

City of Virginia Beach

Resource Management Plan

Operating Budget (Adopted)

FY 2013 - 14



CITY OF
VIRGINIA BEACH
VIRGINIA
JANUARY 1963



VIRGINIA BEACH

**City of Virginia Beach
Adopted Operating Budget
Fiscal Year 2013-14**

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How To READ THE DOCUMENT

Purpose and Document Changes

Purpose

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

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

Format of the Budget

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

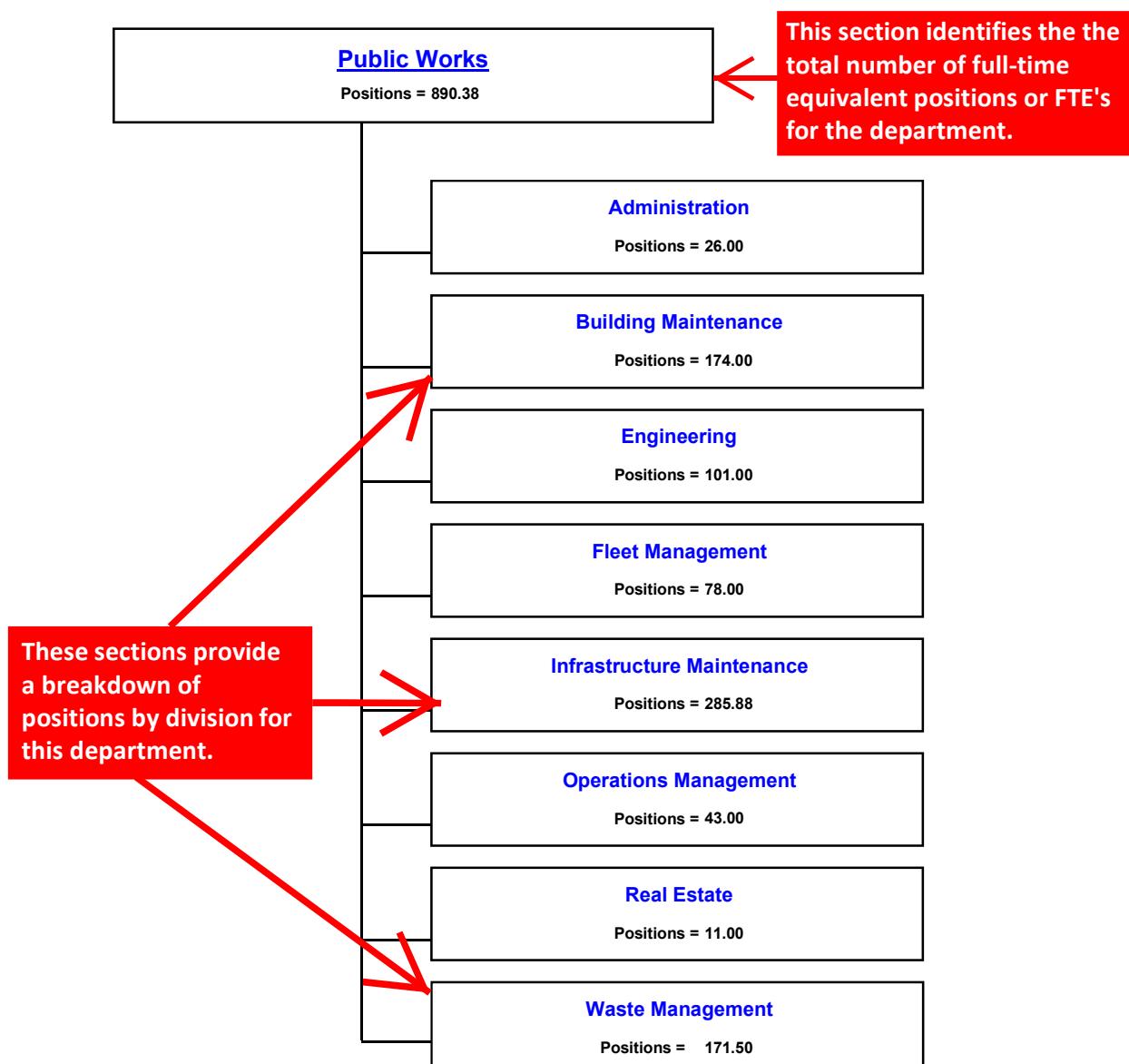
- Introduction – This section contains four parts including the: (1) How to Read The Document section; (2) Summaries showing expenditures and revenues, and inter-fund transfers; (3) a detailed revenue section; and (4) a listing of items requested but not funded.
- Economic Vitality – This section includes the departments of: Agriculture, Convention and Visitors Bureau, Economic Development, Housing and Neighborhood Preservation, and Strategic Growth Area Office. The mission is to develop strategic options and alternatives to create, enhance, and sustain public/private wealth and income in Virginia Beach, consistent with the overall well being and quality of the community.
- Safe Community – This section includes the departments of: Commonwealth's Attorney, Courts and Courts' Support, Emergency Communications and Citizen Services, Emergency Medical Services, Fire, Police, and Sheriff and Corrections. The mission of this business area is to prevent or respond to threats to the safety of persons or property and taking the necessary action(s) to restore the environment.
- Quality Physical Environment – This section includes the departments of: Planning, Public Utilities, and Public Works. The mission of this business area is to create a shared vision of a quality physical environment for the City.
- Cultural and Recreational Opportunities – This section includes the departments of: Museums, Office of Cultural Affairs, and Parks and Recreation. The mission of this business area is to create, nurture and strengthen accessible and sustainable opportunities which are diverse, customer-valued, and provide for the enrichment, refinement, and rejuvenation of the mind, body, and spirit.

