \$925,000 in appropriations to date with a corresponding reduction in appropriations to date in CIP 4-509 “Replacement of Kempsville Recreation Center”.
12. Reduce CIP 2-141 “Norfolk Southern Right of Way Acquisition Refund” by \$20 million in FY 2017-18. This reduction is offset by a \$20 million reduction in General Fund Fund Balance in the FY 2017-18 CIP. This is due to the repayment of this amount to the state as authorized by City Council in the current fiscal year.
13. Increase CIP 3-292 “Virginia Aquarium Marine Animal Care Center” by \$2 million in FY 2017-18 with a corresponding increase in revenue from a contribution from the Aquarium Foundation.
14. Modify the roadway section of the CIP by: reducing CIP 2-111 “Traffic Safety Improvements Phase IV” by \$1,029,624 in FY 2020-21; reducing CIP 2-078 Sandbridge Road – Nimmo Parkway Phase VII-A by \$1,009,376 in FY 2020-21 and increasing the project by \$2,039,000 in FY 2021-22; and increase CIP 2-088 “West Neck Road Phase IV” by \$2,039,000 in FY 2020-21 and reducing the project by the same amount in FY 2021-22.

The details for the funding sources and the adjustments are identified on the attachments.

I want to thank the public who came out to the various town hall meetings and public hearings to offer their comments on the FY 2017-18 Operating Budget and CIP as well as staff for their efforts to provide answers to our various questions. If you have any questions, please contact me directly.

Sincerely,



Louis R. Jones, Vice Mayor

Attachment

## Operating Budget Changes

Item on Letter	Description	Revenue	Appropriations
1	Decrease General Fund portion of HRT True-Up Payment		(1,186,393)
1	Increase Pay-as-you-Go Transfer to General Government CIP Projects		1,186,393
1	Decrease TIP Payment for HRT True-up		(386,072)
1	Increase Reserve for Future Commitments the in TIP Fund		386,072
2	Increase Pay-as-you-Go Transfer to Storm Water CIP Projects		1,084,100
2	Decrease {Pay-as-you-Go Transfer to General Government CIP Projects		(1,084,100)
3	Contribution to Children's Hospital of the Kings Daughters		25,000
3	Contribution to Arts and Humanities Commission		25,000
3	Contribution to STOP		13,700
3	Restoration of funding for Atlantic Waterfowl Museum		13,033
3	Restoration of funding for Old Coast Guard Museum		14,908
3	Historic Houses Special Events		49,000
3	Reduction of Opportunity Grants		(140,641)
4	Increase Sheriff's Compensation		12,363
4	Reduce Reserves - Sheriff's Special Revenue Fund		(12,363)
5	Increase Lake Treatment Program		50,000
5	Reduce Reserves - Storm Water Fund		(50,000)
6	Delay Recreation Center Membership Fee Increase	(100,000)	
6	Reduce Transfer to Parks and Recreation Capital Projects		(100,000)
7	Increase Tax Relief for the Elderly and Disabled (Veteran's Exemption)		450,000
7	Decrease General Fund Reserve for Contingencies		(450,000)
8	Increase Interest Income	250,000	
8	Restore 3-1-1 to 24 Hour/Day 7 Days/Week Operations		250,000
<b>Total Operating Budget Changes</b>		<b>150,000</b>	<b>150,000</b>

## CIP Changes

	Item on Letter	<u>ATD</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>
<b>Appropriation Changes</b>								
7-053 Lake Chubb/Bradford Lake	2		1,084,100	1,084,100	1,084,100	1,084,100	1,084,100	1,084,100
3-697 City Software Upgrade/Replacement Plan	2		(1,084,100)	(1,084,100)				
3-139 Various Site Acquisitions	2				(1,084,100)			
3-137 Various Buildings Rehabilitation and Renewal	2					(1,084,100)	(1,084,100)	
3-504 Beach Maintenance Facility	2							(1,084,100)
4-300 Community Recreation Centers Repairs	6		(100,000)					
5-101 ViBes District Water Improvements	9		600,000					
6-101 ViBes District Sewer Improvements	10		1,000,000					
3-344 Police Fourth Precinct - Replacement	11	925,000						
CIP 4-509 Replacement of Kempsville Recreation Center	11	(925,000)						
2-141 Norfolk Southern Right-of-Way Acquisition Refund	12		(20,000,000)					
3-292 Virginia Aquarium Marine Animal Care Center	13		2,000,000					
2-078 Sandbridge Road - Nimmo Parkway Phase VII-A	14					(1,009,376)	2,039,000	
2-111 Traffic Safety Improvements IV	14					(1,029,624)		
2-088 West Neck Road Phase IV	14					2,039,000	(2,039,000)	
<b>Total CIP Appropriation Changes:</b>			<b>(16,500,000)</b>	-	-	-	-	-
<b>Revenue Changes</b>								
Pay-as-you-go from General Fund	1		1,186,393					
General Fund - Fund Balance True-up Change	1		(1,186,393)					
Pay-as-you-go from Parks and Recreation Fund	5		(100,000)					
Retained Earnings - Water Utility	9		600,000					
Retained Earnings - Sewer Utility	10		1,000,000					
General Fund - Fund Balance (from light rail funding)	12		(20,000,000)					
Contribution - Aquarium Foundation	13		2,000,000					
<b>Total CIP Revenue Changes:</b>			<b>(16,500,000)</b>	-	-	-	-	-



# City of Virginia Beach

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MUNICIPAL CENTER  
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2401 COURTHOUSE DRIVE  
VIRGINIA BEACH, VA 23456-9001

March 28, 2017

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

**Subject: FY 2017-18 Proposed Resource Management Plan**

Dear Mayor and Council Members:

I respectfully submit to you the City of Virginia Beach's Fiscal Year (FY) 2017-18 Operating Budget and FY 2017-18 through FY 2022-23 Capital Improvement Plan.

The City of Virginia Beach has always concentrated on its mission to provide services that ensure citizens' health, safety, economic opportunity, education, mobility and overall quality of life. It is this resolve that enabled us to weather difficult financial circumstances and emerge stronger and more focused than ever. Despite slow growth in the City's tax base, for the first time in almost a decade, the City of Virginia Beach was not forced to make across-the-board budget cuts.

Balancing competing priorities and positioning the City for long-term financial viability is the top responsibility of your city manager. The cumulative impact of 9 years of cuts is a backlog of service needs and infrastructure projects. I take very seriously the requirement to weigh each and every service and project implication to derive a final funding strategy that moves the City forward and accomplishes your goals. I am pleased to report that the funding strategy presented here is structurally balanced and appropriately conservative so as to meet all financial commitments, including maintaining sufficient reserves to protect the City's triple-A bond rating. It maintains or expands on some service areas and translates the priorities established by the Mayor and City Council into actionable initiatives.

The proposed General Fund Operating Budget – supported primarily by property taxes, sales taxes, business license taxes, utility taxes and fees – focuses on sustaining essential service operations, ensuring long-term resiliency and advancing projects critical to maintaining and repairing our aging infrastructure. After careful review of the range of options available for responsibly addressing our community's needs, this budget proposes no additional real estate or personal property tax rate increases for City services. It does recommend reallocating the 1.8 cents on the real estate tax rate and \$5 automobile license fee adopted in FY 2015-16 that had been dedicated to the light rail project. These revenues have been programmed in this budget to tackle critically important projects that will improve mobility, address storm water flood control issues, preserve our beach protection and provide essential facility and technological infrastructure. The Executive Summary provides a thorough summary of the projects I am proposing to fund with those revenue sources.

The Agricultural Reserve Program (ARP) and Open Space dedications for funding light rail are returned to their respective programs with recommendations for usage. The returned ARP funding will be solely for use in the transition area. The returned Open Space funding will be solely for the maintenance, operations and development of parks and open space already in possession of the City.

The Virginia Beach Public City Schools has requested a real estate tax rate increase of nearly three cents to fund all-day kindergarten. I have included a portion of that increase -- 1.25 cents -- in this FY 2017-18 budget to support the first two years of a phased approach the schools will take to implement full-day kindergarten for the entire system.

## New for FY 2017-18

In February, at the two-day workshop, the City Council reviewed our City's progress, adopted 5 new goals, bringing the total to 10; and established priorities for the future. This body of work guided the construction of the 2017-18 Operating Budget and FY 2017-18 through FY 2022-23 Capital Improvement Program. Among the major recommendations in the FY 2017-18 budget are the following:

- Increasing the number of road projects
- Positions and CIP funding for expansion of storm water management and infrastructure
- Second year phase-in of police body cameras
- Fifth battalion in Virginia Beach Fire Department
- New Fire and EMS Station at Burton Station
- Opening of the Housing Resource Center
- Expanding Summer Youth Employment Program
- Replacing Health Department's dental x-ray machine to provide dental service for low income youth
- Funding to increase frequency of maintenance for neighborhood parks
- Replacing escalator at the Judicial Center
- City Hall Replacement
- Beach restoration projects for Croatan, Chesapeake and Bay beaches
- Infrastructure to grow the City's biomedical services cluster
- Expansion of services and operating hours for Hampton Roads Transit
- Staffing and operating funds for new Kempsville Recreation Center
- Funding to design and construct multi-sport field house
- Staffing for an enhanced customer experience at Virginia Aquarium

## Employee Compensation

The City of Virginia Beach is fortunate to have a workforce that goes above and beyond the call of duty to service this community. At no time was that more evident than during the major storms that hit our community last year. Our dedicated City employees have found ways to do more with less, and I could not be more proud of the dedication and commitment they have to the mission of public service. Recruiting and retaining outstanding employees is one of the most important things we do as a city. This budget includes:

- 139 new City positions. The last time we supported this number of additions was in 2004-05. The majority are in public safety and in areas that either have external funding sources or that deliver services to the most vulnerable members of our community. For example, there are 12 positions allocated to the new Housing Resource Center, 45.25 for Human Services, 23 for Public Works and 31 for Public Safety.
- 1% general pay raise and a 1% merit raise for full-time City employees. Part-time employees will receive a 2% general increase in addition to market-related pay increases for certain part-time positions in the departments of Parks and Recreation and Police. Schools employees will receive a commensurate 2% increase. We are anticipating no increases in health insurance premiums.
- The second and final year of vertical compression adjustments to address pay for supervisory positions that earn less than their subordinates.

Virginia Beach has the lowest real estate and personal property taxes among the seven cities of Hampton Roads. There is no increase proposed in three of the four components of the City services bill: water, sanitary sewer and solid waste collection. It is necessary, however, to raise the fourth component, the storm water fee, by 2.5¢ per day for each of the next five years. This will increase the residential customer bill \$9.12 over the entire year.

A summary of the funding elements to this budget:

- No increase personal property tax rate
- Increase of 1.25¢ in the real estate tax rate to fund all-day kindergarten and begin expansion of the pre-kindergarten program
- Reallocate 1.8¢ of current real estate rate that had been dedicated to light rail
- Increase of 2.5¢/day in the storm water fee
- No increase in the trash fee
- No increase in fees for water or sanitary sewer

## Conclusion

Virginia Beach continues to have the best schools, the lowest crime rate, the most parks and recreation centers, the biggest library system, and the best roads of any city in Hampton Roads. These achievements are the result of careful and deliberate decision-making that has been the hallmark of this municipality, and this budget continues that work. This does not mean we were without difficult choices. There are worthy projects and services that were not funded. However, with guidance outlined in City Council priorities and the City's vision for the future, I believe you will find this funding strategy keeps Virginia Beach moving ahead.

I look forward to discussing this with you in the coming weeks.

Respectfully,



David L. Hansen  
City Manager

DLH/JH/jc

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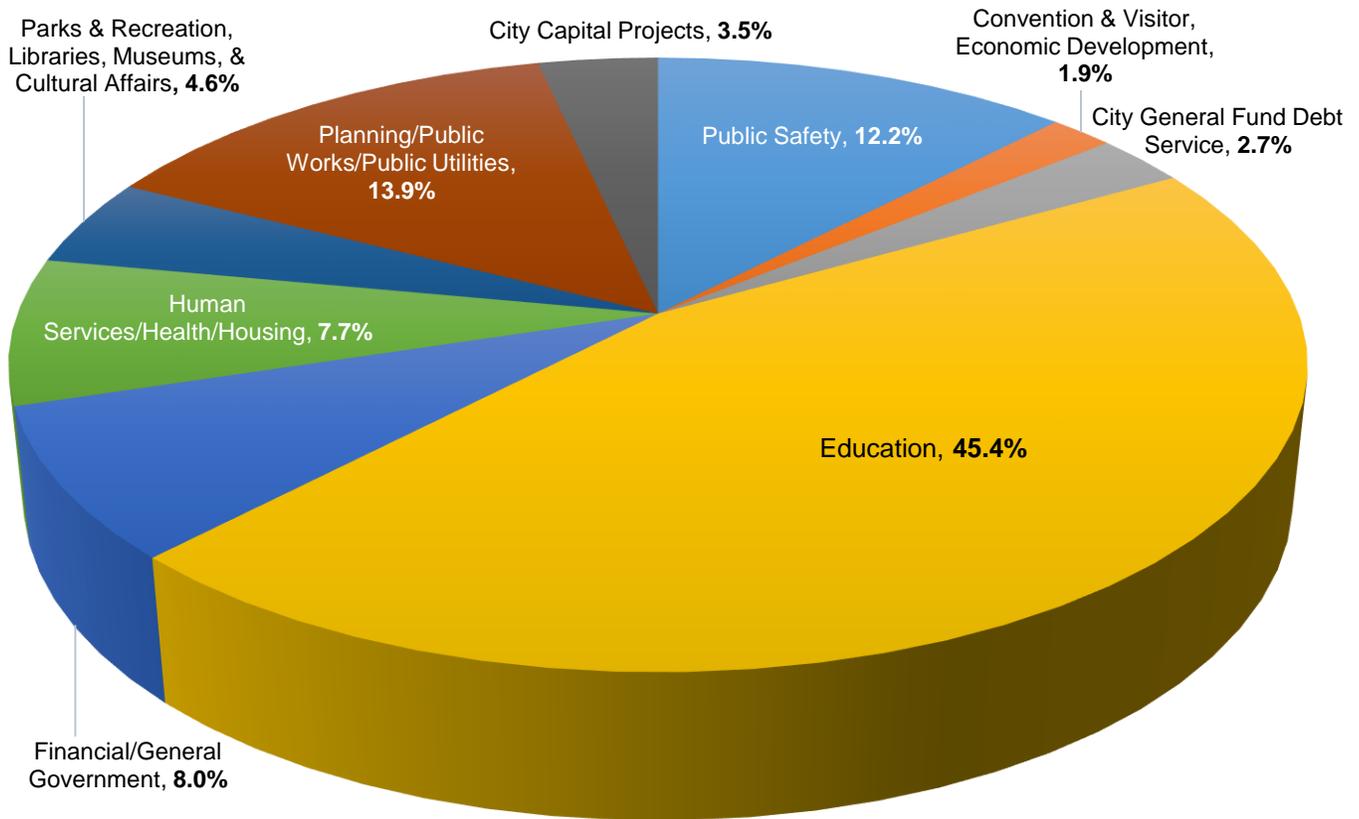
# SCHEDULE OF WORKSHOPS & PUBLIC HEARINGS

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<b>MAR 28</b>	<b>Budget Presentation to Council</b> City Manager's FY 2017-18 Operating Budget and Capital Improvement Program "Proposed Budget" to City Council	City Council Chambers 6:00 p.m.
<b>APR 04</b>	<b>Council Workshop</b>	Council Conference Room
<b>APR 11</b>	<b>Council Workshop</b>	Council Conference Room
<b>APR 18</b>	<b>Council Workshop</b>	Council Conference Room
<b>APR 18</b>	<b>Public Hearing</b>	City Council Chambers 6:00 p.m.
<b>APR 25</b>	<b>Council Workshop</b>	Council Conference Room
<b>APR 27</b>	<b>Public Hearing</b>	Bayside High School 6:00 p.m.
<b>MAY 02</b>	<b>Reconciliation Workshop</b>	Council Conference Room
<b>MAY 09</b>	<b>Council Votes on Budget</b> The FY 2017-18 Operating Budget and Capital Improvement Program	City Council Chambers 6:00 p.m.

# APPROPRIATIONS

## FY 2017-18 Operating Budget Total Appropriations



Overall, the Operating Budget is increasing 3.0% in FY 2017-18. Breaking down the growth rate into more detail, the Schools Operating Budget is increasing 3.35%, while the City’s Operating Budget is increasing 2.8%. As reflected in the pie chart above, the largest proportion of funding is allocated based on City Council’s historic emphasis on education, infrastructure (Public Works, Public Utilities and Planning) and public safety.

The Operating Budget has generally been expressed in terms of the “Net Budget.” The calculation of the “Net Budget” is illustrated below and generally involves eliminating the duplication of funding between the various City accounting funds. For example the transfer of revenues from the City’s Operating Budget to the Schools Operating Budget and city garage charges would be duplicated if not netted-out of the calculation below.



Typically, several categories in the Operating Budget grow beyond the rate of inflation, and these costs have an impact on the overall growth of the Operating Budget. Many of these “cost drivers” are not impacting the Operating Budget as they have in previous years.

A positive budget driver for FY 2017-18 can be linked to employer paid health care costs remaining basically the same as FY 2016-17, which is mainly due to lower health care claims from employees. This will be a trend to monitor over the next few years. The City and Schools could also be experiencing the benefits of prior year plan changes as well as the BEWell (Beach Employee Wellness) initiative, which provides incentives for employees to exercise and adopt a healthy lifestyle.

In addition to health care costs, employee retirement costs have also increased in previous Operating Budgets. The City and Schools have finally completed the State mandated 5% VRS contribution transition from employer to employee. The State mandated employers provide a 1% salary increase to offset employees contributing an additional 1% to their retirement each year for five years. While VRS rates will not be increasing for the City in FY 2017-18, the Schools Operating Budget includes nearly \$6.6 million for VRS cost increases. The Schools employer contribution rate will climb by 1.66%, from 14.66% in FY 2016-17 to 16.32% in FY 2017-18.

After several years of growth, risk management charges are also moderating. When a workers’ compensation claim is accepted, an employee receives lifetime medical treatment for that injury as outlined in the Virginia Workers’ Compensation Act. Often, the payment of workman’s compensation claims can take years, creating a financial liability. As these “long term” claims remain open and as new claims occur, the financial liability of the City’s Risk Management Fund continues to grow. The Risk Management Office continues to be more effective and efficient with processing workers’ compensation claims in the short term and when possible finding alternative methods such as negotiating contracts with providers and obtaining full and final settlements as a means to reduce the long-term medical liabilities. These efforts coupled with increasing awareness about workplace safety appear to be working as risk management charges are moderating.

Debt Service costs are also relatively flat this year. After growing for a number of years, debt payments will decline by 0.4% in FY 2017-18. This is due to a number of factors, but like some of the other trends above, this will more than likely be a one-year occurrence. There is still a large balance of bonds that have been authorized for projects, yet these projects are in the beginning stages of development. Once these projects are under construction, the City will begin selling bonds and debt service costs will increase.

The cost drivers noted above have in the past offset some of the revenue growth that occurred as the economy slowly recovered from the Great Recession. With these cost drivers basically neutral, FY 2017-18 provides a unique opportunity to address a number City Council goals and priorities. These include funding for services critical to the community such as public safety, education, storm water, libraries, parks, and road maintenance (many of the major initiatives included in the Operating Budget and CIP are outlined later in the Executive Summary and are aligned to specific City Council goals). The Operating Budget contains 145 additional city employees with the vast majority coming from the opening of the Housing Resource Center (12), additional staffing for Human Services (45.25, which was mostly offset by increases in State funding and a reduction in contracted manpower), public safety (37.5) and Public Works (23). With the phase-in of full-day kindergarten, the Schools Operating Budget total number of positions increases by 37.95. A summary of position changes is included later in this document.

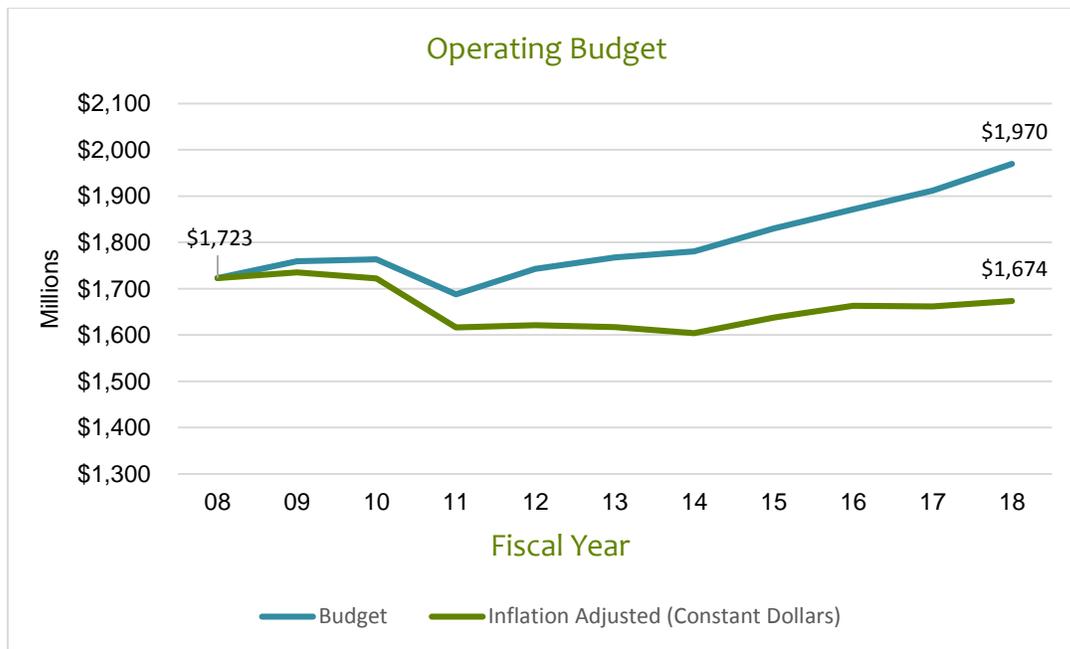
The following table details the 3.0% increase by major appropriation category:

## Operating Budget By Appropriation Category

	FY 2016-17 Total City & Schools Adjusted Budget	FY 2017-18 City Budget	FY 2017-18 Schools Budget	FY 2017-18 Total City & Schools Budget	%Change	\$ Change
Personnel	\$ 868,170,103	\$ 384,345,016	\$ 503,491,523	\$ 887,836,539	2.3%	\$ 19,666,436
Fringe Benefits	307,908,685	130,773,190	188,306,741	319,079,931	3.6%	11,171,246
Operating Expenses	449,266,941	315,529,515	151,129,127	466,658,642	3.9%	17,391,701
Capital Outlay	24,534,551	21,718,051	6,163,443	27,881,494	13.6%	3,346,943
Debt Service	167,465,928	121,368,343	45,417,364	166,785,707	-0.4%	(680,221)
Pay-As-You-Go	57,414,370	68,951,409	-	68,951,409	20.1%	11,537,039
Reserves	36,937,028	32,484,179	-	32,484,179	-12.1%	(4,452,849)
<b>Total</b>	<b>\$ 1,911,697,606</b>	<b>\$ 1,075,169,703</b>	<b>\$ 894,508,198</b>	<b>\$ 1,969,677,901</b>	<b>3.0%</b>	<b>\$ 57,980,295</b>

Note: The City's "Personnel" does not include funding for proposed salary increases. This funding is included in a "Reserve" account. The Schools proposed salary increase is included in "Personnel".

## Climbing out of the Great Recession



Over the past ten years, the City struggled to maintain current services. When adjusted for inflation (constant dollars), the Operating Budget has decreased by 2.8% since FY 2007-08 or a total of \$49 million in real dollars. To see this impact on an annual basis, the following table breaks down the annual changes in the Operating Budgets over the last ten years. FY 2017-18 is the first increase above 3% (albeit slightly) during this period.

Fiscal Year	Change in Budget from Previous Year
2008-09	1.97%
2009-10	-0.11%
2010-11	-4.55%
2011-12	2.28%
2012-13	0.60%
2013-14	0.65%
2014-15	2.80%
2015-16	2.22%
2016-17	2.28%
2017-18	3.03%

A slow growing economy and cost requirements beyond the City’s control made major investments in education, roads, public safety, storm water and other infrastructure nearly impossible over the last ten years. From FY 2009-10 to FY 2013-14, decreasing real estate assessments negatively impacted the Operating Budget and significantly increased the backlog of projects, and some services and programs were curtailed or eliminated. At the same time, the State reduced funding for School construction and urban roadway funding, which magnified the backlog of infrastructure needs further.

While this budget contains new spending, most of it is focused on two critical areas, sustainability and resiliency. It’s not just about being sustainable in terms of development and growth, the City must sustain its success in areas like education, its AAA bond rating, maintenance of infrastructure and being one of the safest cities of its size in the country. Like anything else in life, the only constant in our community is change. If things are not changing, the City could simply do the same things year after year and expect the same high level of results.

The City’s resiliency efforts were magnified during the aftermath of Hurricane Matthew. The City’s public safety personnel provided extraordinary response during the storm; however, Hurricane Matthew highlighted the need to invest in our storm water infrastructure and ensure our citizens have the means to quickly address the aftermath of storms and other unanticipated events.

## Compensation

Both the City and Schools are including 2% compensation increase in the Proposed Operating Budget. The City is including a 1% general pay increase for all full-time employees and a 1% merit raise (at the mid-point of the range) for employees who meet acceptable performance standards. Merit pay is an important component of the city’s pay plan because employees move across the pay range with merit pay, which means employees with more tenure and acceptable performance would earn more than recent hires. Without merit pay increases, employees do not progress from the minimum of the pay range and horizontal pay compression occurs: employees hired years apart from each other could make the same amount of pay. FY 2016-17 was the final year of a three year plan of adjusting eligible employee’s pay related to horizontal compression.

This is the second and final year of vertical compression payments. Vertical compression occurs when supervisors make less pay than their subordinates.

For the first time in five years, a portion of the pay increases is not offset by an increase in employee-paid retirement costs. This offset was required by the Virginia Retirement System until employees paid 5% of their retirement costs (newer employees paid the 5% employee retirement costs from the beginning). In addition, health care costs for

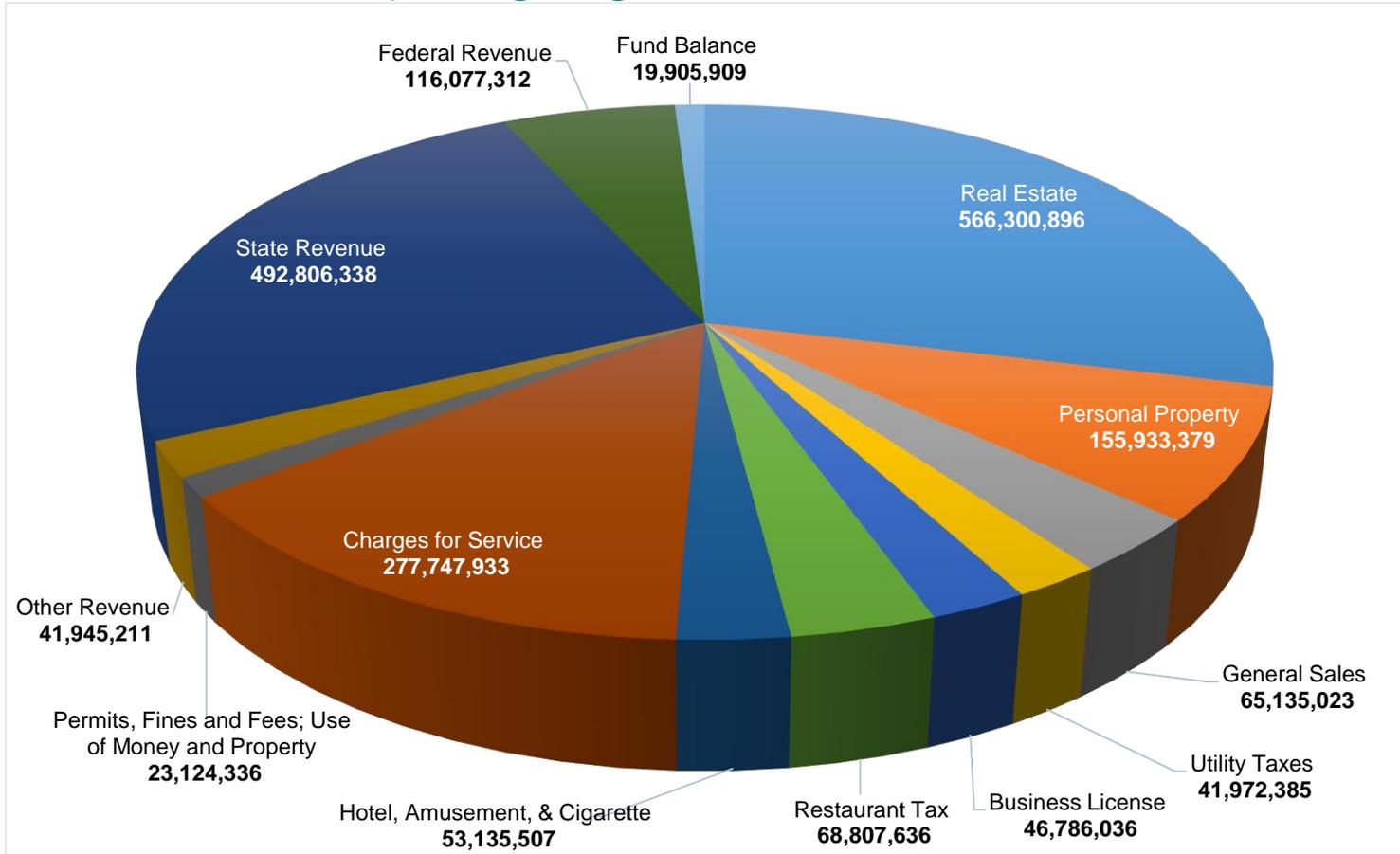
employees are not anticipated to increase with the 2018 health care plan. Due to these two factors, employees should notice the full impact from the pay increase.

Part-time employees will receive a 2% pay increase in addition to market-related pay increases for certain part-time positions in the Departments of Parks and Recreation and Police.

An additional \$100,000 is proposed for the tuition reimbursement program, bringing the total to \$350,000.

# REVENUE

## FY 2017-18 Operating Budget Total Estimated Revenues



The local economy continues to improve as real estate assessments are continuing to increase for the fourth consecutive year, and consumer-driven revenues such as general sales, hotel tax, meals tax and amusement tax are signaling modest growth. As the pie chart above illustrates, the City's ability to fund services is heavily dependent on the health of the housing market with real estate being the largest revenue source for the City. While the Department of Public Works and Human Services receive a substantial portion of their budgets from the State, most of the State funding noted in the pie chart is dedicated to Schools. Additional information about the growth of these revenues and the assumptions of the causal variables are included in the revenue section of the Operating Budget. Even with overall growth in revenues, demands for additional storm water services and school services are necessitating the need for rate increases. When controlling for these rate changes, overall growth is actually 2.5%. This summary highlights several major revenue issues.

### Revenue Discussion

The storm water Equivalent Residential Unit (ERU) fee is increasing by 2.5 cents per day in each of the next five years, and the real estate tax rate will increase by 1.25 cents for the Schools to begin phasing-in of full-day kindergarten. The following pages will have a more thorough discussion of these two changes and their related impacts. In FY 2017-18, some departmental fees within Aquariums and Parks and Recreation are increasing. Additional information as to specifics of these fee increases is provided on the Summary of Fee and Tax Adjustments included in this document. Listed below is an overview of all major revenue streams included in the Operating Budget. The large negative number in the City budget (shown as a positive in the school's budget column) reflects the transfer of local funding to support the school system.

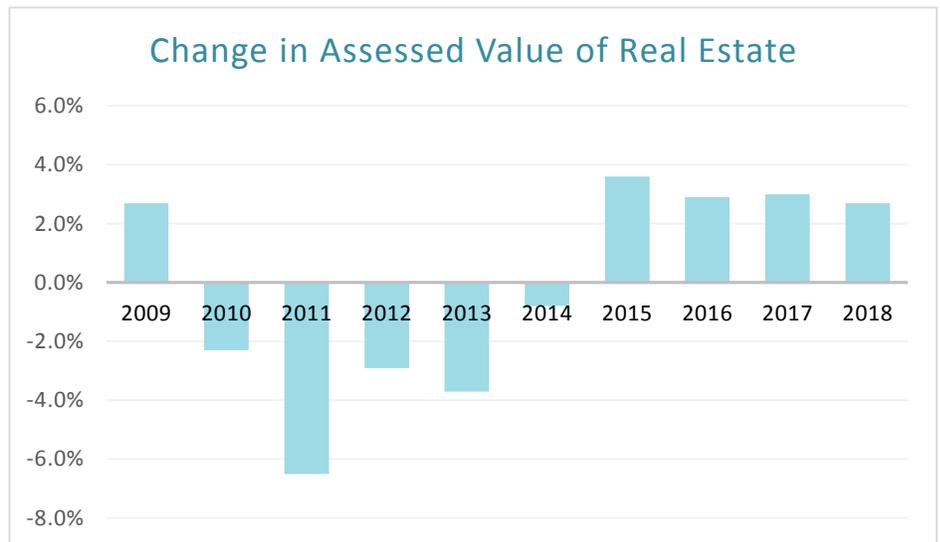
## Revenues

	FY 2016-17 Adjusted Budget	FY 2017-18 City Budget	FY 2017-18 Schools Budget	FY 2017-18 Total City & Schools Budget	Percent Change
Real Estate	\$ 542,384,484	\$ 537,868,892	\$ 28,432,004	\$ 566,300,896	4.4%
Personal Property	146,979,656	155,933,379	-	155,933,379	6.1%
General Sales	63,160,061	65,135,023	-	65,135,023	3.1%
Utility Tax	25,472,704	25,757,106	-	25,757,106	1.1%
VA Telecommunications	16,998,982	16,215,279	-	16,215,279	-4.6%
Business License	46,389,703	46,786,036	-	46,786,036	0.9%
Cable Franchise	8,703,443	8,646,041	-	8,646,041	-0.7%
Restaurant Tax	64,881,611	68,807,636	-	68,807,636	6.1%
Amusement Tax	6,201,490	6,331,312	-	6,331,312	2.1%
Hotel Room Tax	31,525,371	34,897,289	-	34,897,289	10.7%
Cigarette Tax	11,853,670	11,906,906	-	11,906,906	0.4%
Revenue Sharing Formula		(399,278,346)	399,278,346	-	0.0%
General Fund Balance	10,903,254	6,264,165	-	6,264,165	-42.5%
Other Fund Balance	16,022,163	2,042,123	11,599,621	13,641,744	-14.9%
Utility Fees	157,620,791	161,310,047	-	161,310,047	2.3%
Other Revenue	135,927,254	121,973,944	17,215,448	139,189,392	2.3%
Waste Collection Fee	33,644,400	33,672,000	-	33,672,000	0.1%
State Revenue	477,790,745	125,316,244	367,490,094	492,806,338	3.1%
Federal Revenue	115,237,824	45,584,627	70,492,685	116,077,312	0.7%
<b>Total Operating Budget</b>	<b>\$ 1,911,697,606</b>	<b>\$ 1,075,169,703</b>	<b>\$ 894,508,198</b>	<b>\$ 1,969,677,901</b>	<b>3.0%</b>

\*5.025 cents of the real estate tax rate is dedicated to education. This dedication is in addition to the portion of real estate revenues the schools receive through their revenue sharing formula. The City/Schools funding formula can be viewed in the Appendix section of the Operating Budget.

## Real Estate

Real estate is the largest local source of revenue for the City. Excluding State and Federal revenue, real estate revenue represents over 42% of the City's local revenue collected. Growth of this revenue occurs through growth in assessments, new development, and growth in the tax rate. In FY 2017-18, overall real estate revenue is anticipated to grow 4.4%. This increase is attributable to projected growth in real estate property values and new development for a total growth in assessments of 2.7%. The remaining portion of the increase is the result of a



1.25 cent Real Estate tax increase to be dedicated to Schools for the phase-in of full-day kindergarten.

Real Estate assessments are a primary reflection of the housing market. Buyers of distressed sales or foreclosures typically walk away from the purchase with a sense of “getting a bargain” because the purchase price paid is much lower when compared to market value. As the market reflects the sales price of foreclosures, the value of city-wide market comparables declines. During the height of the recession, these type of sales represented a large portion of home sales reducing home values city-wide. The City of Virginia Beach experienced an unprecedented five straight years of declining home values. As these foreclosures slowly worked their way out of the market, real estate assessments began to increase. The City is now projecting its fourth year of real estate assessment growth. Beyond FY 2017-18, future growth of assessments is anticipated but is projected to grow below the City's historic norms for this revenue stream.

The table below illustrates where the increase in real estate tax revenues are allocated based on existing City Council dedications:

## Changes in Real Estate Revenue FY 2016-17 to FY 2017-18

	FY 2016-17	FY 2017-18	Difference
City Operations and CIP	\$ 243,457,512	\$ 260,639,000	\$ 17,181,488
Schools Operations and CIP	234,061,560	247,833,407	13,771,847
Parks and Recreation	20,751,935	21,389,297	637,362
Sandbridge Special Service District	679,891	735,744	55,853
Agriculture Reserve Program	2,945,029	4,878,451	1,933,422
Sandbridge TIF District	9,177,724	10,226,817	1,049,093
Central Business District TIF District	6,936,483	7,107,950	171,467
Town Center Special Service District	1,970,578	2,007,681	37,103
Multi-Modal Fund	11,254,217	0	-11,254,217
Roadways/Line of Duty	10,517,959	10,841,002	323,043
Dredging Special Service Districts	631,596	641,547	9,951
<b>Total</b>	<b>\$ 542,384,484</b>	<b>\$ 566,300,896</b>	<b>\$ 23,916,412</b>

Over the years, City Council has dedicated revenue to address specific goals and initiatives. Dedications exist in the form of Tax Increment Financing (TIF) districts as well as through direct dedication of resources to programs such as schools, parks and recreation, Agricultural Reserve Program, Outdoor Initiative, roadways, etc. Programs that receive these direct dedications receive a proportionate share of the tax revenue increase. Dedications through TIFs occur slightly different. TIFs receive the benefit of real estate growth within their geographical boundary. For example, real estate assessment growth is anticipated to be 2.7% in FY 2017-18. Of this growth, designated TIFs will retain all of their respective growth resulting in less of the overall growth available for the General Fund to support citywide demand for services. It's important to note that tax dedications are sometimes modified by City Council, and the funds in which these dedications reside can sometimes change. This can be seen on the previous table with the elimination of the Multimodal Fund. A portion of the real estate revenue previously dedicated for light rail within this fund now resides in the City Operations and CIP column within the table. This repurposing of revenue is proposed to support additional storm water and general government CIP projects.

## Personal Property Revenue

Personal property taxes remain the most difficult for staff to estimate because of its June 5<sup>th</sup> due date. At the time estimates are made, on average only 19% of the revenue for the current year has been collected. Working closely with the Commissioner of Revenue's Office, staff is projecting continued growth in the personal property assessment base. In recent years, actual personal property revenue collections have exceeded budget estimates due to higher than anticipated growth in the assessment base. Used vehicles are retaining their value, and new vehicles are beginning to enter the assessment base above their lower recessionary levels. Taking the higher historical actuals into consideration, the FY 2017-18 Operating Budget reflects a 6% growth in Personal Property when compared to FY 2016-17. Additional information about the variables and assumptions behind this estimate are provided in the revenue section of the Operating Budget. Of the personal property categories taxed at \$4 per \$100 of assessed value, some of this revenue is allocated to Schools through the City/School Revenue Sharing Formula and another 30 cents is allocated to support public safety needs. The following table illustrates where the 30 cents dedicated to public safety is allocated.

## Use of 30-cents Personal Property Dedication

	FY 2016-17	FY 2017-18	FY2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
CIP Uses							
Correctional Ctr Master Control Upgrade	3,284,599						
Police Oceanfront Cameras - Police							
Fire Radio Replacement/In Mask Com Accountability							
Burton Station Fire/EMS Station	960,000						
Burton Station Fire/EMS - Equip			1,750,000				
Integrated Public Safety Records Management Systems (includes Sheriff)	2,717,815	1,233,777					
Sheriff Inmate Tracking and Status		1,036,930					
Fire Apparatus		1,187,279					
Fire Asset Management System			567,749				
Police Special Investigations Video Storage			975,170				
EOC Space Revisions, Tech and Security		500,000					
Public Safety Equipment Replacement	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Operating Budget Uses							
Paramedics for Peak Call Demand (6 FTEs)		496,467	607,676	619,829	632,226	644,870	657,768
Fifth Fire Battalion (5 FTEs)		679,072	692,653	706,507	720,637	735,049	749,750
Oceanfront Cameras - Staffing & Licenses	702,640	716,693	731,027	745,647	760,560	775,771	791,287
Fire Resource Management Warehouse	200,000	200,000	200,000	200,000	200,000	200,000	200,000
911 Operations Staffing - ECCS (4 FTE's)	312,834	319,091	325,472	331,982	338,622	345,394	352,302
Radio Replacement/In Mask Com Accountability - Fire annual license cost	302,830	308,887	315,064	321,366	327,793	334,349	341,036
Burton Station Fire/EMS Station (42 FTE's)			3,950,000	3,747,000	3,821,940	3,898,379	3,976,346
Sheriff Technology - IT Operating Budget	1,039,135	1,059,918	1,081,116	1,102,738	1,124,793	1,147,289	1,170,235
Body Cameras - Police Staffing (3 FTE's)	300,972	639,537	652,328	665,375	678,682	692,256	706,101
Body Cameras - Commonwealth's Attorney Staffing (13 FTE's)	224,184	259,668	422,322	698,403	853,431	870,500	887,910
Body Cameras - IT support costs	188,606	192,378	196,226	200,150	204,153	208,236	212,401
10 Police Officers each year for next 5 year	1,074,299	2,153,436	3,232,573	3,838,113	4,789,175	4,884,959	4,982,658
8 Deputies for Sheriff Medical Staffing	322,685	485,002	494,702	504,596	514,688	524,982	535,481
<b>Total Expenditures</b>	<b>12,830,599</b>	<b>12,668,135</b>	<b>17,394,078</b>	<b>14,881,706</b>	<b>16,166,700</b>	<b>16,462,033</b>	<b>16,763,274</b>
<b>30 cents Personal Property Revenue</b>	<b>10,484,581</b>	<b>10,699,795</b>	<b>10,812,957</b>	<b>11,029,216</b>	<b>11,249,800</b>	<b>11,474,796</b>	<b>11,704,292</b>
Revenue Remaining	(2,346,018)	(1,968,340)	(6,581,121)	(3,852,490)	(4,916,899)	(4,987,237)	(5,058,982)

As the table shows, there are more funding needs than the 30 cents dedication for public safety can cover. In FY 2017-18, almost \$2 million in other tax revenues available in the General Fund are being used to ensure these critical public safety projects and new staffing needs are funded. In FY 2017-18, this public safety dedication supports the addition of 10 additional police officers as well as the addition of six career paramedics in the Operating Budget. Future year's use of this dedication will support the equipment and staffing needs for Burton Station as well as the implementation and support of a Police Officer "Body Camera" program. As staffing is added and public safety initiatives continue to grow, these demands are placing a strain on other tax revenues within the General Fund as evidenced by the above table. If the goal remains to expand and support public safety needs through the Personal Property rate, an additional dedication may be necessary in the future.

## State Revenue

Overall, State revenues are increasing \$15 million in FY 2017-18. Of this increase, \$12.5 million is the result of the State providing additional revenues to the Schools. Reports indicate that State revenues are up and Virginia's overall economy is slowly growing out of the previous recession. Each year, the State makes contributions to localities with Police Department's in the form of "599 revenue". Despite growth in the State budget, there is no additional contribution from the State in the form of "599 revenue" anticipated in FY 2017-18.

## Storm Water ERU Fee

The Operating Budget includes a 2.5 cent per day increase in the storm water Equivalent Residential Unit (ERU) rate. This is the first rate increase in this fee since July 2014. Establishing the ERU rate at 45.8 cents per day will result in homeowners paying an additional \$9.12 annually. The ERU rate will be adjusted 2.5 cent with additional 2.5 cents rate

increase each year through FY 2021-22. This increase and future increases are critical to the financing plan established to support storm water mandates and flood control initiatives included within the Operating Budget and CIP. Additional information about these initiatives are provided in the Department of Public Works Operating Budget write-up as well as within the “City Council Goals” section of this document.