- Quality Education and Lifelong Learning – This section includes the departments of: Library and Public Education. The mission of this business area is to create and continually enhance a cooperative network of lifelong learning, facilitate access to that network, and promote a community focus on the importance of education and continued development of individuals.
- Family and Youth Opportunities – This section includes the departments of: Health and Human Services (the consolidated Department of Mental Health, Social Services, and Comprehensive Services Act). The mission of this business area is to develop, coordinate, and recommend strategic options which foster, through families, the health, economic vitality, safety, and well-being of individuals in the city.
- Quality Organization – This section includes the departments of: Budget and Management Services, City Attorney, City Auditor, City Clerk, City Manager, City Real Estate Assessor, City Treasurer, Commissioner of the Revenue, Communications and Information Technology, Finance, General Registrar, Human Resources, Municipal Council, and Non-Departmental (Benefits Administration, Citywide Leases, Employee Special Benefits, Revenue Reimbursements, Community Organization Grants, Independent Financial Services, Regional Participation, and Vehicle Replacements).
- Debt Service – Description, analysis and summaries of the debt service program are included in this section.
- Ordinances – This section contains ordinances that adopt the annual operating budget, sets rates for the property taxes, and miscellaneous amendments to the City Code.
- Appendix – This section contains an overview of the Resource Management Plan, accounting and budgeting basis, various policies and administrative directives, real estate tax rate history, as well as a glossary, a description of major City funds, and a list of commonly used acronyms.

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

HOW TO READ THE DOCUMENT

City of Virginia Beach Fiscal Year 2014 Department Organizational Chart



HOW TO READ THE DOCUMENT
Library - Departmental Performance Report

Library						
The mission of the Virginia Beach Public Libraries is to provide diverse opportunities for learning and gathering that promote personal fulfillment, self-reliance and a sense of community, provide free and convenient access to accurate and current information and materials, and to promote reading as a critical life skill and an enjoyable activity for the entire Virginia Beach community.						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Customer						
Customer Access to Information and Materials						
Directional Questions Asked by Staff (new)	#	740,000.0	0.0	0		
In-Library Material Use (data collected change)	#	660,000.0	0.0	658,975		
Library Materials Circulated - in thousands	#	3,700.0	3,636.0	3,614.0	3,900.0	3,950.0
Materials in Collection	#	900,000.0	875,169.0	854,332.0	905,000.0	895,000.0
Percent Customers Satisfied with Collection (new)	%	85.0	0.0	0.0	85.0	85.0
Reference Questions (new)	#	260,000.0	0.0	0.0	255,136.0	260,000.0
Virtual Visitation - in thousands	#	2,700.0	1,673.0	2,749.0	2,750.0	2,800.0
Increase Library Customer Base						
Active Customers within Year (new)	#	165,000.0	0.0	0.0	160,000.0	165,000.0
New Registered Customers	#	35,000.0	33,772.0	31,946.0	33,904.0	33,000.0
Registered Borrowers				3,450.0	2,21,000.0	230,000.0
Increase the Use of and Satisfaction						
% of Customers Satisfied with Library				0.0	0.0	80.0
Library Visitation - in thousands				1,741.9	1,800.0	1,800.0
Program Attendance				1,262.0	52,000.0	52,500.0
Promote Early Childhood Literacy						
Attendance at Early Literacy Programs				9,360.0	66,540.0	65,000.0
Circulation of Children's Materials - in thousands				1,080.8	1,083.0	1,084.5
Increased Awareness of Early Literacy				0.0	0.0	90.0
Provide Customers Access to Legal Resources						
Law Library Walk-in Clients	#	17,000.0	16,921.0	17,300.0	17,133.0	17,100.0
Financial						
Enhance Service through Citizen Volunteer Support						
Value of Volunteer Hours	\$	360,000	382,000	363,200	380,400	386,600
Volunteer Hours	#	30,000.0	31,206.0	29,127.0	30,500.0	31,000.0
Provide Materials and Information in a Cost Effective Manner						
Expenditures per Registered Borrower	\$	74	71	70	69	69
Note: This City document provides financial and programmatic information for one fiscal year. Financial data is required for the last completed fiscal year and the current budget.						