## Fund Balance/SPSA Payment

One of the City’s policies is to maintain an Undesignated General Fund – Fund Balance of 8% to 12% of the following year’s revenue. Current projections show that the June 30, 2017 Undesignated General Fund – fund balance will be 10.1% of the FY 2017-18 revenue. The City is able to achieve the 10.1% level even with an anticipated \$5.7 million payment to SPSA out of fund balance due to the loss of revenue from SPSA as our contract with SPSA ends. This is the third and final year of the planned use of General Fund - Fund Balance for this specific purpose. The estimated General Fund balance is displayed later in this document.

## Revenue Impact on a Family of Four and Rate Comparisons

The Operating Budget and CIP provide the necessary resources to support families in need, maintain city infrastructure, provide quality education, ensure public safety, and begin funding projects that will benefit generations to come. Services must be balanced with the ability of citizens to pay for those services. The table below attempts to illustrate the approximate annual impact taxes and fees will have on families. In FY 2017-18, the typical family will pay \$112.25 more a year or approximately \$9 more a month than they pay in the current fiscal year.

### Local Tax Impact on a Family Household of Four

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Real Estate Tax	\$2,201.86	\$2,110.19	\$2,054.12	\$2,089.05	\$2,001.36	\$2,054.37	\$2,230.47	\$2,285.91	\$2,374.92
Personal Property Tax	155.76	160.99	193.05	236.01	238.29	287.03	310.35	319.16	332.27
Electricity Utility Tax	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Gas Utility Tax	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Va Telecommunications Tax	70.68	72.12	73.68	73.92	74.64	75.24	75.24	76.32	76.32
Water Utility Tax	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Restaurant Tax	143.77	140.31	143.44	147.95	140.86	149.22	149.22	149.22	149.22
Admissions Tax	18.30	17.55	18.15	15.41	15.10	14.19	14.19	14.19	14.19
Vehicle License Decal	50.00	50.00	50.00	50.00	50.00	50.00	60.00	60.00	60.00
Storm Water Utility Fee	80.67	87.97	115.34	133.59	151.84	158.05	158.05	158.05	167.17
Residential Refuse Fee	0.00	0.00	60.00	120.00	256.32	256.32	256.32	276.00	276.00
Water & Sewer	578.88	604.92	635.88	668.76	703.56	740.16	740.16	740.16	740.16
<b>Total Tax Impact</b>	<b>\$3,407.91</b>	<b>\$3,352.05</b>	<b>\$3,451.66</b>	<b>\$3,642.70</b>	<b>\$3,739.96</b>	<b>\$3,892.57</b>	<b>\$4,101.98</b>	<b>\$4,186.99</b>	<b>\$4,298.25</b>
<b>Annual Change</b>		<b>(\$55.86)</b>	<b>\$99.61</b>	<b>\$191.03</b>	<b>\$97.27</b>	<b>\$152.60</b>	<b>\$209.42</b>	<b>\$85.01</b>	<b>\$111.25</b>

1) Real estate taxes computed based on a median home value

2) Personal property tax computed based on average vehicle value for two vehicles. The calculation also accounts for the paid by the State through the Personal Property Tax Relief Act (PPTRA) portion of the tax.

Virginia Beach’s taxes and fees compare very favorably with other Hampton Roads localities. The table on the following page includes major tax rates and fees imposed on residents and visitors, and indicates that Virginia Beach rates are generally equal to, or are among the lowest of the major cities in Hampton Roads. Virginia Beach compares favorably to its neighboring cities in terms of the quantity and quality of its services and programs, while maintaining many of the lowest tax rates in the Hampton Roads region.

### Selected Tax Rates: Adopted FY 2017-18

	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
<i>In dollar amounts:</i>							
Real Estate (per \$100 /A.V.)	1.0025	1.05	1.15	1.30	1.07	1.24	1.22
Personal Property (Vehicles & Busine	4.00	4.08	4.33	5.00	4.25	4.50	4.50
Personal Property (Machinery & Tools	-	0.64	1.70	1.50	0.63	1.23	1.25
Automobile License	30.00	23.00	31.00	32.00	26.00	35.00	26.00
Cigarette (per pack)	0.75	0.50	0.85	0.90	0.75	0.85	0.85
Solid Waste Fee (per month)	23.00	-	28.01	30.16	19.50	26.43	30.55
<i>In percent:</i>							
Meals	5.5	5.5	6.5	6.5	6.5	7.5	7.5
Admissions	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Hotel	8.0	8.0	8.0	8.0	8.0	8.0	8.0

\* for Virginia Beach, the rate is one millionth of one cent, essentially zero. The Code of Virginia requires that localities assess and levy all classifications of personal property. With an adopted rate of one millionth of one cent, the City's Treasurer will not issue a nuisance bill. For the other cities, the effective rate is cited, which is a product of the tax rate multiplied by the assessment percentage. Using Chesapeake as an example, their tax rate is \$3.20, but they only assess 20% of the value, producing an effective tax rate of 0.64 cents (\$3.20 X 20%).

## Relative Measures of Tax Burden

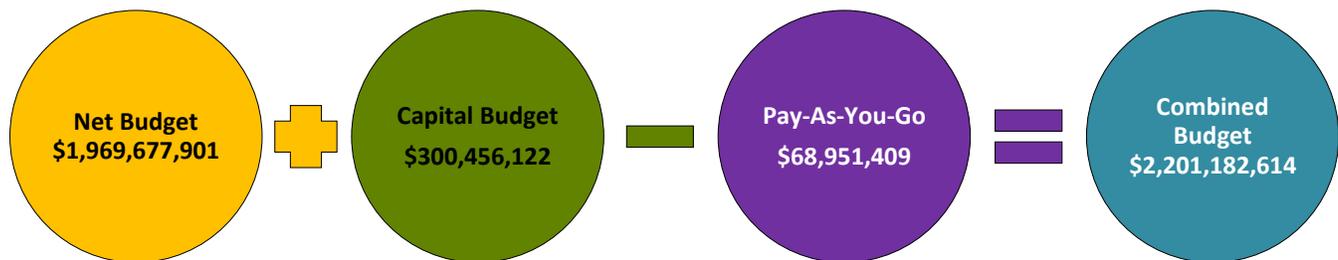
In addition to benchmarking local tax and fees with Hampton Roads localities, the City regularly compares its expenditures per capita. As the next table illustrates, Virginia Beach has the lowest expenditures as a percentage of per capita income (6.1%) as compared to the other Hampton Roads communities.

Locality	Per Capita Expenditures as a % of Per Capita Income
Virginia Beach	6.08%
Chesapeake	7.06%
Norfolk	8.73%
Portsmouth	9.64%
Suffolk	6.98%
Hampton	9.00%
Newport News	8.81%

Sources: Bureau of Economic Analysis; Auditor of Public Accounts; and Census Bureau.

# CAPITAL IMPROVEMENT PROGRAM (CIP) SUMMARY

The CIP includes appropriations to date, the Capital Budget (year 1) with years 2 – 6 included for planning purposes. Since capital projects usually require several years to complete, funding associated with the CIP does not close-out annually. Planning over a six-year horizon ensures that projects are planned appropriately, both from a physical and fiscal perspective. The FY 2017-18 through FY 2022-23 CIP (including Appropriations to Date) totals \$3.3 billion. Only year 1 (the Capital Budget) is appropriated. The combined total appropriations in the FY 2017-18 Operating Budget and Capital Budget are shown below.



Similar to the Operating Budget discussion concerning internal service funds and interfund transfers, pay-as-you-go funding (current revenue that pays for capital projects) must be netted from the Net Budget and Capital Budget or that funding would be duplicated. In total, the combined FY 2017-18 Combined Budget (Operating and Capital) included in the Resource Management Plan is \$2,201,182,614.

The CIP includes major projects, as well as other projects to improve the road network, rehabilitate recreation centers, construct parks, modernize schools, maintain utilities, and invest in technology. The Schools will receive \$56 million in FY 2017-18 to modernize and renovate schools and will receive almost \$278 million over the entire six-year program. Similarly, roadways will receive \$76 million next year to construct critical roads, and nearly \$338 million over the six-year program. School projects are primarily funded through the use of debt, while roadways use a combination of debt and State roadway funding. For more information on projects and financing, please refer to the complete Capital Improvement Program document on [vb.gov.com/budget](http://vb.gov.com/budget). In addition to schools and roadways, there are several other project categories.

Below is an overall summary of the six-year CIP by section:

## Capital Improvement Program

Project Type	Appropriations to Date	FY 2017-18 Capital Program Budget Year 1	Remaining Years of the Capital Program Budget Years 2 - 6	Programed 6 Year Funding
Schools	\$ 215,846,363	\$ 55,991,000	\$ 221,955,000	\$ 493,792,363
Roadways	440,959,472	76,191,164	260,701,515	777,852,151
Buildings and Assets	165,116,563	39,926,613	179,601,806	384,644,982
Parks and Recreation	66,270,177	6,604,270	41,628,850	114,503,297
Utilities	432,693,526	80,133,514	380,092,570	892,919,610
Coastal	51,271,883	15,270,000	68,943,934	135,485,817
Economic and Tourism Development	209,041,621	13,671,385	74,643,691	297,356,697
Information Technology	80,829,834	12,668,176	63,769,047	157,267,057
<b>Total Capital Improvement Program</b>	<b>\$ 1,662,029,439</b>	<b>\$ 300,456,122</b>	<b>\$ 1,291,336,413</b>	<b>\$ 3,253,821,974</b>

### Use of Bonds in the CIP

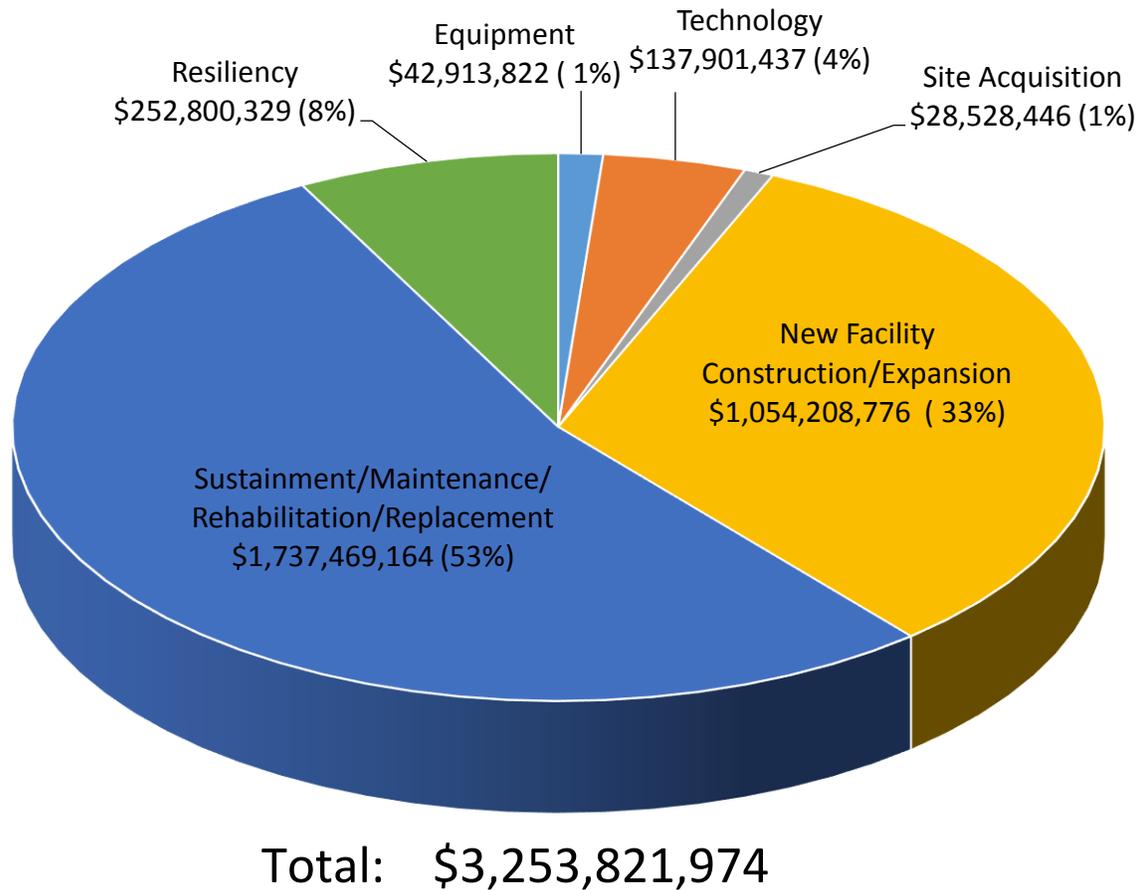
When financing the CIP, the City takes a generally conservative approach with the use of debt instruments. The City and Schools first maximize State and Federal revenue that are available to address capital projects, and then review the appropriate level of local cash sources like fund balances and pay-as-you-go sources. Bonds are then proposed for authorization to meet the goals of City Council and the construction needs of the community.

Generally, the type of bonds used in recent CIPs fall into three categories: charter bonds (general obligation bonds), public facility bonds (appropriation backed debt) and utility bonds (revenue bonds). Charter bonds receive their name because this type of debt instrument is specifically discussed in the city's charter. The amount of charter bonds available for authorization is the amount of general obligation principal paid in a given year plus \$10 million. Charter bonds are shared with the Schools. This debt instrument is backed by the full faith and credit of the City and, given the City's AAA bond rating, carries a lower interest rate. A summary of the charter bond calculation is available in the debt service section of the Operating Budget.

Another type of debt instrument authorized in recent CIPs are public facility bonds. These bonds are appropriation backed and carry a slightly higher interest rate than charter bonds. On the city side of the CIP, public facility bonds are generally backed by specific, dedicated funding sources. The Schools propose the use of public facility bonds with a projection of debt service to be funded within the City/School Revenue Sharing Formula.

Revenue bonds associated with the Water/Sewer and Storm Water Enterprise Funds are issued to finance utility related capital projects. This type of debt is not included in the overall debt indicators, and they have separate master bond resolutions.

### Total FY 2017-18 - FY 2022-23 Proposed CIP by



With a significant portion of infrastructure being over a half of a century old, the sustainment of infrastructure and assets is a major focus of the City’s Capital Improvement Program. With issues like sea level rise and record storms of late, the CIP also has a major focus on resiliency, which means residents along with the City’s infrastructure have the ability to withstand these unexpected events. Sustainment and resiliency represent over 60% of the Proposed \$3.3 billion CIP. Looking at the Capital Improvement Program and just focused on requests from CIP section managers, almost \$500 million of requested City capital projects could not be funded. The Schools also have a number of unfunded project needs listed in their CIP. Based on School’s current level of funding, the average age of each school will be 87 years old at the time of replacement.

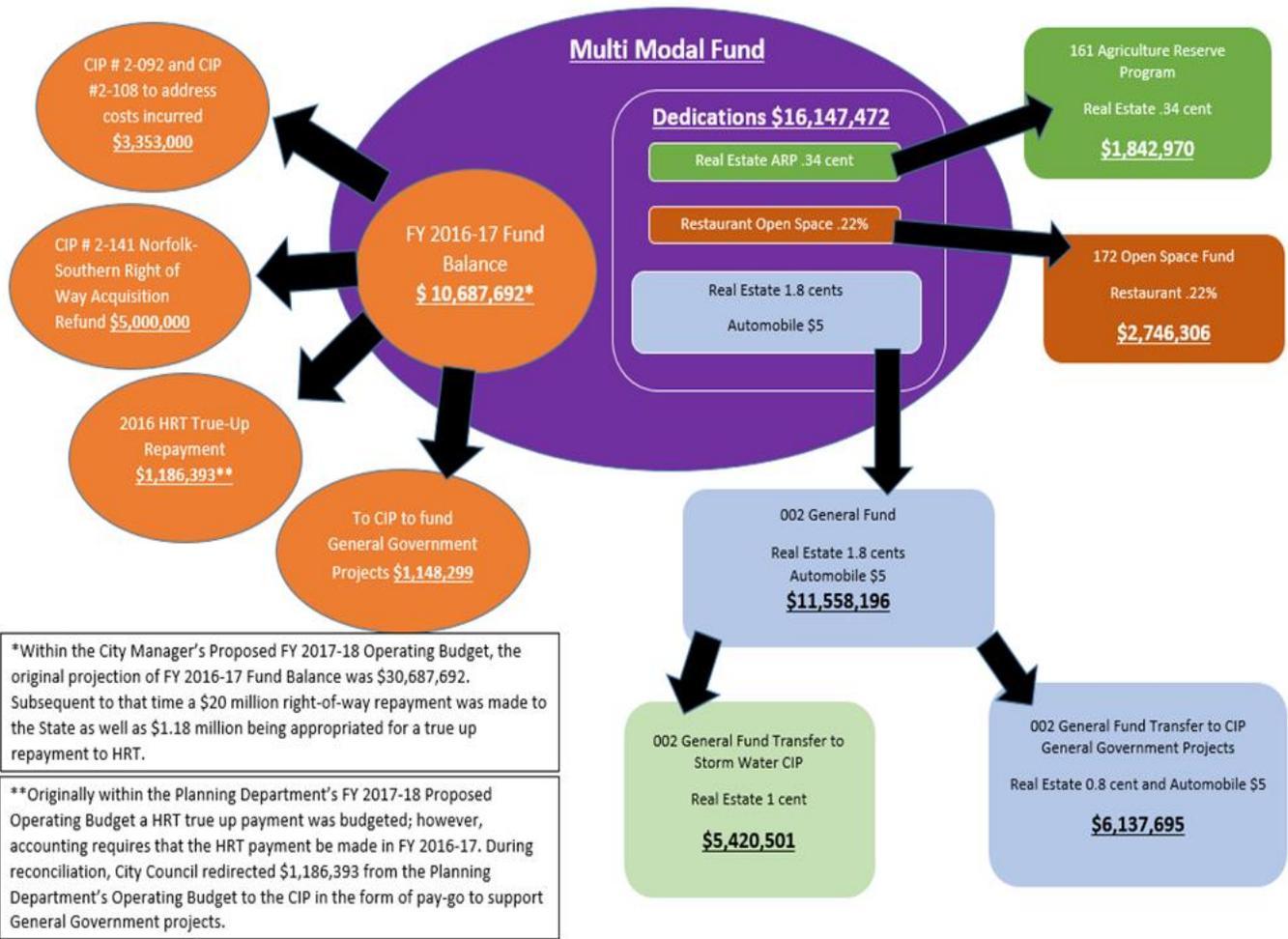
A major focus of the proposed CIP is to address many of the growth and replacement needs of our City infrastructure. Ability to address infrastructure needs has been limited in recent years. As previously discussed, revenue growth has been slow and has been directed to addressing Operating Budget drivers such as mandated VRS increases, health insurance costs, other State and Federal mandated programs. The recent economy has not afforded the City with the opportunity to undertake any major initiatives to address the growing backlog of infrastructure needs.

## Repurposing of Light Rail Funding

With the recent defeat of the Light Rail referendum, the funding associated with that program is being repurposed to address the City's infrastructure needs. The following diagram displays how the light rail funding within the Multimodal Fund is being used in the proposed Resource Management Plan. On the left side of the diagram, the anticipated fund balance of \$10,687,692 is allocated to address the \$3.3 million expended on light rail and \$5 million repayment to the Federal Government for purchasing the right-of-way. The \$5 million is proposed as a CIP project for full visibility and will be expended according to negotiated terms. \$1.15 million is being redirected to address general government infrastructure needs, while \$1.19 million will be used to pay the FY 2015-16 true-up costs to Hampton Roads Transit (HRT).

On the right side of the diagram, 0.34 cents of the real estate tax will be redirected back to the Agricultural Reserve Program Special Revenue Fund. The real estate tax was originally established in FY 1994-95 and 9,610 acres have been enrolled into the program to date. The focus of the 0.34 cents will be the preservation of property in the transition area.

Open Space funding of .22% of the total 5.5% restaurant tax rate will be redirected back to the Open Space Fund to be used for the development and maintenance of open space and parks infrastructure. Open Space funding was established in the FY 2001-02 Capital Improvement Program.



Revenue totaling 0.8 cent of one cent of the real estate tax and \$5 of the Automobile License will be used to address significant capital projects. A funding plan is established with these funds to ensure that these projects can be funded.

The following is a list of projects that either needed additional funding for completion of existing projects or new projects:

<b>General Government Projects Supported through .8 cent Real Estate and \$5 Automobile</b>	<b>6-year program</b>
2125000 Indian River Road Phase VII-B	6,430,000
2126000 Laskin Road Phase I-A (VDOT)	14,000,185
2127000 I-264/Independence IMR	500,000
2130000 Buccaneer Road Bulkhead Replacement	4,500,000
2131000 Pungo Ferry Bridge Rehabilitation (Structure No. 134-8029)	3,900,000
2135000 Cleveland Street Improvements IV	13,647,000
2138000 Atlantic Avenue Reconfiguration	245,000
2501000 Nimmo Parkway Phase II	3,500,000
3028000 Aquarium Marsh Pavilion Enhancements	1,365,680
3047000 Landfill #2 Phase 1 Capping	6,242,000
3071000 VA Beach Public Library Transformation	5,835,215
3072000 City Hall Planning and Concept Development	50,000,000
3075000 Fire/EMS Station Burton Station	6,850,000
3122000 Police Department Helicopter	9,000,000
3136000 Various Buildings HVAC Rehabilitation & Renewal III	660,000
3139000 Various Site Acquisitions II	1,035,000
3140000 Energy Performance Contracts (City)	3,100,000
3205000 Judicial Center Escalator Replacement	4,073,055
3292000 Virginia Aquarium Marine Animal Care Center	750,000
3504000 Beach Maintenance Facility	25,840,340
3615000 CIT-Business Rev/Personal Property RACS Implementation	350,000
3664000 CIT-Next Generation Network	8,320,659
3697000 City Software Upgrade/Replacement Plan	12,831,800
3695000 21st Century Enterprise Resource Planning (ERP) System	1,000,000
8020000 Bay Beaches Resiliency Study and Restoration	4,125,000
8021000 Croatan Beach Restoration	1,760,000
8409000 Chesapeake Beach Restoration	6,650,000
9028000 Lynnhaven Corridor Improvements	4,000,000
9030000 VA BEACH BIO Infrastructure - I	3,349,000
9040000 18th St/ViBe District Street Improvements II	3,499,450
<b>6-year total</b>	<b>207,359,384</b>

It should be noted that the funding plan also leveraged other funding sources including completed project funding, Fund Balance from the General Fund, and Charter Bonds. As you can see from the list, these projects range from roadways, to maintenance/replacement of city assets, investments in technology, furthering our economic development strategies and the resiliency of protecting our natural resources through beach replenishment.

Using the remaining 1 cent of the real estate tax with an annual increase in the ERU rate of 2.5 cents over five years provides an additional \$316 million investment in Storm Water over the next 15 years. The impacts of Hurricane Matthew were significant to over 2,500 homes, of which, over 1,400 were flooded in our City and the need to invest in our storm water assets were magnified. Recent storms and sea level rise have demonstrated the need for this investment and focus on resiliency.

The following storm water projects either had funding added to them or are new projects in the proposed CIP.

<b>Storm Water Projects Supported through 1 cent Real Estate and 2.5 cent ERU Rate increase</b>	<b>6-Year Program</b>	<b>15-Year Program</b>
7042000 Surface Water Regulatory Compliance Program I	7,800,000	19,500,000
7406000 Elizabeth River TMDL Implementation Plan	5,500,000	10,000,000
7414000 Storm Water Quality Enhancements - II	14,550,000	46,950,000
7153000 Lynnhaven Watershed Restoration	4,400,000	4,400,000
7410000 Southern River TMDL Implementation Plan	1,250,000	3,050,000
7043000 Water Quality and Restoration Participation Projects II	100,000	100,000
7411000 Oceanfront Storm Water Facilities Maintenance	5,400,000	13,500,000
7412000 Storm Water Pump Station Modifications	3,000,000	7,500,000
7400000 Aragona Drainage Improvements	1,400,000	1,400,000
7027000 SWM Master Planning, Analysis and Inventory	2,300,000	2,300,000
7047000 Ashville Park Drainage Improvements (Partial)	9,000,000	15,300,000
7048000 Sherwood Lakes Drainage Improvements (Partial)	3,000,000	3,000,000
7151000 Eastern Shore Drive Drainage	30,400,000	47,900,000
7028000 Windsor Woods Drainage	16,500,000	31,100,000
7050000 Princess Anne Plaza Drainage Area	20,000,000	66,000,000
7053000 Lake Chubb/Bradford Lake	6,504,600	16,261,500
7051000 The Lakes Drainage Improvements	2,000,000	28,000,000
<b>6-year total</b>	<b>133,104,600</b>	<b>316,261,500</b>

Even with the focus on addressing these critical infrastructure needs in the proposed CIP, there is still a significant backlog of needed roadways and school projects. The State has significantly reduced its funding to localities to help offset infrastructure needs. Lottery funds and State construction grants were an important part of financing the Schools CIP need before the Great Recession. The State has redirected these funding sources within their state budget. In addition, urban roadway funding no longer exists and competitively obtained smart scale grants are now used as the primary mechanism for the State to fund roadway projects. Due to the elimination of urban roadway funding, the real estate tax ordinance has been modified to remove language related to urban roadway funding

## Backlog of Roadway and School Projects

With limited State funding available and the list of backlogged schools and roadway projects growing, City Council may want to consider a referendum in November 2018 to address these needs. Similar to the light rail referendum, citizens could vote as to whether roadway and school projects could be supported by a tax increase. The roadway and school projects below provide an example of the type of projects that could be included on a referendum.

### Roadways Project Backlog Not Funded

<b>Project Name</b>	<b>Description</b>	<b>Estimated Cost</b>
Indian River Rd/Princess Anne Rd Intersection Imp	Intersection improvements at PA/IR to increase capacity	\$ 6,521,937
Laskin Road Phase I-B	Red Robin Road to Oriole Drive	\$ 19,182,093
Laskin Road Phase II	Oriole Drive to the 31st/30th Street split	\$ 10,596,210
Laskin Road Phase III	Republic Road to I-264	\$ 33,478,352
Nimmo Parkway Phase II	West Neck Rd to the intersection of Landstown Rd Ph. III	\$ 33,961,739
Sandbridge Rd-Nimmo PKWY Ph VII-A	Sandpiper Road to McClanan's Curve	\$ 14,005,837
Nimmo Parkway Phase VII-B	Albuquerque Drive to McClanan's Curve	\$ 26,817,620

Project Name	Description	Estimated Cost
Princess Anne Road Phase VII-A	Sandbridge Road to Seaboard Road	\$ 8,393,979
Shore Drive Corridor Imp. Ph IV	Marlin Bay Drive to East Stratford Road	\$ 12,508,645
<b>*Cost for projects in red represent the balance remaining to complete project.</b>		
Birdneck Road	I-264 to Virginia Beach Boulevard	\$ 13,970,880
Clearfield Avenue	Virginia Beach Boulevard to Cleveland Street	\$ 9,802,000
Dam Neck Road - Phase I	Princess Anne Road to Holland Road	\$ 31,000,000
Dam Neck Road - Phase II	Holland Road to Drakesmile	\$ 34,800,000
Dam Neck Road - Phase III	Drakesmile to London Bridge Road	\$ 48,900,000
Drakesmile Road Extended	Dam Neck to Holland Road	\$ 15,335,020
Drakesmile Road Extended - Phase II	Holland road to Princess Anne road	\$ 12,000,000
Elbow Road Extended Phase II-D	Meadow Crest/Margaret Dr to VB Amphitheater	\$ 27,273,630
Ext. of the Municipal Area Network (MAN)	30 additional miles of fiber optic cable	\$ 1,500,000
Ferrell Parkway	Indian Lakes to Pleasant Valley	\$ 33,644,160
Ferrell Parkway	Pleasant Valley to Salem Road	\$ 37,693,920
First Colonial Road	Old Donation Pkwy to Laskin Road	\$ 41,432,160
General Booth Boulevard	Birdneck Road to Oceana Boulevard	\$ 44,858,880
General Booth Boulevard	Oceana Boulevard to Dam Neck Road	\$ 29,240,640
General Booth Boulevard	Dam Neck Road to London Bridge Road	\$ 52,646,880
General Booth Boulevard	London Bridge Road to Nimmo Pkwy	\$ 18,068,160
Holland Road	South Independence Boulevard to South Plaza Trail	\$ 15,576,000
Holland Road	South Plaza Trail to Rosemont Road	\$ 29,415,040
Holland Road	Dam Neck to Rosemont Road	\$ 69,030,000
Holland Rd/Rosemont Rd Intersection	Widen Intersection to accommodate Dual Lefts	\$ 56,585,000
Independence Boulevard	Northampton Boulevard to Haygood Road	\$ 61,369,440
Independence Boulevard	Pembroke Boulevard to Virginia Beach Boulevard	\$ 58,106,400
Indian River Road	West Neck to North Landing	\$ 79,812,000
Indian River Road	Elbow Road to North Landing Road	\$ 89,424,000
Indian River Road	Centerville Turnpike to Ferrell Pkwy	\$ 58,106,400
Jeanne Street	Constitution Drive to Independence Boulevard	\$ 5,566,000
Landstown Road Phase II	Extend Landstown 0.8 m South from 90° Bend	\$ 18,886,000
Landstown Road Phase III	Extend from Landstown Phase II to North Landing Rd	\$ 12,817,000
Landstown Road Phase IV	Extend from Landstown Phase III to Indian River Rd	\$ 18,000,000
Laskin Road Phase III	Great Neck Road to Republic Road	\$ 56,455,035
London Bridge Road	Dam Neck Road to Shipp's Corner Road	\$ 40,809,120
Lynnhaven Parkway	Holland Road to Princess Anne Road	\$ 73,830,240
Lynnhaven Road Bridge Replacement	South Lynnhaven Road over London Bridge Creek	\$ 3,000,000
Newtown Road	Baker Road to Virginia Beach Boulevard	\$ 28,000,000
Nimmo Parkway Phase III	intersection of Landstown Road Phase III to North Landing	\$ 34,217,061
North Great Neck Road	Virginia Beach Boulevard to Wolfsnare Road	\$ 32,398,080
North Lynnhaven Road	Virginia Beach Boulevard. to Lynnhaven Pkwy	\$ 14,572,800
North Lynnhaven Road	Virginia Beach Boulevard to Kings Grant Road	\$ 13,358,400
Pacific Avenue - Phase II	18th Street to 20th Street	\$ 3,500,000
Pacific Avenue - Phase III	15th Street to 18th Street	\$ 14,000,000
Project Name	Description	Estimated Cost
Pacific Avenue - Phase IV	20th Street to 23rd Street	\$ 15,000,000

Princess Anne Commons Road A	Landstown Center Way East 1200 feet	\$ 3,349,000
Princess Anne Road	Providence Road to Salem Road	\$ 17,000,000
Providence Road	Kempsville Road to Princess Anne Road	\$ 49,790,400
Rosemont Road	South Plaza Trail to Holland Road	\$ 42,678,240
Rosemont Road	Virginia Beach Boulevard to South Plaza Trail	\$ 26,479,200
Salem Road	Independence Boulevard to Elbow Road	\$ 21,068,000
Salem Road	Elbow Road to North Landing Road	\$ 62,606,000
Salem Road Extended	Landstown Rd SE 1.5 m to Nimmo Pkwy Phase III	\$ 35,614,000
Sandbridge Road	Princess Anne Road to Atwoodtown	\$ 67,573,440
Seaboard Road	Princess Anne Road (North) to Princess Anne Road (South)	\$ 20,665,680
Shore Drive	ECL Norfolk to Diamond Springs Road	\$ 6,072,000
Shore Drive - Phase II	Pleasure House Road to Treasure Island Drive	\$ 24,288,000
Silina Dr	Rosemont Road to South Lynnhaven Road	\$ 24,773,760
South Independence Road	Holland Road to South Plaza Trail	\$ 20,401,920
Virginia Beach Boulevard	I-264 to First Colonial Road	\$ 70,435,200
West Neck Parkway	North Landing to Elbow	\$ 62,726,400
West Neck Parkway Extended	North Landing Road to Indian River Road	\$ 35,100,000
West Neck Road	North Landing Road to Indian River Road	\$ 20,842,965
	<b>Total Backlog of Needs</b>	<b>\$ 2,130,930,963</b>

### Schools Facility Replacement Needs Not Funded

Elementary School	Middle School	High School
B.F Williams	Kempsville	Princess Anne
Princess Anne	Plaza	Kempsville
King's Grant	Lynnhaven	First Colonial
North Landing	Independence	Bayside
Green Run	Bayside	Green Run
Fairfield		Tech Center
Kingston		
Alanton		
Holland		
Point O' View		
White Oaks		
Indian Lakes		
<b>\$ 30 million*</b>	<b>\$ 78 million*</b>	<b>\$ 115 million*</b>

\*Cost reflected are the average cost of replacement by school type in FY 2017-18 dollars.

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# CITY COUNCIL’S VISION

## “A COMMUNITY FOR A LIFETIME”

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The City Council’s vision for the City is to create “A Community for a Lifetime”. This simple but powerful statement encompasses so much and guides the City in all the programs and services that we provide.

In order to make this vision actionable, the City Council meets annually to discuss the goals that will bring the vision to reality. These goals are critical to determining the priorities in the operating budget and CIP (these two documents together are called the Resource Management Plan).

For each goal, City staff has identified a series of high-level community indicators that provide insight into how the community is performing. While the City only has varying levels of influence on the performance of these indicators, they can help to identify areas where additional resources may be needed.

At their most recent retreat in February, City Council added five new goals to their existing goals. Included in the next several pages are the community indicators associated with each of these goals, and examples of specific initiatives and projects included in the FY 2017-18 Resource Management Plan that will help achieve these goals.



# I. GROW THE ECONOMY

A growing economy provides citizens with the jobs and opportunities to support their families. It also helps to expand and diversify the tax base, which provides the necessary revenue for the City to provide services and amenities. Economic Strength and diversity are also key components of being a resilient community.

While the City has a role in the growth of the economy, there are a multitude of external factors that are also in play. The table below includes some of the performance metrics that the City monitors when assessing the local economy.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average Monthly Employment	216,854	217,654	206,585	212,145	215,118	215,996	218,681	221,183	220,565	219,060
Average Monthly Unemployment Rate (%)	2.8	3.6	6.0	6.5	6.1	5.7	5.4	4.9	4.3	3.9
Average Weekly Wage (\$)	\$668	\$682	\$697	\$708	\$731	\$759	\$749	\$765	\$783	\$773*
Median Household Income (\$)	\$61,462	\$65,776	\$59,298	\$64,212	\$64,614	\$61,126	\$62,855	\$68,816	\$67,281	N/A
Residents Satisfied with the Job Opportunities in Virginia Beach (%)	80.2	N/A	69.8	N/A	73.7	N/A	78.3	N/A	76.9	N/A
Number of Startups per 100,000 Residents	135.2	104.6	105	95.9	90.2	106.6	120.9	120.9	130.1	N/A
Patents per 100,000 Residents	7.4	7.3	6.2	10.0	6.3	8.0	10.5	8.9	7.9	N/A
Average Monthly Jobs	177,354	173,772	165,928	164,022	162,574	164,585	169,419	171,026	173,655	176,404*

\*Figure represents the first three quarters of 2016, other figures represent full year

Please note with the table above and on subsequent pages, data is provided when available. The years noted above are calendar years unless otherwise noted. In some cases, data has not yet been released for calendar year 2016.

As with all of the goals, the City is constantly looking for ways to improve and diversify the local economy. Some of the initiatives in the Resource Management Plan that are intended to grow the local economy are outlined below. These initiatives are aligned with the City Council’s desire to:

- Create job opportunities with higher pay for residents to work in Virginia Beach
- Establish a reasonable property tax rate through a more diverse tax base resulting in more revenues for the City
- Create a local economy more insulated from an economic downturn
- Develop opportunities to start and grow a business in Virginia Beach
- Provide greater convenience in residents’ daily lives – less commute time and more time for family

## City Continues to Expand its Biomedical Initiative

Virginia Beach BIO, which is an effort to establish Virginia Beach as a destination for groundbreaking research and development, and as the headquarters of some of the world’s leading innovators in the bio-related industry, continues to expand. For the third consecutive year, the City has set aside funds to help attract bio medical and related firms to the City of Virginia Beach. The City will also invest in the infrastructure needed to ensure that firms can move quickly when deciding to locate or relocate to Virginia Beach.

The CIP includes funding to design and construct a two-lane undivided parkway, including utility infrastructure, to support this initiative. The project represents the first phase of what is anticipated to be a multi-phase infrastructure program.

While these investments are important and will certainly make the City competitive in attracting these businesses, it is equally important that the City be aggressive in recruiting these businesses. The Operating Budget also includes an increase in advertising for the Department of Economic Development to reach out to companies worldwide.

## ViBe District Continues to Grow

Since the creation of the ViBe Creative District in 2015, the City has invested in this area through a variety of projects to help revitalize the area, encourage artist engagement, and stimulate new business growth. The City's work to enhance the ViBe District has included improving connectivity by enhancing the walking and biking infrastructure, ensuring adequate parking is available, and improving the roads in and around the area. These improvements ensure that residents and visitors can easily explore the ViBe via walking, biking, or driving. In addition, the City has invested in the beautification of the district by planting trees and working with local businesses and artists to make the ViBe a cultural cornerstone of the City through the use of murals and other art installations.

## London Bridge Commerce Center Infrastructure Improvements

Project 9-021 London Bridge Commerce Center Infrastructure Improvements I provides funding for Phase I road and utility infrastructure improvements to support the initial development of an 18-acre industrial park, which is being managed and marketed by the Virginia Beach Development Authority (VBDA). This project advances the goals of Economic Development and the VBDA thru the conversion of non-conforming property to be developed in accordance with the Oceana Land Use Conformity Program to eliminate non-conforming commercial uses and attract conforming uses to the Accident Potential Zone 1 (APZ-1).

## ARP Funding Restored

In FY 2015-16, the City's dedication to the Agricultural Reserve Fund was reduced from 0.9 cent of the real estate tax to 0.56 cent (this dedication was redirected to the Multi-Modal Fund). Included in the Proposed Budget is returning this funding to the Agricultural Reserve Program to preserve property in the Transition Area of the City.

## II. CREATE A FINANCIALLY SUSTAINABLE CITY PROVIDING EXCELLENT SERVICES

The City of Virginia Beach provides excellent and varied services to our citizens as evidenced by our excellent school system, public safety response, waterway and beach amenities, well-maintained infrastructure, library system, parks and recreation amenities, and cultural facilities. As each Operating Budget is prepared, staff ensures that services are sustainable in the long-run.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Pounds of Solid Waste Produced per Capita per Day - FY	2.58	2.46	2.38	2.45	1.83	1.68	1.63	1.58	2.52	2.55
Recycling Rate	N/A	N/A	N/A	N/A	N/A	41.2%	39.9%	37.4%	48.4%	N/A
Water Consumption per Capita (Gallons per Day) - FY	76.2	76.2	75.8	72.5	74.5	68.5	66.9	65.7	64.2	N/A
Residents Who Agree they Can Conveniently Access City Services	95.4%	N/A	95.4%	N/A	93.8%	N/A	95.4%	N/A	94.6%	N/A
Residents Who "Overall" Are Satisfied with City Services	93.4%	N/A	91.4%	N/A	91.0%	N/A	93.8%	N/A	94.0%	N/A
Resident Satisfaction with the Courtesy of City Employees	94.2%	N/A	90.4%	N/A	91.3%	N/A	92.1%	N/A	91.0%	N/A

Below are some of the initiatives included in the Resource Management Plan related to this City Council goal. These initiatives are aligned with the City Council's desire to:

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

### Consolidated Services Bill Goes Monthly

Over the past few years, the City's consolidated services bill has continued to grow. The consent decree caused sewer rates to increase, while combating flooding and other issues related to sea level rise have necessitated increases to storm water rates. The City also introduced a solid waste management fee to provide a long-term funding source for this vital service. Over the past few years, more and more residents have requested that the City explore the possibility of converting the bi-monthly bill for these services into a more manageable monthly bill.

Based on the recommendations of a committee assembled by Councilmember Kane to evaluate the options for the consolidated services bill, the City is transitioning to a monthly bill for these services. Three additional account clerks are being added in the Public Utilities Department along with additional funding for postage and printing, but with no increase in water or sewer charges.

### New Staff and Financial System Will Help Maintain AAA Bond Rating

The impacts of Hurricane Matthew will certainly be felt in the City for years to come. The City is responding with a number of initiatives including an aggressive storm water program and various beach replenishment projects (discussed later in this section) to make the City more resilient. Much of the infrastructure necessary to make these improvements will be financed through the use of bonds. The City's ability to maintain its AAA bond rating will be critical in keeping the interest paid on these bonds as low as possible.

While most of the attention is given to the infrastructure that goes into the ground, having the right financial infrastructure is equally important. The budget includes \$1 million to begin the process of replacing the City's 18 year old financial system. The Finance Department will also be adding two positions that will provide critical oversight allowing the City to better leverage cash flow; reduce the cost of payment processing; identify areas of risk; and work

with management across the organization regarding financial process and system implementation, remediation and training.

## Administrative Support Positions Added to Free up Professional Staff

Administrative work is critical, especially in government with the many rules and regulations that govern much of the City's work. Administrative support positions have been added in the Planning Department, City Attorney's Office, Communications Office, and STIR. These positions will take on many support duties such as payroll and bookkeeping that have been absorbed by professional staff in these departments. The addition of these positions will allow these professional staff to focus entirely on their mission critical functions and improve overall service delivery.

# III. IMPROVE THE TRANSPORTATION SYSTEM

Improving the transportation systems requires improving connectivity, providing alternative modes of transportation, and maintaining the infrastructure that allows citizens to travel to destinations as efficiently as possible.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Citizen Satisfaction with the Flow of Traffic	36.0%	N/A	39.6%	N/A	40.2%	N/A	51.6%	N/A	50.4%	N/A
Percent of Lane Miles in the Two Lowest Grades for Transportation Efficiency – City Roads	21.6%	21.6%	21.6%	20.3%	20.2%	19.9%	20.0%	19.0%	19.6%	N/A
Street System Meeting the Minimum Physical Condition Rating – City Roads	74%	73%	74.5%	76%	79%	82%	82%	81%	N/A	N/A
Bikability Score	N/A	46	N/A	46						
Percent of Residents Who Commute Using Alternative Forms of Transportation	18.5%	18.2%	16.6%	17.5%	17.4%	18.2%	18.7%	17.1%	16.3%	N/A
Walkability Score	N/A	31	N/A	33						
Commute Time (in Minutes)	23	22.5	22.9	23.4	22.4	22.6	23.6	23.8	24.1	N/A
Resident Satisfaction with the Planning and Construction of New City Roads	51.5%	N/A	48.4%	N/A	59.1%	N/A	70.2%	N/A	71.7%	N/A

Below are some of the initiatives included in the Resource Management Plan related to this City Council goal. These initiatives are aligned with the City Council’s desire to:

- ➔ Create greater ease of movement within Virginia Beach and region
- ➔ Establish more predictable and acceptable travel times from “Point A” to “Point B” within Virginia Beach
- ➔ Expand choices of transportation mode: car, trail system or public transportation
- ➔ Ensure safer streets for automobile, pedestrians and bike travel
- ➔ Provide quality public transportation linking Town Center, Convention Center and Oceanfront

## Traffic Modeling a Key to Efficient Roadway Network

The City has invested approximately \$1 million in developing macro- and micro-traffic simulation models of the City of Virginia Beach to optimize traffic flow. The budget for the Department of Public Works includes an additional Engineer position to become a subject matter expert through usage of the model and expanding and maintaining the model with current data to ensure it operates correctly.

## Roadway Projects to Improve the Overall Transportation Network

The CIP includes several roadway projects that are fully funded to provide maintenance/repair to areas in critical need; expand/improve existing roadways; enhance traffic capacity and residents travel time; and extend or build new roads that create a more sophisticated network of roadways by improving connectivity.

Several projects are included that address critical maintenance and repair needs. These projects are typically on-going in nature and receive a yearly allocation of funding. These include projects such as 2-022 Major Bridge Rehabilitation II (\$1.6 million per year) and 2-026 Street Reconstruction II (\$2.1 million per year).

Some projects exceed the funding capabilities of on-going projects and are standalone projects. These projects include 2-040 Laskin Road Bridge Replacement, 2-416 Sandbridge Road Bridge Replacement and 2-131 Pungo Ferry Bridge Rehabilitation. Each of these bridges are in poor to fair condition and require immediate maintenance. Costs to fund these projects total just over \$34 million. The City has been successful in acquiring \$10 million from the State for the Laskin Road Bridge project.

In addition to bridges, the FY 2017-18 CIP fully funds the maintenance and repair of bulkhead failures that have occurred near the Lynnhaven Inlet. Project 2-130 Buccaneer Road Bulkhead Replacement funds the replacement of the

existing aluminum bulkhead, which has failed, with a coated steel sheet pile system. This system is expected to have a service life of at least 50 years.