HOW TO READ THE DOCUMENT

City Clerk

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

Major Changes

The City Clerk's proposed FY 2013-14 operating budget totals \$564,215, which is a decrease of \$10,228 or -1.8% compared with FY 2012-13 adjusted operating budget due to savings from personnel turnover.

Departmental Overview

The City Clerk's Office responsibilities include:

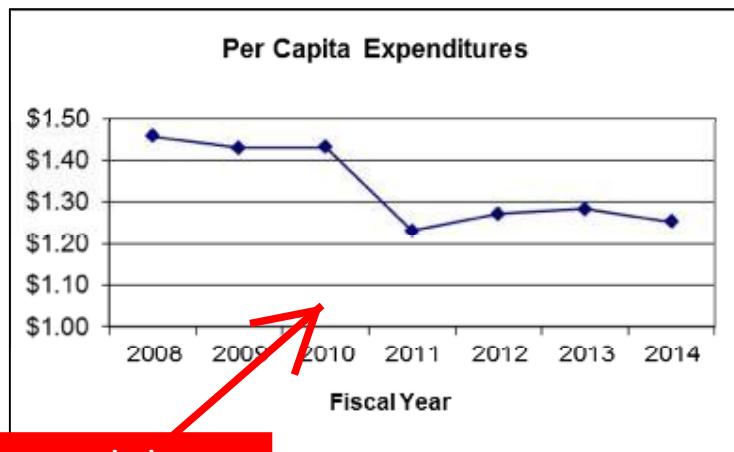
- The Office of the City Clerk preserves and provides accurate governing body legislative historical records. Responsibilities include preparing and delivering weekly agendas, preparing and recording minutes reflecting actions of the governing body, attesting to and recording all official agreements, deeds and contracts, and ensuring all public notices comply with the applicable State Code and City Council policies.
- The City Clerk serves as City Clerk, Clerk of Council, and custodian of the City Seal. The City Clerk signs all city borrowed bond issuances and monitors City Council appointed boards, commissions, and committees.

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

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

Trends and Issues

- Per capita expenditures will decrease to \$1.25 in FY 2013-14 compared with \$1.28 in FY 2012-13. Eighty-nine percent of the FY 2013-14 operating budget of the City Clerk's Office is comprised of personnel costs for 6.0 FTEs (\$504,057), with the remaining 11% (\$60,158) for operating costs.
- Advertising that is required for public notices, hearings, and meetings, along with printing costs total about \$31,640, and are roughly 53% of operating costs for the City Clerk's Office. These costs were budgeted at \$22,000 less than what was spent in FY 2011-12. Media advertising costs are difficult to predict and will be monitored throughout the fiscal year.
- Historically, funding has been provided in the City Clerk's Office to support the Sister Cities Program. The Sister City Program represents the City in pursuing stronger economic communities. The city has two Sister Cities, Co. Bangor, Northern Ireland, Moss, Norway, and Miyazaki, Japan which events are scheduled to celebrate the city's 50th Anniversary.



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

Mayor and assists in coordinating the activities of Sister Cities events held in the City and international is a non-profit citizen diplomacy network between United States and international Co. Bangor, Northern Ireland, Moss, Norway, and Miyazaki, Japan. The city's 50th Anniversary will be celebrated with the City's upcoming 50th Anniversary.