Other roadway projects are important in that they expand or otherwise improve existing roadways. Through the use of additional local resources, the City has successfully leveraged State and Federal revenue for several critically needed projects. These projects include 2-126 Laskin Road Phase I-A, 2-117 Shore Drive Corridor Improvements Phase III, 2-124 Elbow Road Extended Phase II-C, 2-152 Elbow Road Extended Phase II-B, 2-125 Indian River Road Phase VII-B, 2-069 Cleveland Street Improvements – Phase IV, 2-256 Indian River Road Phase VII-A, 2-195 Princess Anne Road Phase VII, 2-409 Centerville Turnpike Phase II and 2-419 Centerville Turnpike Phase III. Most of these projects are fully funded for the first time in Capital Improvement Program. These projects total \$321 million with local funding supporting \$165 million of the total cost.

Recently, it was announced that the City of Virginia Beach will be the site for a new veterans care facility to be located in the Princess Anne Commons area of the City. In coordination with the opening of this facility, funding is included to extend Nimmo Parkway from the current terminus at West Neck Road into Princess Anne Commons. This roadway extension will greatly improve the connectivity of Princess Anne Commons as this area continues to grow and attract the biomedical industry.

## Mass Transit Expanding

The Operating Budget includes increased public transit service hours by nearly 12,000 hours, totaling 181,586 in FY 2017-18. This includes the addition of a new seasonal route between the bay and the oceanfront.

# IV. REVITALIZE NEIGHBORHOODS & PLAN FOR THE FUTURE

Neighborhoods are where we live, work and play. They need to be safe with proper neighborhood amenities.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residents Reporting That Their Neighborhood is a Safe Place to Live	93.2%	N/A	93.6%	N/A	92.0%	N/A	90.7%	N/A	90.2%	N/A
Urban Tree Canopy	N/A	36%	N/A	36%	N/A	38%	N/A	38%	N/A	N/A
Resident Satisfaction with the Appearance of Their Neighborhood	89.4%	N/A	93.4%	N/A	88.0%	N/A	91.3%	N/A	90.4%	N/A
Resident Satisfaction with the Overall City Appearance	95.6%	N/A	94.0%	N/A	94.0%	N/A	92.3%	N/A	91.7%	N/A
Resident Satisfaction with City Efforts to Protect Natural Resources, the Environment, and Open Space	64.6%	N/A	70.9%	N/A	80.2%	N/A	81.3%	N/A	79.1%	N/A
Resident Satisfaction with the City's Planning for Residential Development	50.5%	N/A	61.7%	N/A	64.7%	N/A	72.2%	N/A	71.9%	N/A
Percent of Residents Living in a "Food Desert"	N/A	N/A	N/A	9.0%	N/A	N/A	N/A	N/A	6.8%	N/A

Below are some of the initiatives related to this City Council initiative in the Resource Management Plan. These initiatives are aligned with the City Council's desire to:

- Ensure protection of residents' property values
- Ensure safe homes and buildings in the City
- Create a more attractive and inviting city
- Ensure upgraded older, aging homes and buildings
- Ensure convenient access to commercial and retail areas

## Beach Restoration and Management Important to Protecting Property Values and Infrastructure

The CIP includes funding for a beach management program for Chesapeake Beach. This program will span from the Little Creek Amphibious Base to Baylake Beach and will address a number of issues such as beach ownership, applications for State and Federal permits, and the creation of a long term strategy to control erosion.

Funding is also included for Bay Beaches Resiliency Study and Restoration which will support the planning, design, and permitting necessary to establish a beach management program for the Cape Henry and Ocean Park beaches. Similar to the efforts at Chesapeake Beach, this program will ensure the long-term protection of the beach, enable applications for State and Federal permits, and secure funding for erosion control and storm protection.

Additional funding is also included to design, permit, and construct a beach and dune nourishment project to Croatan Beach. This project is needed to combat erosion and storm damage, and will restore the flat beach berm width to 50 feet while increasing the volume of the beach's dunes to minimize the potential for waves flowing over the top and damaging the nearby area.

## Open Space Dedication Returns to Develop and Maintain Park Assets

In FY 2015-16, the City's dedication to the open space program was reduced from 0.44% of the restaurant meals tax to 0.22% (this dedication was redirected to the Multi-Modal Fund). The Operating Budget restores the dedication of the restaurant meals tax to the previous amount. This funding will be used to continue the recreation related master planning and phased improvements for all properties previously acquired through the program. This includes the development of parks and athletic fields, trails, water access sites, and other passive recreation-related improvements on those properties as well as expanding the scope for the renewal and replacement of park infrastructure.

## New Kempsville Recreation Center Set to Reopen

In June, the "new" 87,116 square-foot Kempsville Recreation Center will open. The new recreation center will feature a more efficient use of space featuring a double gymnasium, indoor walking/jogging track, fitness areas with free weights, circuit weight equipment, cardiovascular equipment, group fitness class and dance space, an indoor pool with zero-depth entry, six 25-meter lap lanes, two 1-meter diving boards, aqua track, leisure pool and water play components, therapeutic recreation program space, locker rooms and family changing areas, three child development rooms, seven multipurpose rooms, a kitchenette, and improved parking and pedestrian access.

# V. BE A COMPETITIVE, FIRST CLASS RESORT FOR RESIDENTS, BUSINESSES, & TOURISTS

The resort area is a major driver of city revenues and quality of life for both residents and tourists. People from all over the world visit Virginia Beach and enjoy our sandy beaches, salty air, and world class amenities. The forward looking CIP continues to make this City Council goal an on-going reality.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Days with Beach Advisory	3	3	3	13	3	10	4	19	1	1
Citizen Satisfaction with the City's Museums, Aquarium, and Cultural Arts Activities	94%	N/A	93%	N/A	94.4%	N/A	95.6%	N/A	96.5%	N/A
Overnight Visitation (In Millions)	N/A	5.8	5.3	5.5	5.7	5.9	5.9	6.0	6.4	N/A
Percent of Visitors to Virginia Beach Traveling From Outside the US	N/A	8.6%	11.7%	7.9%	6.8%	4.8%	4.7%	5.9%	5.3%	N/A
Repeat Tourism	79.3%	78.7%	77%	75.2%	72.5%	74.7%	73.7%	76.8%	75.6%	75.8%
Summer Visitor Satisfaction Rating	89.9%	91.1%	92%	91.8%	93.3%	94.1%	92.7%	93.7%	92.5%	92.9%
Visitor Spending (In Billions)	N/A	\$1.15	\$1.06	\$1.13	\$1.22	\$1.28	\$1.31	\$1.37	\$1.40	N/A
Residents Who are Satisfied with the Public Beaches in the City	85.7%	N/A	88.6%	N/A	88.2%	N/A	89.1%	N/A	88.3%	N/A
Summer Visitor Satisfaction with Number of things to See and Do	N/A	N/A	N/A	N/A	N/A	96.1%	94.5%	96.3%	96.3%	95.7%

Below are some of the initiatives related to this City Council initiative in the Resource Management Plan. These initiatives are aligned with the City Council's desire to:

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

## Field House

In 2016, the City completed a sports marketing venue assessment and capacity analysis. This study recommended that Virginia Beach develop a new sports field house facility to enable growth of the City's sports marketing effort to attract more participatory sports events to Virginia Beach. Current facilities are fully booked by local sports leagues restricting the ability to access these facilities to attract new convention business in this growing market segment.

The facility will be a multi-sport, indoor sports center with key components including up to 12 regulation (high school) basketball courts, convertible to at least 12 volleyball courts; flexible court layout and use of multi-purpose flooring/mat options so other sports may use the venue (e.g., wrestling tournaments and gymnastics); team rooms; concessions and administrative offices. The facility must be sited within close proximity to the City's largest inventory of hotels, restaurants and attractions.

The CIP includes \$4 million in year one and an additional \$36 million in FY 2018-19 to construct this facility. The facility will be debt financed and the revenue to cover the debt service will come from the City's Tourism Investment Program (TIP).

## Arena Infrastructure Development

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 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. The project will be funded with public facility revenue bonds paid for by the Tourism Investment Program Fund and a proposed 5-year increase in the hotel tax of \$1 per room-night.

## Virginia Aquarium to Improve Customer Experience

In November of 2016, a market research firm conducted an analysis of the Virginia Aquarium and recommended that the department increase its ticket prices for adults from \$22.00 to \$24.95 and use the additional revenue to improve the overall guest experience. The firm highlighted that the most valuable aspect of the visit for customers was their interactions with Aquarium staff and educators. Included in the Proposed Budget are five positions to further enhance this aspect of their experience.

One position will focus on dive operations and be responsible for interacting with animals and guests from inside the tanks. Another will focus on education by giving talks to guests as well as answering any questions as they tour the facility. Two additional cashiers are included to process the additional ticket and membership sales and ensure that guests are able to maximize their time touring the Aquarium while minimizing the time they have to spend in line. Finally, one position will be responsible for day to day repairs and maintenance of the buildings to ensure the highest quality facility possible.

In addition to the positions related to the customer experience at the Virginia Aquarium, additional positions will be added in the Aquarium's Life Support area to address a critical need of higher demand for animal care and water quality monitoring, which was identified by the Association of Zoos and Aquariums in a pre-accreditation inspection. A coordinator for the Sensible Seafood Program has been added, and fully funded by the Virginia Beach Aquarium Foundation to develop updated program guidelines, recruit and train partners, and lead media and outreach efforts. Additionally, \$100,000 has been included to enhance conservation in support of efforts in the region to preserve and protect the marine environment.

In addition to the new staff being added at the Aquarium, several CIP projects will dramatically improve the venue as a destination for tourists and locals. The CIP includes \$13.6 million to expand the Aquarium Marsh Pavilion to include the creation of children exhibit play areas, renovation of existing exhibit areas, modifications to the trail to include the outdoor theater, a more welcoming entrance, landscape enhancements, visitor amenities, and refurbishment of the Pavilion's gift store, support areas and theater. The Marsh Pavilion enhancements represent the first phase of the implementation of the Master Plan for the Virginia Aquarium. Enhancements to the existing building would include new exhibit areas, and an outdoor theater area.

## Aquarium Marine Animal Care Center to Relocate

Funds are provided in the CIP for the relocation of the Virginia Aquarium Marine Animal Care Center from a leased building to a 3-acre site to be purchased from the Navy. The new site provides a secure location with access to seawater and will include two buildings totaling about 18,000 square feet, parking and staging areas, and a sea water collection system.

## Additional Funding for Tourism Marketing

The Tourism Advertising Program (TAP) Fund has dedicated revenue to enhance the City's tourism marketing efforts. Over the last few years, \$1 million of advertising related positions and expenditures were moved from the General Fund to the TAP Fund, which helped to sustain the Convention and Visitor's Bureau during the recession. The Proposed Operating Budget includes \$1 million to transition these expenditures back to the General Fund, which will free-up capacity for advertising and other activities to promote the City as a year-round tourism destination.

## VI. BE THE SAFEST CITY IN VIRGINIA

Virginia Beach has long been recognized as one of the safest cities of its size in the country. One of the City Council's top priorities is keeping it that way. At their February 2017 retreat, "Be the Safest City in Virginia" was the first of five new goals to be added to the current five council goals. To make Virginia Beach the safest city in Virginia, people, be they residents, guests, or just passing through, must feel safe anywhere at any time.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Age Adjusted Mortality Rate	691.3	707.8	709.4	690.7	686.9	689.3	691.3	N/A	N/A	N/A
Founded Cases of Child Abuse per 1,000 Children	5.9	4.5	5.0	5.1	4.1	3.3	3.3	2.4	2.3	N/A
Property Crime Rate	30.4	29.2	30.9	30.4	27.9	26.5	25.3	21.9	22.3	
Violent Crime Rate	2.5	2.4	2.1	1.9	1.8	1.7	1.5	1.4	1.3	N/A
Substantiated Reports of Abuse, Neglect, or Exploitation of Elders and Incapacitated Adults	2.3	1.9	2.2	2.2	2.1	2.3	2.0	1.7	1.5	N/A
Infant Mortality Rate	7.4%	5.8%	5.5%	7.0%	6.9%	6.1%	5.7%	N/A	N/A	N/A
Low Birth Weight Babies	8.5%	8.0%	6.9%	7.9%	8.2%	8.5%	7.2%	7.6%	N/A	N/A
Primary Care Physicians per 100,000 Residents	N/A	N/A	N/A	N/A	87.7	87.7	77.0	77.3	N/A	N/A

The Property Crime Rate and the Violent Crime Rate shown are calculated using data compiled by the Virginia State Police and published in *Crime in Virginia*. The State Police reports in an Incident Based Reporting format, while the Virginia Beach Police Department uses the Uniform Crime Reporting format. While UCR reports the most serious crime occurring during an incident, IBR counts all crimes occurring during the event. For example, if a Murder and Rape occurred on the same victim during the same "event", both would count towards IBR, while UCR only the murder would be counted.

Below are a number of major public safety initiatives included in the Resource Management Plan. These initiatives are aligned with the City Council's desire to:

- Residents feel safe throughout city
- Decrease opioid addiction
- Increase access to quality health care
- Increase property values
- Increase business relocations and openings
- Engage citizens

### Lessons Learned in the Aftermath of Hurricane Matthew Lead to EOC Upgrades

In the aftermath of Hurricane Matthew, the City quickly determined that the current Emergency Operations Center (EOC) could improve the appropriate technology, equipment, and security features necessary to operate during a large scale event. To address this critical public safety need, funding is included to renovate the EOC. The EOC spaces will be renovated to meet changes in the operational needs of a modern facility to include video and communications upgrades as well as new furnishing and fixtures. This project is being funded through the 30 cents portion of the personal property tax that is dedicated for public safety.

In addition to the renovation work to be performed at the EOC, the Operating Budget includes funding for an additional Public Safety Analyst in the Office of Emergency Management (this Office was created in FY 2016-17 and was formerly a division of the Fire Department). This new position will assist with providing comprehensive emergency management, disaster response and recovery planning initiatives. It will also focus on assisting with the completion of the Emergency Operations Plan and annexes.

## Police Department adds new Equipment, Technology and Additional Officers to Keep the City Safe

The Police Department will begin the process of replacing both of its helicopters which are used for regularly scheduled patrols and when air support is needed. A phase-in contract is planned for the new helicopter, which would enable the sale of a helicopter in FY 2017-18 and the sale of the remaining helicopter in FY 2020-21. The Police Department has also received funding to begin the second-year phase-in of police body cameras. The Police Department, Commonwealth Attorney's Office, Information Technology, and Budget and Management Services developed a plan for a four-year phase-in of police body cameras with the first phase being funded in FY 2016-17. The Police Department is currently meeting with vendors and analyzing the type of equipment needed.

The Police Department is adding a total of twelve new positions in FY 2017-18, two of these positions will be dedicated to meeting the current phase-in schedule for body cameras and the remaining ten will be additional Police Officers. These ten police officers will be the second year of a five-year strategic budget phase-in effort to increase the number of police officers serving the public. Ten police officers were also added to the FY 2016-17 Operating Budget.

## Sheriff's Department Gets New Technology and Staff

To help in the supervision and care of inmates, the Sheriff's Office will receive funding for technology improvements and additional personnel to aid in staff development and handle additional workload. Technology improvements include inmate tracking and status monitoring equipment involving a passive Radio Frequency Identification (RFID) system through a handheld device.

In compliance with the Virginia Administrative Code to ensure maximum visitation opportunities, this budget funds the upgrade and renovation to visitation equipment, which would allow for remote visitation by attorneys, law enforcement officers, and inmate family members.

Additional Sheriff's Office staff will aid in the medical care of inmates and provide additional training to expand the skill set of deputies. Three additional deputies will help escort medical staff, accompany inmates to medical appointments, and provide hospital watches for inmates admitted to hospitals. All hospital watches require one-on-one custody. In addition, three certified instructors are included to provide certification training, which meets the mandates of the Department of Criminal Justice Services. Those who undergo the 100-hour field training requirement will be certified and be able to come to the aid of other local law enforcement agencies within the City when needed.

The Operating Budget also includes funding for outside assistance in the promotional testing process, training assessments and entry-level testing to determine whether candidates possess the basic skills necessary to perform effectively. Additionally, development and implementation of job-related physical ability exams will help screen out candidates unable to perform minimum physical requirements of the job. This analysis will aid the Sheriff's Office in selecting qualified candidates.

## Fire Department to Create a Fifth Battalion

Additional funds have been included in the Fire Department's budget for a new District Chief, a Captain for the Fire Prevention Bureau, and three Battalion Chiefs to create a fifth battalion. These positions are intended to ease the administrative strain that has resulted from the growth the department has experienced since the creation of the fourth battalion in 1984. In addition, the new District Chief will provide additional operational oversight for cases in which two incidents, or one large scale incident, are occurring in the City.

In addition, \$19 million is included over the six year Capital Improvement Program for the replacement of several fire apparatuses. Each apparatus has a useful life of ten years and several of the units that will be replaced have been repaired multiple times to extend their useful life well beyond this threshold.

## New Fire and EMS Station at Burton Station Should Greatly Enhance Service

Project 3-075 Fire/EMS Station Burton Station is included for the design and construction of a new Fire and EMS Station to serve the residents and businesses in the Burton Station area of the City. The station will be a three-bay station and will have administrative office spaces, a day room, a kitchen, sleeping quarters, a locker room and apparatus bays, and will house 30 firefighters and 4 EMS personnel. The construction and staffing of this new station should improve fire and EMS response times in this area of the City.

## Additional Staffing for Ambulances During Peak Call Times

EMS call volume continues to increase, with a high percentage of calls (76%) requiring treatment and transport to area hospitals. Peak call demand occurs within the hours of 9:00 a.m. to 9:00 p.m. In addition, there has been a decline in recent years of volunteer members, which includes those specifically available to work during these peak call volume periods. This has created the need for two or more staffed ambulances per day during these peak hours.

Nationwide, the ideal target for ambulances being on call (referred to as “unit hour utilization” or UHU) is 45% of the time. This is considered the ideal usage rate for efficient use of personnel, acceptable response times and acceptable workload. EMS ambulances consistently exceed this target during peak call demand period with UHU rates ranging from 51% to 59%. This is also the period when a higher percentage of critical calls are handled, stretching the Advanced Life Support-certified volunteers and career medics. Excessive workloads are linked to lower morale and retention of EMS personnel.

To reduce ambulance usage rates to more acceptable levels, additional resources have been provided. Funding is included in the operating budget to hire six (6) paramedics and related support costs.

## Additional Resources to Address Backlog in EMS Training

The number of certified volunteers has declined over 29% from 697 in FY 2013 to 492 in FY 2017 or an average decline of 8.3% annually. As a result of the department’s efforts to address Council’s priority to increase recruitment and retention of volunteer medics, there has been a marked increase in candidates applying to be volunteer medics. From January 2016 through December 2016, enhanced recruitment efforts have produced an increase in applications of 35% over the same period in 2015.

This increase in applications has resulted in more than twice as many volunteers being approved for membership in 2016 (458) than there were in 2015 (226). The number of volunteer medic candidates requiring training exceeds the capacity of the EMS training staff comprised of 5.5 FTEs, which can lead to waiting lists and loss of potential volunteers. The recently concluded City Auditor’s report, that examined volunteer recruitment and retention, gives conclusive evidence to support this issue.

Included in this budget is funding for one additional full-time Paramedic, the conversion of one part-time Instruction Supervisor to full-time, and related support costs (e.g. instructional materials, supplies, contractual proctors) to increase and sustain EMS training capabilities. These additional resources will enable EMS to increase the number of Emergency Medical Technician (EMT) Basic Life Support (BLS) classes/academies from five to eight, reduce class size from 50 to 40 and increase the percentage of students graduating from 55% to 65%. Increased frequency of classes and smaller class size should improve retention of volunteers.

# VII. WE ARE AN INCLUSIVE COMMUNITY THAT IS WELCOMING AND EMPOWERS ALL

Virginia Beach strives to be a city in which all its residents feel welcome and empowered to engage in their community. To this end, the City is working to bolster the range of services offered to residents to ensure that all their various needs are met while engaging with the public to build awareness and ensure the equitable access to all City services and programs.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Homeless Population	N/A	N/A	N/A	517	428	440	456	440	419	389
Poverty Rate - Children	10.0%	9.5%	9.6%	10.5%	12.4%	15.5%	13.0%	11.5%	11.9%	N/A
Poverty Rate - Elderly	5.4%	4.4%	4.9%	5.0%	5.1%	4.9%	7.2%	6.6%	3.5%	N/A
Poverty Rate -Individuals	6.4%	6.5%	6.4%	7.5%	8.6%	8.8%	8.8%	8.2%	7.9%	N/A
Residents who are Satisfied with City Services for Needy or Homeless Families	73.4%	N/A	74.3%	N/A	71.9%	N/A	74.5%	N/A	72.5%	N/A
Residents Who are Satisfied with City mental health and intellectual disability Services	83.2%	N/A	82.2%	N/A	82.8%	N/A	79.1%	N/A	81.0%	N/A
Renters Paying in Excess of 30% of Median Household Income for Housing Expenses	47.8%	48.3%	49.5%	53.5%	54.9%	55.2%	53.1%	52.5%	54.5%	N/A
Homeowners Paying in Excess of 30% of Median Household Income for Housing Expenses	36.3%	35.3%	40.0%	37.8%	35.3%	33.6%	31.4%	28.9%	29.3%	N/A

Below are some of the key initiatives included in the Resource Management Plan related to this goal. These initiatives are aligned with the City Council’s desire to:

- ➔ Establish exciting neighborhoods and events
- ➔ Create a comfortable and welcoming communities and neighborhoods
- ➔ Ensure easy access to government participation and services

## Housing Resource Center Becomes a Reality

The Housing Resource Center (HRC) is scheduled to open in April 2018. The 62,000 square-foot facility will replace and expand existing homeless services currently offered at the Lighthouse Center. To ensure the HRC is adequately staffed upon opening, twelve new positions are included in the operating budget of the Department of Housing and Neighborhood Preservation. In addition, current staff will be transferred from the Lighthouse Center to the HRC.

The Department of Housing and Neighborhood Preservation will manage the facility and the services. Some of the services will include intake, assessment, housing location assistance, case management, and sheltering. The facility will also have 30 efficiency apartments and day services such as laundry, showers and computer access.

The HRC will also offer health clinic services for everyone eligible, including residents of the surrounding community. The Department of Human Services will also be onsite offering key services to assist residents in obtaining benefits and services they qualify for. The Operating Budget includes \$1.6 million for the portion of the fiscal year that the facility will be open. Annual operating costs for the first full year of operations are projected to be \$2.1 million.

The Department of Housing and Neighborhood Preservation will also be adding two FTEs and one contractual position to assist the Housing Development Division. In the past, the functions of this division were handled through a contractual agreement. In December 2016, the department was informed that the provider would no longer oversee the program. In addition to other tasks, the Housing Development Division will be developing an implementation plan to address the trends highlighted in the Housing Needs Assessment study.

## Improvements to be made in the Structure and Function of Various Programs in Human Services

Additional resources and the conversion of temporary manpower to FTEs are included in the FY 2017-18 Operating Budget in various program areas within the Department of Human Services to address increased workload, meet State workload processing requirements, attract higher quality candidates, establish consistency in staffing, and provide a higher level of supervision. Overall, the department is adding 45.25 FTEs, although much of the cost is offset by a reduction in contracted manpower or additional State funding. Below are some of the program enhancements:

- ➔ Financial Assistance Unit (11 FTEs) to streamline application processes, improve customer service, meet State processing requirements, and provide supervision over fraud investigations (State funds 67% and City funds 33%);
- ➔ Child Welfare Unit (3 FTEs) to ensure use of promising and best practices for the best outcomes for the children served to move children toward permanent placements more quickly instead of remaining in foster care for years and increase supervision for Child Protective Services (State funded 67% and City funded 37%);
- ➔ Infant Toddler Program Unit (conversion of contracted manpower to 10 FTEs) to work directly with the children ages 0-to-3 years (and their families) encountering developmental delays to get them ready for mainstream schooling;
- ➔ Child and Youth Services (2 FTEs) to address an increase of 45-to-50 cases of children experiencing serious mental illness, who will need services provided through the Community Services Board and children's Services Act (fully funded by user fees);
- ➔ Adult Outpatient Services to accommodate same day access and provide critically needed psychiatric care on demand in preparation for compliance with the state Department of Behavioral Health and Developmental Services STEP VA (System Transformation, Excellence and Performance in Virginia) mandates, which are currently being piloted in eight CBSs across Virginia. Funding is provided for the addition of temporary psychiatric services;
- ➔ Continuous Quality Improvement (conversion of contracted manpower to 4 FTE) to provide a vast array of monitoring and compliance services to Human Services including handling highly sensitive and confidential information, clinical records review, policy and procedure development, state licensure and accreditation compliance and processes, records management, human rights compliance, and FOIA request responses;
- ➔ Intermediate Care Facilities (conversion of contracted manpower to 12.25 FTEs) to provide 24-hour residential care for 47 individuals with intellectual and developmental disabilities and have significant medical health issues;
- ➔ Accounts Payable Unit (conversion of contracted manpower to 1 FTE) to properly account for the Special Welfare funds (social security and other funds) received and managed on behalf of children in foster care. These funds must be monitored to avoid supplanting with Title IV-E federal funds, and must be maintained below a certain balance;
- ➔ Human Resources Unit (3 FTEs) to recruit and retain top talent to best serve Virginia Beach residents (State funded 30% and City funded 70%).

## Several Programs Focus on Youth

Funding has been provided to the Youth Opportunities Office to establish and sustain collaborative relationships with community members to help strengthen their neighborhoods and improve the quality of life for citizens. This includes engaging teens to form leadership and recreation center advisors/ambassador groups, and training adults to sustain them. Also, additional funding for the Summer Youth Employment Program will provide for approximately 70 youth ages 16 to 21 to be placed in City departments for seven weeks during the summer, enabling them to gain work experience, develop skills and earn wages.

The Operating Budget also includes funding for the replacement of the Health Department's dental x-ray machine. The x-ray machine is an integral part of the City's program to provide dental services for low income youth. The new machine will allow clinicians to instantly access images and more efficiently deliver services to approximately 400 patients and perform over 1,200 procedures annually.

# VIII. OUR COMMUNITY HAS WORLD CLASS SCHOOLS AND EDUCATIONAL PROGRAMS

The City is renewing its commitment to provide the highest quality education to children while creating numerous opportunities for lifelong learning and growth for residents of all ages. To achieve this goal, the City is collaborating with the school division to ensure students are prepared for success while also working throughout the community to provide a broad range of cultural activities for all residents.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High School Dropout Rate	N/A	5.5%	6.1%	6.8%	6.2%	5.6%	4.7%	4.8%	5.3%	4.7%
On-time High School Graduation Rate	N/A	84.2%	85.3%	85.5%	86.8%	86.9%	88.0%	88.5%	89.8%	91.3%
Percent of Children Reading at Grade Level by 3 <sup>rd</sup> Grade	N/A	N/A	N/A	N/A	N/A	73%	74%	73%	75%	76.8%
Percent of Children Whose PALS-K Scores Meet or Exceed Kindergarten Readiness Levels	86.2%	86.8%	88.5%	89.2%	90.0%	90.7%	90.7%	90.9%	90.3%	88.7%
Percent of High School Graduates with an Advanced Diploma	N/A	N/A	N/A	54.0%	56.0%	56.0%	57.0%	56.0%	58.0%	57.3%
Resident Satisfaction with the City's Public School System	86.2%	N/A	88.0%	N/A	85.7%	N/A	88.0%	N/A	85.8%	N/A
Percent of High Schools that are Blue Star Certified	N/A	N/A	N/A	N/A	N/A	N/A	8.1%	81.8%	90.9%	90.9%
Residents Age 25 or Older With a Bachelor's Degree	32.4%	30.9%	31.1%	31.6%	33.3%	32.6%	34.7%	34.7%	32.8%	N/A
Residents Age 25 or Older With a Graduate or Professional Degree	11.0%	10.6%	10.0%	10.9%	11.9%	11.3%	11.9%	11.9%	11.1%	N/A
Residents Age 25 or Older With a High School Diploma or Equivalent	92.2%	92.6%	92.8%	93.1%	93.9%	93.1%	94.8%	92.7%	93.0%	N/A
Residents Age 25 or Older Without a High School Diploma or Equivalent	7.8%	7.4%	7.2%	6.9%	6.1%	6.9%	5.2%	7.3%	7.0%	N/A

A few of the initiatives included in the Resource Management Plan which will address this goal are below. These initiatives are aligned with the City Council's desire to:

- Opportunities for lifelong learning
- Quality schools and libraries
- Enhanced community workforce
- Access to diverse arts and cultural activities

## Full Day Kindergarten/Pre-kindergarten Expansion

During the School's budget development process, the School Board formally requested \$14.1 million to expand full-day kindergarten to all 53 of the City's elementary schools and to increase the number of at-risk students served in the division's pre-kindergarten program from 704 to 1,154 students by the 2021-22 school year.

Virginia Beach City Public Schools is one of only three school divisions in the Commonwealth that do not currently offer full-day kindergarten to all eligible students. The School Board's request represents the annual cost of fully implementing and expanding these programs. This budget includes \$6.75 million (paid for by a \$0.0125 real estate tax rate increase) in funding to support VBCPS' plans to begin a phased in expansion of pre-kindergarten and full-day kindergarten. Full-day kindergarten is currently offered at 12 elementary schools with plans to expand to every elementary school in the next five years, adding between 15 and 18 full-day classes each year.

The pre-kindergarten expansion would require the addition of six classes each year for four years and one additional class in the final year of the planned program expansion.

## Positions Added to Reduce Class Sizes

In recent years, VBCPS increased class sizes as a strategy to balance substantial budget shortfalls due to the recession. In an effort to begin to reverse this trend, the FY 2017-18 budget includes 40 additional teaching positions that will be strategically allocated to reduce class sizes at the secondary level.

## Additional Instructional Technology Specialists Added

VBCPS staffs instructional technology specialists (ITS) assigned to schools to serve as technology program managers, instructional technology leaders and instructional technology partners/coaches for teachers across all content areas. The staffing standards and guidelines for these positions allocate between 0.50 and 2.0 FTEs per school based on projected enrollment and need. There are currently nine positions splitting time between 18 schools. The FY 2017-18 budget includes funding for six additional ITS positions at the elementary and middle school levels. These six positions will ensure that 12 more schools are allocated a full-time ITS for the 2017-18 school year.

## Public Library Enhancements

Included within the CIP is a project to update and enhance Library facilities. This project will provide architectural, plumbing, electrical, HVAC system and furnishings enhancements for the Bayside Library, the Great Neck Library, the Kempsville Library, the Meyera E. Oberndorf Central Library, the Oceanfront Library, the Princess Anne Library, the Pungo-Blackwater Library and the Windsor Woods Library. These enhancements were recommended in a comprehensive Library Enhancement Study.

## GrowSmart Position

For several years, the City has funded the GrowSmart program within the Operating Budget. 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 FY 2017-18 Operating Budget includes an additional FTE to expand upon the existing program. With the inclusion of this position, it is estimated that an additional 50 students will be served through the program.

# IX. DATA AND TECHNOLOGY IS USED TO ENHANCE COMMUNITY LIVABILITY, PROSPERITY, AND SUSTAINABILITY

One of the most important ways to ensure continued growth for the City is to foster technological innovation and create a globally competitive, network infrastructure. To lure the best companies to stimulate the local economy and provide high paying jobs, the City must provide the best quality broadband services and become a leader in data driven decision making and transparency.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Percent of Households with a Broadband Internet Connection	N/A	N/A	N/A	N/A	N/A	N/A	84.2%	83.7%	84.8%	N/A
Residents Satisfaction with the Opportunity to Share Ideas or Opinions Before the City Makes Important Decisions	59.0%	N/A	60.7%	N/A	61.9%	N/A	70.1%	N/A	67.9%	N/A
Residents voting in Elections for Local Office	N/A	N/A	N/A	44.7%	17.7%	74.5%	37.0%	30.9%	23.0%	66.0%
Resident Satisfaction with the Level of Communication the City has with them	N/A	N/A	N/A	N/A	73.3%	N/A	75.2%	N/A	74.6%	N/A

The following are some of the key initiatives included in the Resource Management Plan to achieve this goal. These initiatives are aligned with the City Council’s desire to:

- ➔ Transparent government
- ➔ Access to affordable broadband and wireless connectivity
- ➔ Increased government responsiveness
- ➔ Increased cyber security
- ➔ Engaged citizens

## Enhanced Access to Public Discussions

Each month the Planning Department prepares and distributes numerous documents to City boards and commissions. Historically, City staff has gathered and distributed the documents necessary for these meetings. The FY 2017-18 budget includes additional funding for the implementation of a workflow automation tool. Use of this tool will allow the Planning department to generate the reports necessary directly out of a centralized database. This initiative will reduce the staff time used to generate reports and improve the department’s procedural efficiency. The documentation provided will be in real time and on-demand allowing the material to be reviewed to be in tandem with the public hearing discussions.

## STiR Office to Expand

The City has concentrated its strategic planning efforts into the newly established Office of Strategy, Transparency, Innovation and Resiliency (STiR). Additional support staff is provided in the FY 2017-18 budget to further the Office’s goals and initiatives. Additional staff will allow STiR to begin working with Citywide staff to develop and manage departmental innovation teams (iTeams) and search for efficiencies to make the City of Virginia Beach a more sustainable and resilient city.

## Energy Savings

Both the City and Schools are undertaking projects to improve energy performance and become more energy efficient. These projects will allow both the City and Schools to provide system upgrades and improvements, providing energy consumption savings. Efforts to date on this initiative are showing positive results as both the City and School system are experiencing reductions in both energy consumption and costs.

## Next Generation Network to Improve Network Communication

The City of Virginia Beach currently leases network fiber that connects Wide Area Network remote sites to the municipal campus; however, these remote sites consume all their bandwidth on a daily basis, resulting in slow network response times and use of applications. As newer faster technology emerges, it will be critical that the City has an ample supply of bandwidth to meet service demands. The CIP provides additional funding to continue the construction of the Next Generation Network. This network will enhance the network communication among all municipal agencies.

## City Software Upgrade/Replacement

IT is undertaking a citywide initiative to consolidate and manage applications to ensure that they provide continuing value, innovative capabilities, and enhancements and remain cost effective. This is a six-year initiative and a part of the CIP. The project includes updating software applications based on the prioritized and documented needs of the organization. Upgrades, replacements and enhancements are scheduled throughout the six-year program based on the funding available and criticality of the upgrade.

## Technology Support

The Economic Vitality area is in need of additional technology support. This budget includes four additional positions in the Department of Information Technology for an implementation team to provide that support. These positions will support the departments of Agriculture, Convention and Visitors Bureau (CVB), Housing and Neighborhood Preservation and Planning. The immediate need for these positions is being driven by the technology solutions and support necessary for the Housing Resource Center. Additionally, these positions will provide the support necessary to upgrade CVB's facilities management system, the event management system, environmental control systems, and implementation of a Customer Relationship Management (CRM) solution.

# X. CITY ASSETS AND INFRASTRUCTURE ARE WELL MAINTAINED AND MEET COMMUNITY EXPECTATIONS

Protecting the City’s natural resources and infrastructure is one of the most important goals of the organization. To ensure that these assets continue to provide the services required by residents, the City strives to enhance and plan for the future needs of its roads, storm water systems, buildings, and water resources.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Percent of Drinking Water Tests Meeting or Exceeding Federal Standards	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Acres of Protected Farmland per 1,000 Residents	16.7	17.1	18.1	18.5	20.0	19.8	20.5	20.4	20.4	20.5
Public Open Space per 1,000 Residents	15.5	14.9	15.9	16.1	16.7	16.5	16.5	16.4	15.6	15.6
Residents Satisfied with the Condition of the Streets in Their Neighborhood	N/A	N/A	81.1%	N/A	78.2%	N/A	81.3%	N/A	80.8%	N/A
Resident Satisfaction with the Maintenance of Existing City Roads and Bridges	64.3%	N/A	62.8%	N/A	61.1%	N/A	68.7%	N/A	71.3%	N/A

Some of the key proposals addressing this area in the Resource Management Plan are included below. These initiatives are aligned with the City Council’s desire to:

- Assets needed for daily life are reliable and accessible
- Green spaces and parks increase quality of life
- Decreased flooding of neighborhoods and businesses
- Decreased cost of service due to improved maintenance over the long term.

## Major Storm Water Program Planned in the Wake of Hurricane Matthew

In November 2016, the City of Virginia Beach was negatively impacted by Hurricane Matthew. Some families were forced to vacate their homes and millions of dollars in damage occurred across the City. After the hurricane, discussion arose regarding the lack of capability of the City’s storm water system to handle run off associated with a storm similar to Matthew. As a response, the FY 2017-18 Public Work’s Operating Budget includes additional FTEs and additional funding totaling \$300 million over 15 years within the storm water CIP to improve flood control in different areas throughout the City. Some notable areas these projects will focus on are Ashville Park, Windsor Woods, Princess Anne Plaza, Sherwood Lakes and others. Additional information about these projects and other storm water projects can be found in the CIP document.

## City Continues to Address MS4 Permit Mandates

The 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 and 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 costing \$75 million and Phase III estimated to cost \$250 million.

## Enhanced Park and Park Facilities Maintenance

Funding is being added for landscape management to enhance the maintenance frequencies for all neighborhood parks from once every 16 to 18 days to once every 14 to 18 days. This will provide more aesthetically acceptable appearance

in neighborhoods, which were last maintained on a 14-day cycle in 2011. Maintenance funding, including one new position, is also provided for routine landscape management of new capital projects that will be completed during the fiscal year.

## Enhancement of Facility Maintenance

Maintenance of existing facilities is a high priority within the City and important for a sustainable future. Over the years, city owned facility square footage has increased. Included within the budget are additional positions with Public Works to address the backlog of facility maintenance needs.

## Improving the City's Management of Roadway and Bridge Assets

The Public Works Department's budget includes additional funding to address the overall asset management effort. This initiative will combine the efforts of the asset management team and work management teams. The teams will both work within one operating system. The benefits of this initiative include: performing data analysis to determine which assets or areas of infrastructure within the City could benefit from a project, rather than routine maintenance; managing complex projects to support the storm water and streets and highways efforts; and managing high-level systems with data support for City initiatives, such as Sea Level Rise, the Master Drainage Study, MS4 permit reporting and the annual Weldon-Cooper audit report to VDOT.

## Generator Maintenance

The increase in the number of portable and in-place generators in the City – many associated with Public Utilities and Storm Water – has caused a backlog of day-to-day service, maintenance repairs and load bank testing. A Mechanic position is added to the Fleet Management Division to ensure that all generators are being properly maintained in a timely manner.

## Historic Preservation Program Enhancement

A part-time Historic Preservation Planner position in the Planning Department is being converted to full-time to provide more support for the implementation and coordination of the City's Historic Preservation Program. The position will be responsible for ensuring that the City maintains its recent designation by the National Park Service as a Certified Local Government (CLG) through coordination of the historic resources inventory and survey projects, development of historic district guidelines and standards, and implementation of a revised Historic Resources Management Plan.

## Sandbridge Residents to Receive Enhanced Beach Maintenance

Beach Operations in Sandbridge currently provides trash collection solely at the beach accesses. Funding is added in the Department of Public Works for three Motor Equipment Operators, operating supplies, three seasonally contracted temporary positions and capital equipment to provide additional beach maintenance services in Sandbridge, to include trash collection on the beach itself. Demands for additional services are the result of interactions between the City and the Sandbridge Civic League and Sandbridge Business Association and are funded by the Sandbridge Special Service District.

## City Hall Replacement

Included within the CIP is a project to replace the City's current City Hall building. The replacement could be a refurbishment of and an addition to the current structure, a new building constructed at the Municipal Center, or a new building constructed at Town Center. The new facility would provide the additional space needed to properly accommodate City staff, enhance the delivery of services to the general public and provide the flexibility to support the next 50 years of City government.

## Lynnhaven Marina Improvements

Lynnhaven Marina Bulkhead Replacement and Facility Renovation provides funds to replace the failed bulkhead at the Lynnhaven Municipal Marina. This project is the result of an unexpected bulkhead failure at the facility in March 2016. The bulkhead failure forced the closure of the Marina Building, which included office and storage space for the Police Marine Patrol, the Fire Marine Response Team, and the EMS Marine Response Team to enhance response times. In addition, the City has an agreement with the Army Corps of Engineers (ACOE) to operate and maintain a marina facility in exchange for ACOE maintenance of the Long Creek channel and a commitment to provide a no-fee pump out facility in the Lynnhaven River.

## Fire Asset Management System

The Fire Department's asset management system is 25 years old and is no longer supported by IT. New within the CIP is a project to replace the outdated system with a newer web-based application to manage departmental assets. The new system provides the department with the opportunity to improve efficiencies and effectiveness by saving hours of resources, reduce waste and overstock, ensure compliance with all rules and regulations, and ensure fiscal responsibility.

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# TRANSPARENCY INITIATIVES CONTINUE

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Sometimes being transparent is not just about providing more information, it's about providing information that is easy to access and understand. In the past, the City's Operating Budget and Capital Improvement Plan were segregated by "Business Areas". Business areas were simply a collection of departments that provided programs and services geared toward a designated outcome like "Quality Physical Environment".

While the focus of the Resource Management Plan still focuses on the accomplishment of City Council's goals as defined at their February retreat, the Operating Budget's discussion of departmental budgets is now in alphabetical order as compared to previous business area approach. Projects in the Capital Improvement Program can now be found in their functional groupings (i.e., schools, roadways, coastal, etc.). For example, a building project could have been found in any business area like Quality Physical Environment or Cultural and Recreational Opportunities. All building projects and equipment will be found in its own tab entitled Buildings and Other Assets. The Table of Contents will be comprehensive for both the Operating Budget and Capital Improvement Program, which should allow citizens to more readily find information.

Connecting citizens to how the Resource Management Plan helps achieve City Council goals is critical to citizen engagement in funding decisions. The last two decades have seen a worldwide explosion in the amount of information available at our fingertips. Along with the availability of information is the demand that governments have accessible information that citizens can review at whatever level they choose. Transparency allows citizens to have open dialogue with their elected officials at levels unprecedented in previous years. Below are five initiatives that Virginia Beach proudly has available for citizen interaction.

## [Open Budget \(BudgetData.VBgov.com/#!/year/default\)](http://BudgetData.VBgov.com/#!/year/default)

The easiest and most granular information about the City's Resource Management Plan is on the Open Budget portal. This tool provides citizens access to the City's budget information at the same detail that City staff use. Users are able to access information about specific revenue and appropriation categories, either in summary or line-item form. Citizens are also able to access the City's capital projects via an interactive map on the site that includes detailed project descriptions. It is important to note that this software reports the City's Operating Budget at the gross budget level meaning that certain expenditures and revenues will be counted multiple times across the various funds and projects.

## [Open Performance Initiative \(Performance.VBgov.com/\)](http://Performance.VBgov.com/)

The City's Open Performance platform will be going through a transformation in FY 2017-18. At their retreat in February, City Council added five new goals to their existing list of five. Key indicators ranging from community level outcomes to departmental performance metrics are included to illustrate how well the City is achieving various vision elements. With the five new goals, the platform will be reconfigured to ensure alignment with all of the Council goals.

## [Balancing Act \(VirginiaBeachVa.ABalancingAct.com\)](http://VirginiaBeachVa.ABalancingAct.com) [and Taxpayer Receipt \(VirginiaBeachVa.ABalancingAct.com/TaxReceipt\)](http://VirginiaBeachVa.ABalancingAct.com/TaxReceipt)

In an effort to increase transparency and more effectively communicate budgetary decisions of the City to its citizens, Budget and Management Services implemented two interactive tools, Balancing Act and Taxpayer Receipt. These web based applications allow residents to directly engage in the budget process and learn about the many factors that impact the funding decisions of a major City. Balancing Act allows anyone to create their own budget by allocating funds to the programs and services that matter most to them while learning about the tradeoffs inherent in all budgetary decisions. Using the proposed City budget as a baseline, residents can create and submit their own vision of what the City's funding priorities should be.