HOW TO READ THE DOCUMENT
City Auditor - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Proposed	Variance from FY 2013
Program Summary				
002 General Fund				
Expenditures				
City Auditor	608,659	623,351	654,945	31,594
Total Expenditures	<u>608,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>
General City Support	<u>608,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>

Total Department Expenditure	8,659	623,351	654,945	31,594
Total Department Revenue	0	0	0	0
Total General City Support	<u>8,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>

Position Summary by Program

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

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

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

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

Note:

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

SUMMARIES

Financial Structure

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

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

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Financial Management

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

Resource Direction and Guidance

The City's current fiscal condition is excellent. City Council continues to improve that condition, allowing the community to look toward strategic goals from a position of strength. Indicators of our excellent fiscal condition include: a healthy fund balance; an AAA bond rating; and relatively low per capita spending. The Resource Management Plan will continue City Council's basic fiscal policies for fiscal year 2013-14:

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

Resource Process

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

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

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

of the budget hearings are completed, the MLT will meet with the leadership of Management Services to work through the issues and develop a funding strategy. The MLT makes a final decision on what items are included in the budget that is presented to City Council.

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

Operating Budget Policies

- The budget will be balanced on current revenue to expenditure basis.
- Attrition funding will be used to cover overtime expenses, unplanned holidays, and if required due to economic conditions, to provide funding for the following years operating budget through the use of fund balance.
- Unencumbered budget appropriations, except for those for capital projects and grants, will lapse at the close of the fiscal year.
- The appropriation ordinance establishes the legal level of budgetary control. Other levels of budgetary control may be set by the City Manager (see the Appendix section of the Operating Budget for a current copy of this policy).
- The City will seek to provide for adequate maintenance and replacement of capital equipment and facilities over time (see the Appendix section of the Operating Budget for a current copy of this policy).
- The City will seek to maintain a diversified and stable revenue system so that it can mitigate short-term fluctuations in one type or source of revenue and avoid over-dependency on any single source.
- The City will set fees and user charges for each self-supporting enterprise fund (e.g., Water and Sewer and Storm Water) at a level that fully supports the costs of the fund to include operation, maintenance, capital replacement, indirect cost, depreciation, renewals, and debt service. It will also regularly review all fees/charges, including those in the General Fund, and will seek where appropriate, to base fees/charges on costs and/or on the rates charged by the private sector.
- The City shall annually prepare a five-year forecast of revenues and expenditures and its implications for services and policies.
- The City Manager may include in the budget a general fund regular reserve for contingencies of $\frac{1}{2}$ or 1% of the General Fund budget.

Fund Balance Policies

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

Capital Improvement Program Policies

- To qualify as a capital project, a project must be a major expenditure for: design and/or construction of fixed works, structures, additions, replacements, major alterations, modernizations, or renovations; or purchase of land and existing structures, including right-of-ways, title searches; replacement, rehabilitation or expansion of communication and information technology infrastructure; acquisition of major pieces of equipment; and similar activities. Other specialized projects may also be considered for the CIP if it is ongoing in nature or requires multi-year funding. The project should have a cost over \$250,000 or be of such a significant nature as to prevent its funding through the operating budget.
- The City generally uses bond financing once all other available funding sources have been appropriated. Charter bonds are allocated based on legal limits, and public facility bonds and lease/purchase financing are allocated when projects are considered essential and when the City Manager believes the costs are not prohibitive and that the interest of the government is served.
- A project is eligible for lease/purchase financing if it is considered an essential project or is a non-essential project not requiring referendum funding, and when the City Manager believes that costs are not prohibitive and that the interest of the government is served.
- The City will program at least 25% of the annual capital program for the Water and Sewer system from non-borrowed funds for the financing of capital improvements. The City will seek to increase those amounts where feasible. This policy was exceeded in the FY 2011-12 CIP with the use of \$13 million in the \$40 million Water and Sewer CIP from Pay-As-You-Go and Fund Balance from the Water and Sewer Utility Fund.
- Any tax rate increases adopted in conjunction with voter-approved bond referendums or by dedicated City Council policy will be structured and used to support all costs associated with the projects, including debt service, and appropriate operating and maintenance costs.
- Project balances that have been closed out in the City's financial system, which are supported by revenues will be reallocated as needed in the Capital Improvement Program.