Taxpayer Receipt enhances residents' investment in their local government by providing a department level breakdown of all the programs and services that their local taxes support. By answering a few simple questions, the application is

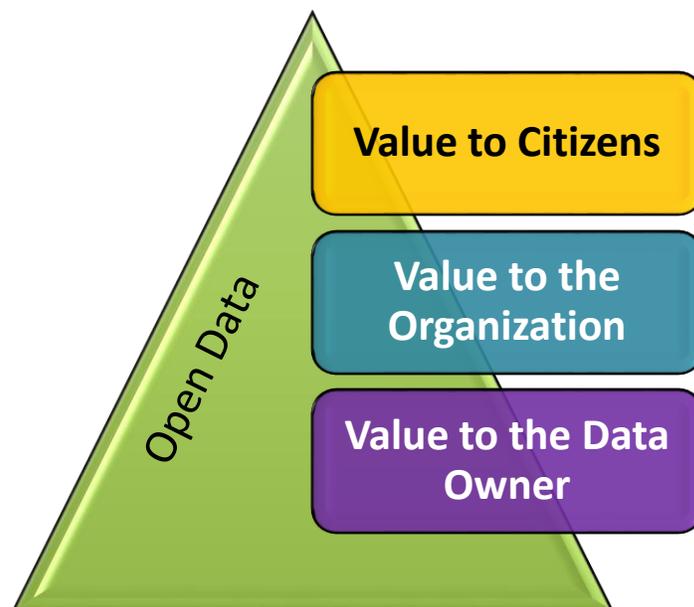
able to personalize the receipt to each citizen's level of taxation, giving citizens a tangible outcome for their tax dollars. These tools aim to raise the level of citizen engagement in the budget process by exposing them to the delicate and complex funding decisions of City leadership and giving them a platform to express their own vision of how the City should allocate its limited resources.

## Open Data ([Data.VBgov.com/](http://Data.VBgov.com/))

Last year, the City Manager appointed a multi-agency board to develop policies requiring departments to make data open. This involves taking raw data and extracting it from its natural system and making it available in a machine readable data file. Once data has been put through this process, it is possible to conduct analysis across data sets, perform predictive analysis to find potential problems, improve processes, evaluate various methods of service delivery, and create business opportunities. The core value of this initiative is to make the management and filling of requests for data easier for the data owner. A secondary benefit to the organization is the streamlining of data analysis to improve processes and identify inefficiencies. Finally, citizens are able to use the system to find data about their City government without having to file cumbersome Freedom of Information Act requests. They may also find new ways to use City data to start businesses, write mobile applications, and help flag other opportunities for the City to improve.

## Budget Fact Cards

In addition to being available to citizens, each City employee will receive a budget fact card to understand the issues driving the City Manager's Proposed Budget. These cards will provide key summary tables concerning the Operating Budget and CIP, an overall compensation discussion, and list of major initiatives. The goal of the budget fact cards is to engage employees, so they have a clear understanding of the overall spending plan for the next year.



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# FINANCIAL STRATEGY

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

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## Open Government Initiative

The City is committed to financial transparency. The continued support of an open government initiative is a major step in creating a culture of transparency, participation, and collaboration in government operations.

This will maintain important lines of communication and cooperation between the City and the public.

This will continue to increase public access to data and information online, in a user friendly and interactive format, that promotes accountability and more informed public participation.

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## Internal Process

Internal financial controls including use of city provided equipment will be reviewed annually to ensure compliance with accepted accounting procedures.

Financial records and statements will be transparent and open to public review via the City's website, [www.vbgov.com](http://www.vbgov.com).

Purchases and contracts will continue to be made on a competitive basis to ensure best prices while maintaining quality and diversity.

The City will use an accrual basis of accounting for revenues and expenditures. This accounting will be annually reviewed by an independent auditor as required by state law.

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## Capital Improvement Program Practices

Capital requirements will be linked to the adopted Comprehensive Plan and identified over a six-year period to allow adequate financial planning.

Infrastructure maintenance is a critical service provided to the community and therefore will be a primary focus of the City's Operating Budget and Capital Improvement Program.

- ➔ Existing resources will first go to the maintenance of existing infrastructure.
- ➔ New projects will require new revenues to support construction, operations and long-term maintenance needs.
- ➔ Fund capital projects using a pay-as-you-go strategy first (current funding strategy is local revenues first followed by state or federal revenues and finally available City fund balance) and only then look to debt financing strategies.

Taxes and fees will be recommended to sustain critical services to the community while being conscious of the impact on the taxpayers.

- ➔ Diversity of revenue sources will be maintained to the extent allowed under the Dillon Rule to ensure economic stability of City services.
- ➔ Equity among differing taxpayer classes (commercial, homeowner, industrial and non-homeowners) shall be maintained to the extent possible under the law.

Ensure the city maintains adequate funding to address emergency needs; assure the city's bond holders that funding is available to make bond payments; and to address unforeseen needs to accomplish this, the City maintains:

- ➔ A General Fund balance between 8-12% of the following years revenues.
- ➔ An annual reserve (Reserve for Contingencies) backed by current revenues not to exceed one-half of one percent of the total General Fund.

Provides services desired by the community and authorized by City Council at the minimum funding level necessary to accomplish the program's goals.

As a way to meet this requirement, full-time permanent positions must be authorized by the City Council. The City Manager may establish part-time or temporary positions to meet specific requirements.

Transfers or increases of appropriations over \$100,000 require City Council authorization.

Employees of the City and school system will receive adequate compensation, commensurate with their expected duties and comparable job titles.

Health care will be provided with an employer contribution determined by the City Council and School Board. Employees will pay the difference between that contribution and the premium amount.

Employees are required to participate in the Virginia Retirement System and the City and school system provides funding according to state law.

Positions may be added or removed based on service requirements or budgetary constraints, but the City and school system will work with employees to transition those whose positions were removed to available positions.

Balance the Operating Budget with current revenues only using previous year's balances for one-time purchases either in the Operating Budget or in the Capital Improvement Program, except in times of economic downturn when the use of fund balance is needed to prevent drastic service cuts.

City Council dedicated revenues will be reviewed annually as a part of the Operating Budget process and adjustments will be recommended to ensure that revenues are in line with long term program goals. Revenues that were increased by City Council to meet specific goals are separately monitored by staff.

Leverage private dollars with local resources to encourage development and job creation that meets the City's long term goal of fiscal sustainability for the community.

## Budgetary Practices (cont.)

- ➔ Where possible, redirect new revenues generated by the project to meet public infrastructure demands of the project (Tax Increment Financing or Special Service Districts).
- ➔ Use funding set up in the Economic Development Incentive Program to incentivize the expansion of existing businesses or to attract new businesses in order to encourage job growth in the community.

# ESTIMATED GENERAL FUND BALANCE

<b>Beginning Fund Balance at July 1, 2016 (CAFR)</b>	<b>\$172,159,735</b>
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Add: Revenues			
FY 2016-17 General Fund Revenues-Revised Estimate	\$1,070,960,949		
Surplus from Multi-Modal Fund	\$9,501,299		
Surplus from Sandbridge TIF	8,000,000	1,088,462,248	

<b>Total Fund Balance and Revenues</b>	<b>\$1,260,621,983</b>
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Less: Anticipated FY 2016-17 Expenditures:			
Operating Expenditures	\$588,897,852		
School Operations*	432,033,416		
Other Transfers*	75,169,146	1,096,100,414	

<b>Total Projected Fund Balance at June 30, 2017</b>	<b>\$164,521,569</b>
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Less: Anticipated Uses of Fund Balance:			
Loans, Advances, and Inventory	\$11,000,000		
Encumbrances and Carryforwards	9,000,000		
SPSA	5,712,041		
Community Services Board	676,000		
School Operating Budget	409,000		
FY 2017-18 Capital Budget	23,539,544	50,336,585	

<b>Total Estimated Undesignated Fund Balance at June 30, 2017</b>	<b>\$114,184,984</b>
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## Calculation of Undesignated General Fund Balance Reserve

<b>Projected FY 2017-18 General Fund Revenues**</b>	<b>\$1,128,417,223</b>
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<b>Undesignated Fund Balance as a percentage of FY 2017-18 Revenues</b>	<b>10.12%</b>
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Notes:

\* Reflects full transfer of budgeted amounts

\*\* Net of Fund Balance Usage

*The City has been notified that it will receive a reimbursement of \$4.6 million from FEMA related to Hurricane Matthew. Due to the uncertainty of the timing of this reimbursement, it is not reflected in this calculation. If it were reflected, the undesignated fund balance percentage would be 10.53%.*

# CHANGES IN UNDESIGNATED FUND BALANCES

	General	Special Revenues	Schools	Enterprise and Utilities	Capital Projects	Internal Services	Total All Funds
Estimated Undesignated Fund Balances at June 30, 2017	114,184,984	31,078,847	2,812,401	133,865,228	-	(882,658)	281,058,802
Add: Estimated Reserved Fund Balances at June 30, 2017	50,336,585	24,998,882	30,143,479	100,441,056	-	-	205,920,002
<b>Total Estimated Fund Balances at June 30, 2017</b>	<b>164,521,569</b>	<b>56,077,729</b>	<b>32,955,880</b>	<b>234,306,284</b>	<b>-</b>	<b>(882,658)</b>	<b>486,978,804</b>
Add: Estimated FY 2017-18 Revenues	1,128,167,223	207,569,163	903,794,713	213,390,987	68,951,409	210,829,780	2,732,703,275
Less: Estimated FY 2017-18 Expenditures including Fund Balance Use for CIP	1,134,431,388	211,481,399	914,985,334	241,910,987	68,951,409	212,008,371	2,783,768,888
<b>Total Estimated Fund Balances at June 30, 2018</b>	<b>158,257,404</b>	<b>52,165,493</b>	<b>21,765,259</b>	<b>205,786,284</b>	<b>-</b>	<b>(2,061,249)</b>	<b>435,913,191</b>
Less: Estimated Reserved Fund Balances at June 30, 2018	50,336,585	24,490,549	19,500,203	100,441,056	-	-	194,768,393
<b>Total Estimated Undesignated Fund Balances at June 30, 2018</b>	<b>107,920,819</b>	<b>27,674,944</b>	<b>2,265,056</b>	<b>105,345,228</b>	<b>-</b>	<b>(2,061,249)</b>	<b>241,144,798</b>
<b>Change in Undesignated Fund Balances</b>	<b>(6,264,165)</b>	<b>(3,403,903)</b>	<b>(547,345)</b>	<b>(28,520,000)</b>	<b>-</b>	<b>(1,178,591)</b>	<b>(39,914,004)</b>

## Notes:

(1) Reserved Fund Balances are used to provide funding for future obligations, such as loans, advances, encumbrances, and "pay-as-you-go" funding for the Capital Improvement Program.

(2) The amounts for Gift Funds are incorporated in the respective department funds.

(3) The "Total All Funds" includes Interfund transfers and excludes the use of fund balance in estimated revenues.

(4) The fund balance (i.e., net assets) for Enterprise and Utilities funds are exclusive of property, plant, and equipments. Some of the net assets are reserved to fund either capital projects or future debt payments.

# REVENUE SUMMARY

	FY 2016 Actual	FY 2017 Adjusted Budget	FY 2018 Adopted Budget	% Change
<b>Revenue Source Summary</b>				
Revenue from Local Sources				
General Property Taxes				
Real Estate	526,340,800	542,384,484	566,300,896	4.41
Personal Property	148,657,088	146,979,656	155,933,379	6.09
Total General Property Taxes	674,997,888	689,364,140	722,234,275	4.77
Other Local Taxes				
General Sales Tax	61,099,407	63,160,061	65,135,023	3.13
Utility Tax	42,735,253	42,471,686	41,972,385	-1.18
Business License	45,302,384	46,389,703	46,786,036	0.85
Automobile License	10,862,073	11,203,452	10,807,765	-3.53
Cigarette Tax	10,164,199	11,853,670	11,906,906	0.45
Amusement Tax	7,034,792	6,201,490	6,331,312	2.09
Hotel Room Tax	30,595,133	31,525,371	34,897,289	10.70
Restaurant Meal Tax	63,437,485	64,881,611	68,807,636	6.05
Other Taxes	18,432,791	18,202,776	19,668,372	8.05
Total Other Local Taxes	289,663,517	295,889,820	306,312,724	3.52
Other Local Revenue				
Permits, Privilege Fees, and Regulatory Licenses	5,536,266	6,123,466	5,980,627	-2.33
From the Use of Money and Property	11,710,182	10,132,326	10,654,153	5.15
Charges for Services	272,950,734	271,968,543	277,747,933	2.13
Miscellaneous Revenue	14,543,207	8,386,041	8,683,440	3.55
Fines and Forfeitures	6,569,426	7,214,394	6,489,556	-10.05
Total Other Local Revenue	311,309,815	303,824,770	309,555,709	1.89
Revenue from the Commonwealth				
State Shared Sales Tax	75,228,019	74,741,805	73,718,340	-1.37
Other Sources from the Commonwealth	382,696,993	403,048,940	419,087,998	3.98
Total Revenue from the Commonwealth	457,925,012	477,790,745	492,806,338	3.14
Revenue from the Federal Government				
Non-Revenue Receipts	105,896,802	115,237,824	116,077,312	0.73
Total Revenues	1,844,352,025	1,884,772,189	1,949,771,992	3.45
<b>Fund Reserves Summary</b>				
Specific Fund Reserves				
Total Fund Reserves	44,968	26,925,417	19,905,909	-26.07
TOTAL FINANCING REQUIRED	1,844,396,992	1,911,697,606	1,969,677,901	3.03

# DEDICATION OF LOCAL REVENUES

Dredging Special Service Districts – Real Estate Rates				
Real Estate *				
\$566,300,896 (Rate = 1.0025¢ per \$100 of value)				
Recreation Centers \$18,841,662 (3.476¢)	Agricultural Reserve Program \$4,878,451 (0.90¢)	Outdoor Initiative \$2,547,635 (0.47¢)		
Sandbridge TIF \$10,226,817	Town Center TIF \$7,107,950	Capital Improvement Program (CIP): Storm Water \$5,420,501 (1¢) General Government \$4,336,401 (0.8¢) Roadways \$9,641,002 (2-cent less \$1.2M for line of duty cost)		
Sandbridge SSD \$735,744 (additional rate of 6¢)	Town Center SSD \$2,007,681 (additional rate of 45¢)	School Operations & CIP \$28,432,004 (5.25¢)		
Bayville Creek SSD \$87,105 (additional rate of 56.9¢)	Harbour Point SSD \$17,606 (additional rate of 7.9¢)	Chesopeian Colony SSD \$204,035 (additional rate of 29.13¢)	Old Donation Creek SSD \$70,821 (additional rate of 18.4¢)	Shadowlawn Area SSD \$26,207 (additional rate of 15.94¢)
Gills Cove SSD \$13,601 (additional rate of 6.3¢)	Hurds Cove SSD \$222,172 (additional rate of 43.8¢)			
Personal Property *				
\$155,933,379 (Rate = \$4.00 per \$100 of value)				
Public Safety Initiative \$10,699,795 (additional rate of 30¢)				
Restaurant Meals *				
\$68,807,636 (local rate = 5.5%)				
Tourism Investment Program \$13,232,199 (1.06%)	Open Space \$5,492,612 (0.44%)	Tourism Advertising Program \$6,241,603 (0.5%)		
Hotels *				
\$34,897,289 (local rate = 8% plus \$2 per room night)				
Tourism Advertising Program \$5,834,443 (1% plus \$1 per room night)	Tourism Investment Program (TIP) \$17,608,079 (5% plus \$1 per room night)	Central Business District TIF \$500,000	Sandbridge SSD \$3,739,385 (6.5% of the tax generated in the Sandbridge SSD)	
Other Revenue Dedications				
<b>Amusement</b> \$6,331,312 (local rate = 5% & 10%)	<b>Cigarette *</b> \$11,906,906 (local rate = 75¢ per pack)			<b>Automobile *</b> \$10,807,765 (\$30 vehicles under 4,000 pounds)
Tourism Investment Program \$6,331,312 (100%)	Economic Development Investment Program \$2,540,140 (16¢)	Tourism Investment Program \$793,794 (5¢)	City Operations/Economic Development Biomedical \$793,794 (5¢)	CIP – General Government \$1,801,294 (\$5)
Other Non-Dedicated Local Revenues				
City Tax on Deeds * \$7,617,589	Bank Net Capital * \$3,328,454	Wills * \$76,288	Business License * \$46,786,036	
General Sales * \$65,135,023	Utility Taxes * \$41,972,385	Cable Franchise * \$8,646,041		

\*These revenues are included in the School Revenue Sharing Formula net of dedicated amounts. For information on the school formula see the Appendix Section of the Operating Budget.

# SUMMARY OF FEE & TAX ADJUSTMENTS

Department	Title	Current Fee	Proposed Fee
Requested by Schools	Real Estate Tax	\$0.99	\$1.0025
General	Real Estate Tax – Energy Efficient Buildings	\$0.84	\$0.8525
General	Real Estate Tax – Virginia Landmarks Register	\$0.52	\$0.5325
Public Works	Bayville Creek SSD	\$0.363	\$0.569
Public Works	Equivalent Residential Unit Fee (Stormwater)	.433 cents per day	.458 cents per day
Aquarium	Adult Aquarium Ticket	\$22.00	\$24.95
Aquarium	Child Aquarium Ticket	\$15.00	\$19.95
Aquarium	Military / Senior Ticket	\$20.00	\$22.95
Aquarium	Military Dependent Child	\$13.00	\$17.95
Aquarium	Theater Ticket	\$8.00	\$7.95
Aquarium	Adult Combination (Aquarium and Theater)	\$28.00	\$29.95
Aquarium	Child Combination (Aquarium and Theater)	\$21.00	\$24.95
Aquarium	Senior Combination (Aquarium and Theater)	\$24.00	\$27.95
Aquarium	Military Combination (Aquarium and Theater)	\$24.00	\$27.95
Aquarium	Military Dependent Combination (Aquarium and Theater)	\$19.00	\$22.95
Parks and Rec	Early Childhood Program (A.M.)	\$292	\$299
Parks and Rec	Early Childhood Program (P.M.)	\$389	\$398
Parks and Rec	Early Childhood Program (Preschool All Day)	\$648	\$660
Parks and Rec	Early Childhood Program (Preschool A.M.)	\$292	\$299
Parks and Rec	Early Childhood Program (Preschool P.M.)	\$389	\$398
Parks and Rec	Early Childhood Program (Summer All Day)	\$648	\$660
Parks and Rec	Early Childhood Specialty Camp (Special)	\$89	\$97
Parks and Rec	Recreation Center Based After School	\$282	\$295
Parks and Rec	Recreation Center Based Spring Break	\$142	\$148
Parks and Rec	Recreation Center Based Safety Camp	\$94	\$99
Parks and Rec	Recreation Center Based All Day Camps	\$27	\$30
Parks and Rec	Recreation Center Based Summer Camps	\$142	\$148
Parks and Rec	Recreation Center Based Teen Camps	\$152	\$158
Parks and Rec	School Based Before School Program	\$120	\$126
Parks and Rec	School Based After School Programs	\$185	\$194
Parks and Rec	School Based Kindergarten Programs	\$319	\$335
Parks and Rec	Recreation Center Resident Adult Annual Fee (Jan 1, 2018)	\$98	\$104
Parks and Rec	Recreation Center Resident Senior Annual Fee (Jan 1, 2018)	\$79	\$84
Parks and Rec	Recreation Center Resident Premier Annual Fee (Jan 1, 2018)	\$285	\$299
Parks and Rec	Recreation Center Resident Youth Annual Fee (Jan 1, 2018)	\$37	\$39
Parks and Rec	Recreation Center Non Resident Annual Fee (Jan 1, 2018)	\$374	\$396
Parks and Rec	Recreation Center Non Resident Premier Annual Fee (Jan 1, 2018)	\$504	\$534
Parks and Rec	Recreation Center Replacement Fee	\$8	\$9
Parks and Rec	Recreation Center Adult Fun Pack	\$67	\$70
Parks and Rec	Recreation Center Youth Fun Pack	\$40	\$50
Parks and Rec	Recreation Center Transportation Fee	\$1.50	\$2.00
Parks and Rec	Recreation Center Room Rental Community Fee	\$5	\$10
Parks and Rec	Recreation Center Lap Lane Rental Community Fee	\$18	\$19
Parks and Rec	Recreation Center Lap Lane Rental Exclusive Fee	\$24	\$25
Parks and Rec	Recreation Center Lap Lane Rental Commercial Fee	\$37	\$39
Parks and Rec	Recreation Center Group Fitness One Class	\$5	\$8
Parks and Rec	Recreation Center Registered Fitness Classes	Varied	\$1 per day
Parks and Rec	Recreation Center Dance & Martial Arts Classes	Varied	\$5 per class
Parks and Rec	Recreation Center Learn to Swim Fee	\$35-61	\$37-63
Parks and Rec	Adult Team Registration Fee	\$450-550	\$500-600
Parks and Rec	Youth Team Registration Fee	-	\$500
Parks and Rec	Therapeutic Recreation Learn to Swim Fee	\$48-57	\$50-59

# EXPENDITURE SUMMARY

<b>Department Name</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Adjusted Budget</b>	<b>FY 2018 Adopted Budget</b>	<b>% Change</b>
Agriculture	3,160,085	5,046,690	5,747,488	13.89
Aquarium and Museums	11,176,030	11,573,406	12,656,076	9.35
Budget and Management Services	1,508,125	1,525,749	1,442,622	-5.45
City Attorney	4,022,217	4,131,155	4,226,703	2.31
City Auditor	767,633	786,429	851,682	8.30
City Clerk	685,680	626,993	648,579	3.44
City Manager's Office	3,867,815	4,030,759	2,296,969	-43.01
City Real Estate Assessor	3,072,620	3,208,856	3,241,308	1.01
City Treasurer	5,693,299	5,970,373	6,067,276	1.62
Commissioner of the Revenue	4,473,040	4,614,741	4,624,431	0.21
Commonwealth's Attorney	8,302,837	9,278,627	9,273,589	-0.05
Communications Office	0	0	1,611,987	0.00
Convention and Visitors Bureau	20,062,944	25,775,339	26,911,598	4.41
Courts and Courts' Support	6,154,882	6,707,464	6,741,029	0.50
Cultural Affairs	1,612,932	2,432,489	2,433,783	0.05
Debt Service	48,083,680	50,486,171	53,067,145	5.11
Economic Development	3,949,271	3,957,732	4,232,370	6.94
Emergency Communications and Citizen Services	8,757,222	10,621,550	10,911,854	2.73
Emergency Medical Services	10,195,253	11,223,131	11,962,020	6.58
Finance	4,823,661	4,894,885	5,051,767	3.21
Fire	51,289,604	52,758,010	53,206,018	0.85
Future C.I.P. Commitments	0	8,000,000	8,000,000	0.00
Health	3,182,592	3,197,276	3,395,214	6.19
Housing and Neighborhood Preservation	26,806,940	28,793,437	30,729,873	6.73
Human Resources	3,987,158	4,364,574	4,698,598	7.65
Human Services	106,171,522	115,036,464	117,841,868	2.44
Information Technology	20,464,838	23,994,209	25,531,789	6.41
Library	17,195,300	18,014,075	18,163,864	0.83
Municipal Council	546,774	525,226	517,719	-1.43
Non-Departmental	64,550,643	71,673,128	75,861,289	5.84
Office of Emergency Management	0	386,785	451,130	16.64
Parks and Recreation	47,387,047	54,005,430	57,698,323	6.84
Pay-As-You-Go Capital Projects	64,196,167	57,414,370	68,951,409	20.09
Planning and Community Development	13,835,210	23,884,441	23,684,206	-0.84
Police	95,151,167	100,690,799	101,394,179	0.70
Public Education	809,973,286	865,493,614	894,508,198	3.35
Public Utilities	90,195,578	105,287,938	107,426,664	2.03
Public Works	128,559,963	158,882,876	143,371,030	-9.76
Reserve for Contingencies	0	4,380,840	10,568,366	141.24
Sheriff's Office	43,658,202	45,827,652	47,177,315	2.95
Strategic Growth Areas	10,866,796	0	0	0.00
Strategy, Transparency, Innovation & Resiliency Office	0	277,706	687,625	147.61
Voter Registration & Elections	1,982,999	1,916,217	1,812,948	-5.39
<b>TOTAL EXPENDITURES</b>	<b>1,750,371,012</b>	<b>1,911,697,606</b>	<b>1,969,677,901</b>	<b>3.03</b>

# CITY PERSONNEL SUMMARY

Department Name	FY 2016 Actual	FY 2017 Adjusted Budget	FY 2018 Adopted Budget	% Change
Agriculture	12.00	12.00	12.50	4.17
Aquarium and Museums	164.47	156.75	153.61	-2.00
Budget and Management Services	15.00	14.00	14.00	0.00
City Attorney	39.61	40.61	42.61	4.92
City Auditor	7.00	7.00	7.00	0.00
City Clerk	6.00	6.00	6.00	0.00
City Manager's Office	34.00	33.00	16.50	-50.00
City Real Estate Assessor	34.27	34.00	34.00	0.00
City Treasurer	74.60	74.60	74.60	0.00
Commissioner of the Revenue	64.93	64.93	64.93	0.00
Commonwealth's Attorney	87.43	94.85	94.83	-0.02
Communications Office	0.00	0.00	17.50	0.00
Convention and Visitors Bureau	106.28	120.28	120.28	0.00
Courts and Courts' Support	75.00	75.00	75.00	0.00
Cultural Affairs	3.00	3.00	3.00	0.00
Economic Development	18.00	18.00	19.00	5.56
Emergency Communications and Citizen Services	131.75	130.75	137.75	5.35
Emergency Medical Services	75.05	80.05	87.55	9.37
Finance	57.00	57.00	59.00	3.51
Fire	497.71	501.71	506.71	1.00
Health	9.08	9.08	9.08	0.00
Housing and Neighborhood Preservation	61.00	64.00	79.00	23.44
Human Resources	47.00	47.00	49.00	4.26
Human Services	1,094.91	1,098.96	1,144.21	4.12
Information Technology	168.00	175.00	184.00	5.14
Library	253.50	251.50	251.50	0.00
Municipal Council	11.00	11.00	11.00	0.00
Office of Emergency Management	0.00	4.00	5.00	25.00
Parks and Recreation	830.13	882.30	886.21	0.44
Planning and Community Development	115.50	132.97	134.00	0.77
Police	1,015.76	1,028.76	1,040.76	1.17
Public Utilities	418.00	414.00	417.00	0.72
Public Works	902.88	902.88	925.88	2.55
Sheriff's Office	514.44	526.44	531.44	0.95
Strategic Growth Areas	20.00	0.00	0.00	0.00
Strategy, Transparency, Innovation & Resiliency Office	0.00	4.00	6.00	50.00
Voter Registration & Elections	11.86	12.00	12.00	0.00
Total City Positions	<u>6,976.16</u>	<u>7,087.42</u>	<u>7,232.45</u>	<u>2.05</u>
Education	<u>10,034.32</u>	<u>10,154.82</u>	<u>10,192.77</u>	<u>0.37</u>
<b>Totals</b>				
Total City Full Time Positions	6,331.00	6,408.00	6,559.50	2.36
Total City Part Time Positions	634.16	668.42	661.95	-0.97
Total City Council Members	11.00	11.00	11.00	0.00
Total School Positions	10,034.32	10,154.82	10,192.77	0.37
<b>Total Positions</b>	<u><b>17,010.48</b></u>	<u><b>17,242.24</b></u>	<u><b>17,425.22</b></u>	<u><b>1.06</b></u>

# CITY ADDITIONS & REDUCTIONS

Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
Agriculture			Office Assistant	0.50	0.50
Aquarium & Historic Houses			Exhibits Technician II	1.00	-3.14
			Exhibits Technician I	1.00	
			Museum Educator II	1.00	
			Clerk Cashier	1.00	
			Clerk Cashier	1.00	
			Senior Curator	1.00	
			Exhibits Technician I	1.00	
			Museum Educator I	1.00	
			Support Specialist I	-0.22	
			Support Specialist II	-0.40	
			Support Specialist II	-0.40	
			Support Specialist II	-0.30	
			Operations Assistant I	-0.50	
			Support Specialist II	-0.18	
			Operations Assistant II	-2.64	
			Operations Assistant II	-3.50	
			Operations Assistant II	-3.00	
Budget & Management Services	Management Services Administrator	-1.00			0.00
City Attorney's Office			Administrative Assistant	1.00	2.00
			Associate Attorney	1.00	
City Manager's Office	Organization Development Coordinator	-1.00	Multimedia Services Coordinator	-1.00	-16.50
	Business Application Specialist I	-1.00	Multimedia Communications Specialist II	-1.00	
	Organizational Development Analyst	-1.00	Media and Communications Coordinator III	-1.00	

Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
			Multimedia Communications Specialist I	-1.00	
			Media and Communications Coordinator III	-1.00	
			Graphic Designer	-1.00	
			Media and Communications Coordinator III	-1.00	
			Administrative Technician	-1.00	
			Multimedia Distribution Specialist	-1.00	
			Communications Administrator	-1.00	
			Television Engineer	-1.00	
			Media and Communications Manager	-1.00	
			Multimedia Communications Specialist II	-1.00	
			Multimedia Communications Specialist I	-1.00	
			Multimedia Communications Specialist I	-1.00	
			Media and Communications Coordinator II	-1.00	
			Multimedia Graphics Designer	-0.50	
Office of the Commonwealth's Attorney	Victim Witness Caseworker	3.40	Clerk II	-0.02	-0.02
Communications Office			Administrative Specialist I	1.00	17.50
			Multimedia Communications Specialist II	1.00	

Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
			Media and Communications Coordinator III	1.00	
			Multimedia Communications Specialist I	1.00	
			Media and Communications Coordinator III	1.00	
			Graphic Designer	1.00	
			Media and Communications Coordinator III	1.00	
			Administrative Technician	1.00	
			Multimedia Distribution Specialist	1.00	
			Communications Administrator	1.00	
			Television Engineer	1.00	
			Media and Communications Manager	1.00	
			Multimedia Communications Specialist II	1.00	
			Multimedia Communications Specialist I	1.00	
			Multimedia Communications Specialist I	1.00	
			Media and Communications Coordinator II	1.00	
			Administrative Specialist I	1.00	
			Multimedia Graphics Designer	0.50	
Convention Center & Visitors Bureau	Convention and Tourism Market Administrator	1.00			
	Administrative Assistant	1.00			
	Multimedia Communications Specialist II	1.00			

Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
	Administrative Specialist II	1.00			
	Media and Communications Coordinator	1.00			
	Event Coordinator	2.00			
Office of Cultural Affairs			Administrative Services Manager	1.00	0.00
			Development Specialist	-1.00	
Economic Development			Development Specialist	1.00	1.00
Emergency Communications & Citizens Services			Public Safety Analyst I	1.00	7.00
			Call Taker I	5.00	
			Call Taker III	1.00	
Emergency Medical Services			EMS Instruction Supervisor	1.00	7.50
			Paramedic	1.00	
			EMS Instruction Supervisor	-0.50	
			Paramedics	6.00	
Finance			Financial Analyst	2.00	2.00
Fire	Administrative Specialist	-1.00	Fire District Officer	1.00	5.00
	Public Safety Training Specialist	-1.00	Fire Battalion Officer	1.00	
	Deputy Emergency Services Coordinator	-1.00	Fire Battalion Officer	1.00	
	Public Safety Analyst II	-1.00	Fire Battalion Officer	1.00	
			Fire Captain	1.00	
Housing & Neighborhood Preservation	Housing Specialist I	2.00	Administrative Assistant	1.00	15
	Housing Specialist II	1.00	Administrative Specialist II	1.00	
			Housing Specialist II	1.00	
			Housing Specialist I	1.00	
			Housing Specialist I	1.00	
			Eligibility Worker Assistant	1.00	
			Eligibility Worker Assistant	1.00	
			Housing Specialist i	1.00	
			Housing Specialist I	1.00	
			Housing Specialist I	1.00	
			Administrative Specialist I	1.00	
			Housing program Administrator	1.00	



Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
			Administrative Specialist II	1.00	
			Business Application Specialist II	1.00	
			Business Application Specialist II	1.00	
			MH/MR Clinician IV	1.00	
			Behavior Specialist I	1.00	
			Behavior Specialist I	0.75	
			Behavior Specialist I	0.80	
			Behavior Specialist I	1.00	
			Nurse 1	1.00	
			MH/MR Assistant	0.50	
			MH/MR Assistant	0.50	
			MH/MR Assistant	0.70	
			MH/MR Assistant	0.70	
			MH/MR Clinician III	1.00	
			MH/MR Assistant	0.60	
			Behavior Specialist I	1.00	
			Nurse 1	1.00	
			MH/MR Assistant	0.50	
			MH/MR Assistant	0.50	
			MH/MR Assistant	0.70	
			Account Clerk III	1.00	
			MH/MR Clinician III	-1.00	
Information Technology	Systems Analyst	1.00	Systems Analyst I	1.00	9.00
			Systems Engineer II	2.00	
			Systems Analyst II	4.00	
			Systems Analyst III	2.00	
Office of Emergency Management	Administrative Specialist	1.00	Public Safety Analyst I	1.00	1
	Public Safety Training Specialist	1.00			
	Deputy Emergency Services Coordinator	1.00			
	Public Safety Analyst II	1.00			

Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
Parks & Recreation			Aquatics/Fitness Instructor	0.75	3.91
			Parks and Recreation Supervisor	1.00	
			Activity Center Leader	0.12	
			Activity Center Assistant Leader	0.12	
			Parks and Recreation Aide IV	0.12	
			Parks and Recreation Aide III	1.50	
			Recreation Specialist I	1.00	
			Community Relations Specialist	1.00	
			Recreation Specialist I	1.00	
			Groundskeeper I	1.00	
			Recreation Specialist I	-1.00	
			Activity Center Leader	-0.59	
			Activity Center Assistant Leader	-1.78	
			Recreation Class Instructor	-0.33	
	Planning & Community Development			Administrative Specialist I	
			Planner III	1.00	
			Account Clerk I	-0.47	
			Planner I	-0.50	
Police			Police Sergeant	1.00	12.00
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Police Officer Recruit	1.00	
			Administrative Technician	1.00	
			Administrative Technician	1.00	

Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
Public Utilities			Account Clerk II	1.00	3.00
			Account Clerk II	1.00	
			Account Clerk II	1.00	
Public Works			Construction Inspector II	1.00	23.00
			Construction Inspector II	1.00	
			Engineer III	1.00	
			Engineer III	1.00	
			Engineer III	1.00	
			Engineer III	1.00	
			Engineer III	1.00	
			Engineer III	1.00	
			Engineer III	1.00	
			Engineer III	1.00	
			Engineer I	1.00	
			Media and Communications Administrative Technician	1.00	
			Planner/Estimator III	1.00	
			Building Maintenance Inspector I	1.00	
			Building Maintenance Inspector II	1.00	
			Building Maintenance Inspector I	1.00	
			Engineer I	1.00	
			Storekeeper Supervisor	1.00	
			Storekeeper II	1.00	
			Engineer I	1.00	
			Painter II	1.00	
			Painter II	1.00	
			Painter II	1.00	
			Motor Equipment Operator III	1.00	
			Motor Equipment Operator II	1.00	
			Motor Equipment Operator II	1.00	
			Accountant III	-1.00	
			Administrative Specialist II	-1.00	

Department	FTE Changes Between Adopted FY 2016-17 & Adjusted FY 2016-17	#FTE	FTE Changes Between Adjusted FY 2016-17 & Proposed FY 2017-18	#FTEs	Total Dept. FTE Variance
			Engineer IV	-1.00	
			Engineer III	-1.00	
			Engineer III	-1.00	
			Mechanic III	1.00	
Sheriff's Office	Microcomputer Systems Analyst I	-1.00	Deputy Sheriff/Master Deputy	1.00	5.00
			Deputy Sheriff/Master Deputy	1.00	
			Deputy Sheriff/Master Deputy	1.00	
			Deputy Sheriff/Master Deputy	1.00	
			Deputy Sheriff	1.00	
			Deputy Sheriff	1.00	
			Microcomputer Systems Analyst I	-1.00	
Strategy, Transparency, Innovation & Resiliency Office	Chief Solutions Officer	1.00	Executive Assistant II	1.00	2.00
	Organization Development Coordinator	1.00	Data Analyst	1.00	
	Business Application Specialist I	1.00			
	Organizational Development Analyst	1.00			
<b>Total Net New</b>		<b>17.90</b>		<b>145.03</b>	

# SCHOOL PERSONNEL SUMMARY

## Budgeted Positions for All School Board Funds

	FY 2013/14 Budget	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget	FY 2017/18 Adopted	Variance
<b>General Fund</b>						
Fund 115 - School Operating						
Instruction	6,848.10	6,911.40	6,736.60	6,800.00	6,838.85	38.85
Administration, Attendance and Health	278.80	280.80	276.80	279.80	280.30	0.50
Pupil Transportation	667.13	667.13	666.13	675.13	675.13	-
Operations and Maintenance	1,146.50	1,159.50	1,169.50	1,169.50	1,152.50	(17.00)
Technology	188.00	188.00	170.00	176.00	182.00	6.00
<b>School Operating Fund Total</b>	<b>9,128.53</b>	<b>9,206.83</b>	<b>9,019.03</b>	<b>9,100.43</b>	<b>9,128.78</b>	<b>28.35</b>
Fund 104 – Green Run Collegiate	-	24.80	32.90	39.30	39.30	-
<b>General Fund Total</b>	<b>9,128.53</b>	<b>9,231.63</b>	<b>9,051.93</b>	<b>9,139.73</b>	<b>9,168.08</b>	<b>28.35</b>
<b>Categorical Grants and Other Funds</b>						
Fund 114 – Cafeterias	492.89	490.89	490.89	490.89	495.89	5.00
Fund 116 – Categorical Grants	563.50	484.50	478.50	509.20	516.80	7.60
Fund 117 – Textbooks	1.50	1.50	1.50	1.50	1.50	-
Fund 614 – Risk Management	5.00	5.00	5.00	7.00	4.00	(3.00)
Funds 615/617 – Health Insurance	6.50	6.50	6.50	6.50	6.50	-
<b>Other Funds Total</b>	<b>1,069.39</b>	<b>988.39</b>	<b>982.39</b>	<b>1,015.09</b>	<b>1,024.69</b>	<b>9.60</b>
<b>TOTAL BUDGET</b>	<b>10,197.92</b>	<b>10,220.02</b>	<b>10,034.32</b>	<b>10,154.82</b>	<b>10,192.77</b>	<b>37.95</b>

## Breakdown of Categorical Grant Funds and Other Funds

	FY 2013/14 Budget	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget	FY 2017/18 Adopted	Variance
Adult Basic Education Funds	5.00	5.00	5.00	5.00	5.00	-
DoDEA MCASP	3.50	4.00	-	-	-	-
DoDEA MCASP Operation GRIT	-	-	-	-	1.00	1.00
DoDEA MCASP Operation Pride	-	3.00	3.00	2.00	-	(2.00)
DoDEA SFLEP	1.00	2.00	-	-	-	-
DoDEA Special Education	-	-	1.00	1.00	1.00	-
MTSS-B Impact Evaluation Study	-	-	-	1.20	-	(1.20)
Preschool Incentive	5.00	5.00	5.00	5.00	4.00	(1.00)
Title I, Part A	123.00	118.00	116.00	122.00	128.00	6.00
Title I, Part D - Subpart 1	0.50	0.50	-	-	-	-
Title I, Part D - Subpart 2	1.00	1.00	1.00	1.00	1.00	-
Title II, Part A	28.00	24.50	26.00	24.00	24.00	-
Title III, Part A - Language Acquisition	1.00	1.00	1.00	1.00	1.00	-
Title VI, Part B (IDEA)	381.50	306.50	306.50	253.00	257.80	4.80
<b>Federal Grants Total</b>	<b>549.50</b>	<b>470.50</b>	<b>464.50</b>	<b>415.20</b>	<b>422.80</b>	<b>7.60</b>
Early Intervention Reading Initiative (PALS)	1.00	1.00	1.00	1.00	1.00	-
Jail Education Program	1.00	1.00	1.00	1.00	1.00	-
Juvenile Detention Home	11.00	11.00	11.00	11.00	11.00	-
VA Initiative for At-Risk Four-Year-Olds	-	-	-	80.00	80.00	-
<b>State Grants Total</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>93.00</b>	<b>93.00</b>	<b>-</b>
Opportunity, Inc. - STEM	1.00	1.00	1.00	1.00	1.00	-
<b>Local Grants Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>-</b>
<b>Categorical Grants Total</b>	<b>563.50</b>	<b>484.50</b>	<b>478.50</b>	<b>509.20</b>	<b>516.80</b>	<b>7.60</b>
Cafeterias	492.89	490.89	490.89	490.89	495.89	5.00
Health Insurance	6.50	6.50	6.50	6.50	6.50	-
Risk Management	5.00	5.00	5.00	7.00	4.00	(3.00)
Textbooks	1.50	1.50	1.50	1.50	1.50	-
<b>Other Funds Total</b>	<b>505.89</b>	<b>503.89</b>	<b>503.89</b>	<b>505.89</b>	<b>507.89</b>	<b>2.00</b>
<b>Grants and Other Funds Totals</b>	<b>1,069.39</b>	<b>988.39</b>	<b>982.39</b>	<b>1,015.09</b>	<b>1,024.69</b>	<b>9.60</b>

# DEMOGRAPHICS

		1980	1990	2000	2015
<b>Gender:</b>					
	Male	50.8%	50.8%	49.5%	49.2%
	Female	49.2%	49.2%	50.5%	50.8%
<b>Age:</b>					
	Under 18	30.7%	28.0%	27.5%	22.6%
	65 and Over	4.5%	5.9%	8.4%	12.6%
	Peak Earning Years (age 35 – 54)	23.1%	24.9%	30.5%	26.2%
	Median Age	26.9	28.9	32.7	35.4
	Dependency Population (under 18 & 65 and over)	35.2%	33.9%	35.9%	35.2%
<b>Race:*</b>					
	White	86.5%	80.5%	71.4%	67.2%
	Black/African American	10.0%	13.9%	19.0%	19.6%
	American Indian/Alaskan Native	0.2%	0.4%	0.4%	0.1%
	Asian/Hawaiian/Pacific	2.5%	4.3%	5.0%	6.3%
	Other Race	0.7%	0.9%	1.5%	1.3%
	Two or More Races	NA	NA	2.7%	5.3%
	Hispanic	2.0%	3.1%	4.2%	8.0%
<b>Households:</b>					
	Family Household	79.2%	75.4%	71.8%	67.0%
	Married Couple Family	66.6%	62.9%	55.7%	48.8%
	Female Head of Household	10.3%	9.5%	12.4%	12.8%
	Households with Children under 18	NA	44.8%	42.1%	34.5%
	Housing Occupancy: Owner	64.2%	62.5%	65.6%	62.6%
	Housing Occupancy: Renter	35.8%	37.5%	34.4%	37.4%
	Average Household Size	2.97	2.82	2.70	2.61
	Average Family Size	3.35	3.21	3.21	3.16
<b>Health Insurance</b>	% with Health Insurance Coverage	NA	NA	NA	91.6
<b>Marital Status:</b>					
	Single, Never Married	26.5%	24.7%	25.5%	30.8%
	Married	61.0%	58.4%	57.1%	49.1%
	Separated	3.0%	5.4%	3.2%	3.0%
	Widowed	4.0%	4.0%	4.7%	4.9%
	Divorced	5.5%	7.6%	9.5%	12.3%

	1980	1990	2000	2015
Median Household Income	\$20,203	\$36,271	\$48,705	\$67,281
Median Family Income	\$21,809	\$39,122	\$53,242	\$77,264
Per Capita Income	\$10,836	\$20,652	\$30,633	\$52,235
Poverty:				
Persons	8.9%	5.9%	6.5%	7.9%
Families	7.7%	4.3%	5.1%	5.8%
Children under 18 65 and Over	13.0%	7.6%	8.6%	11.9%
Female Head of Household	10.3%	8.0%	4.7%	3.5%
Female Householder with Children	38.9%	20.2%	18.9%	19.8%
	45.8%	26.5%	23.1%	24.8%
Housing Expenses:				
Owner Expenses Exceeding 30% of Income	26.3%	30.7%	27.4%	28.9%
Renter Expenses Exceeding 30% of Income	37.8%	39.0%	37.9%	54.5%
Percent of Homeowners Mortgage Free	11.1%	11.4%	13.9%	23.8%
Educational Attainment:				
High School Graduate	80.0%	88.0%	90.4%	93.0%
College Graduate	22.4%	25.5%	28.1%	32.8%
Labor Force:				
Civilian Labor Force Participation Rate	58.3%	62.5%	63.2%	63.5%
Civilian Female Labor Force Participation Rate	54.6%	63.5%	62.9%	62.8%
Percent of Labor Force in Armed Forces	18.2%	18.6%	13.3%	7.2%
Percent Unemployed	5.3%	4.7%	4.1%	3.6%
Transportation-Related:				
Percent Who Drive Alone	67.5%	78.4%	82.0%	83.7%
Percent Who Car Pool	21.2%	12.0%	10.8%	7.8%
Percent Who Use Public Transportation	1.7%	0.8%	0.7%	1.3%
Percent Who Work at Home	1.1%	3.3%	2.8%	3.1%
Mean Travel Time (minutes)	21.9	22.7	23.9	24.1

\*Totals may not equal 100% due to rounding.