Debt Management Policies

- The City issues bonds for capital improvements with a cost in excess of \$250,000, or which cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will retire the debt within a period not to exceed the expected-useful life of the projects. The City has not historically issued, and does not anticipate issuing short-term debt in the form of tax or revenue anticipation notes. Rather, the City shall maintain sufficient cash balances. Such short-term debt may be issued where normal cash flow has been disrupted due to natural disaster or unexpected delays in the receipt of Federal or State revenues.
- The FY 2013-14 Capital Improvement Program leaves approximately \$92.4 million of projected general obligation bond authorization unused, mainly in the last three years of the six-year program. In order to present the full impact, the calculations in the following graphs show projected debt indicators, which assume full use of the annual bond authorization.
- The threshold of debt service for general government supported debt as a percentage of general government expenditures is 10%.
- Total General Obligation Net Debt will not exceed 3.5% of assessed value.
- Where possible, the City will develop, authorize, and issue revenue, special fee, or other self-supporting debt instruments instead of General Obligation Bonds.

- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.
- The City will regularly evaluate its adherence to its debt policies. It will promote effective communications with bond rating agencies and others in the market place based upon full disclosure.
- Total Net Debt per capita will not exceed \$2,800 per capita. From FY 2004-05 through FY 2011-12, the net debt per capita standard was \$2,400. A backlog of needed capital projects exist as well as focusing on needed projects in the Strategic Growth Areas of the City. Given the City's historical record of prudent financial management, this level of debt can be supported without negatively impacting the City's bond rating.
- Also, Net Debt to Income Per Capita should not exceed 6.5%, and is comfortably below this threshold for each year.

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
002 General Fund			
Appropriation Units:			
Agriculture	690,350	756,022	784,013
Benefits Administration	662,283	662,283	635,538
Board of Equalization	8,854	15,808	9,583
Budget and Management Services	1,473,092	1,511,425	1,520,668
Circuit Court	1,015,764	1,032,262	1,085,522
City Attorney	3,640,491	3,817,883	3,995,079
City Auditor	608,659	623,351	654,945
City Clerk	560,710	574,443	564,215
City Manager	2,536,210	2,654,207	2,762,829
City Real Estate Assessor	2,936,013	3,100,676	3,183,950
City Treasurer	5,004,922	5,097,637	5,110,433
Clerk of the Circuit Court	2,999,600	3,039,771	3,058,205
Commissioner of the Revenue	3,857,502	4,099,610	4,042,415
Commonwealth's Attorney	7,057,455	7,488,249	7,692,485
Communications and Information Technology	20,951,418	22,832,443	23,457,648
Community Organization Grants	439,675	426,343	409,126
Convention and Visitor Bureau	8,469,882	8,835,371	8,891,354
Cultural Affairs	2,405,656	2,358,642	2,267,523
Debt Service	44,943,782	48,083,117	45,083,433
Economic Development	2,210,063	2,559,670	2,771,193
Emergency Communications and Citizen Services	8,644,226	10,449,840	10,525,863
Emergency Medical Services	7,224,225	7,722,981	8,550,938
Employee Special Benefits	4,623,704	5,266,655	5,716,592
Finance	4,779,813	4,933,234	5,053,202
Fire	43,052,766	44,580,684	45,854,388
General District Court	365,108	355,437	354,118
General Registrar	1,448,271	1,371,332	1,343,936
Health	2,926,670	2,989,928	3,126,439
Housing and Neighborhood Preservation	1,615,740	1,678,800	1,762,100
Human Resources	3,760,092	4,285,333	4,132,967
Human Services	104,254,360	105,988,259	106,720,949
Independent Financial Services	110,593	153,878	153,878
Juvenile and Domestic Relations District Court	141,598	134,223	134,689
Juvenile Probation	1,905,891	1,781,639	1,444,869
Leases	1,645,138	1,673,225	1,612,227
Library	15,133,562	17,370,885	17,571,418
Magistrates	96,248	95,325	95,514
Municipal Council	554,977	545,118	533,110
Museums	9,374,396	9,979,763	11,452,874
Parks and Recreation	12,332,425	13,232,806	13,023,439
Planning	9,096,619	9,748,997	9,710,010
Police	85,970,957	91,988,312	93,151,147
Public Works	64,475,269	63,675,385	64,637,700
Regional Participation	1,956,480	1,993,213	2,065,720
Reserve for Contingencies	0	3,037,072	7,912,649
Revenue Reimbursements	15,688,681	15,957,439	16,193,730
Strategic Growth Area	4,754,911	5,630,633	6,387,382
Transfer to Other Funds	410,069,954	439,580,133	421,786,714

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>002 General Fund</u>			
Appropriation Units:			
Vehicle Replacements	3,936,228	5,111,914	6,032,514
Fund 002 Appropriation Totals	<u>932,411,283</u>	<u>990,881,656</u>	<u>985,021,233</u>
Revenue Sources:			
Non-Revenue Receipts	187,440	0	0
Revenue From Local Sources			
Automobile License	8,970,535	9,627,435	9,419,062
Business License	41,129,895	42,423,932	42,791,543
Charges for Services	34,178,408	34,175,279	37,054,562
Cigarette Tax	11,245,119	11,218,625	12,109,969
Fines and Forfeitures	5,908,783	6,043,373	5,757,400
From the Use of Money and Property	5,609,512	5,095,499	5,282,570
General Sales Tax	53,375,318	54,098,252	57,987,462
Hotel Room Tax	5,610,293	5,622,146	6,066,374
Miscellaneous Revenue	5,867,109	6,109,436	6,159,205
Other Taxes	15,862,838	16,690,556	17,005,932
Permits, Privilege Fees, and Regulatory Licenses	4,035,783	4,476,243	4,794,486
Personal Property	126,814,050	132,412,895	138,576,713
Real Estate	422,983,508	438,975,636	427,074,330
Restaurant Meal Tax	33,950,417	35,146,135	37,060,590
Utility Tax	45,254,169	44,979,473	44,818,891
Revenue from the Commonwealth			
Other Sources from the Commonwealth	90,342,657	91,967,996	95,152,606
Revenue from the Federal Government	20,907,084	16,699,201	17,448,209
Specific Fund Reserves	0	21,087,917	3,116,978
Transfers from Other Funds	23,815,596	14,031,627	17,344,351
Fund 002 Revenue Totals	<u>956,048,514</u>	<u>990,881,656</u>	<u>985,021,233</u>
<u>098 School Reserve Special Revenue Fund</u>			
Appropriation Units:			
Transfer to Other Funds	13,300,000	11,000,000	14,000,000
Fund 098 Appropriation Totals	<u>13,300,000</u>	<u>11,000,000</u>	<u>14,000,000</u>
Revenue Sources:			
Specific Fund Reserves	0	11,000,000	14,000,000
Transfers from Other Funds	11,525,844	0	0
Fund 098 Revenue Totals	<u>11,525,844</u>	<u>11,000,000</u>	<u>14,000,000</u>
<u>107 School Equipment Replacement Special Revenue Fund</u>			
Appropriation Units:			
Reserve for Contingencies	0	902,602	453,782
Fund 107 Appropriation Totals	<u>0</u>	<u>902,602</u>	<u>453,782</u>
Revenue Sources:			
Specific Fund Reserves	0	902,602	453,782
Fund 107 Revenue Totals	<u>0</u>	<u>902,602</u>	<u>453,782</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>109 School Vending Operations Fund</u>			
Appropriation Units:			
Athletic	334,414	329,561	363,047
Fund 109 Appropriation Totals	<u>334,414</u>	<u>329,561</u>	<u>363,047</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	860	0	0
Miscellaneous Revenue	192,550	192,550	192,550
Specific Fund Reserves	0	137,011	170,497
Fund 109 Revenue Totals	<u>193,410</u>	<u>329,561</u>	<u>363,047</u>
<u>112 School Communication Tower Technology Fund</u>			
Appropriation Units:			
Instructional Technology	262,206	600,000	600,000
Fund 112 Appropriation Totals	<u>262,206</u>	<u>600,000</u>	<u>600,000</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	448,859	260,000	260,000
Specific Fund Reserves	0	340,000	340,000
Fund 112 Revenue Totals	<u>448,859</u>	<u>600,000</u>	<u>600,000</u>
<u>114 School Cafeteria Fund</u>			
Appropriation Units:			
Cafeteria	26,480,280	28,343,127	28,600,954
Fund 114 Appropriation Totals	<u>26,480,280</u>	<u>28,343,127</u>	<u>28,600,954</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	12,564,893	14,030,889	13,789,527
From the Use of Money and Property	9,158	8,091	9,051
Miscellaneous Revenue	207,373	130,000	207,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	489,788	485,000	488,000
Revenue from the Federal Government	13,867,219	13,361,841	13,675,982
Specific Fund Reserves	0	327,306	431,394
Fund 114 Revenue Totals	<u>27,138,431</u>	<u>28,343,127</u>	<u>28,600,954</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>115 School Operating Fund</u>			
Appropriation Units:			
Administration, Attendance, and Health	19,064,917	21,325,235	21,615,583
Debt Service	44,337,710	44,747,986	43,094,767
Instruction	477,573,144	519,982,919	518,411,377
Operations and Maintenance	88,326,990	86,274,376	86,963,647
Pupil Transportation	29,578,123	29,800,231	30,893,091
Technology	39,345,298	26,881,028	26,975,580
Fund 115 Appropriation Totals	<u>698,226,182</u>	<u>729,011,775</u>	<u>727,954,045</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,258,562	2,183,837	2,203,383
From the Use of Money and Property	628,444	465,000	465,000
Miscellaneous Revenue	1,035,576	657,000	657,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	233,276,203	241,055,084	240,866,735
State Shared Sales Tax	72,266,667	69,064,589	70,522,688
Revenue from the Federal Government	13,660,046	17,141,085	17,141,085
Transfers from Other Funds	351,434,355	398,445,180	396,098,154
Fund 115 Revenue Totals	<u>674,559,853</u>	<u>729,011,775</u>	<u>727,954,045</u>
<u>116 School Grants Fund</u>			
Appropriation Units:			
Grants	67,292,732	68,401,312	67,040,031
Fund 116 Appropriation Totals	<u>67,292,732</u>	<u>68,401,312</u>	<u>67,040,031</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	3,547,951	3,202,852	3,044,467
Revenue from the Commonwealth			
Other Sources from the Commonwealth	7,662,113	15,373,206	15,904,631
Revenue from the Federal Government	55,569,131	49,825,254	48,090,933
Fund 116 Revenue Totals	<u>66,779,195</u>	<u>68,401,312</u>	<u>67,040,031</u>
<u>117 School Textbook Fund</u>			
Appropriation Units:			
Textbook	5,876,806	15,117,601	9,556,428
Fund 117 Appropriation Totals	<u>5,876,806</u>	<u>15,117,601</u>	<u>9,556,428</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	50,953	100,000	100,000
Miscellaneous Revenue	85,618	10,000	10,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	1,661,828	3,790,074	3,606,022
Specific Fund Reserves	0	11,217,527	5,840,406
Fund 117 Revenue Totals	<u>1,798,399</u>	<u>15,117,601</u>	<u>9,556,428</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>119 School Athletic Special Revenue Fund</u>			
Appropriation Units:			
Athletic	4,829,598	4,810,642	4,910,642
Fund 119 Appropriation Totals	<u>4,829,598</u>	<u>4,810,642</u>	<u>4,910,642</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	483,090	489,000	499,000
From the Use of Money and Property	6,686	45,000	5,000
Miscellaneous Revenue	3,403,863	4,066,642	4,406,642
Specific Fund Reserves	0	210,000	0
Fund 119 Revenue Totals	<u>3,893,639</u>	<u>4,810,642</u>	<u>4,910,642</u>
<u>130 Law Library Fund</u>			
Appropriation Units:			
Library	211,492	224,869	233,437
Reserve for Contingencies	0	2,329	1,761
Transfer to Other Funds	57,252	57,252	57,252
Fund 130 Appropriation Totals	<u>268,744</u>	<u>284,450</u>	<u>292,450</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	267,845	270,000	283,000
From the Use of Money and Property	4,271	4,450	4,450
Specific Fund Reserves	0	10,000	5,000
Fund 130 Revenue Totals	<u>272,116</u>	<u>284,450</u>	<u>292,450</u>
<u>142 DEA Seized Property Special Revenue Fund</u>			
Appropriation Units:			
Commonwealth's Attorney	24,062	200,000	200,000
Police	136,757	0	0
Transfer to Other Funds	941,898	0	0
Fund 142 Appropriation Totals	<u>1,102,717</u>	<u>200,000</u>	<u>200,000</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	7,731	0	0
Miscellaneous Revenue	5,193	0	0
Revenue from the Commonwealth			
Other Sources from the Commonwealth	485,518	0	0
Revenue from the Federal Government	601,073	0	0
Specific Fund Reserves	0	200,000	200,000
Fund 142 Revenue Totals	<u>1,099,515</u>	<u>200,000</u>	<u>200,000</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>144 Waste Management Special Revenue Fund</u>			
Appropriation Units:			
Public Works	30,790,014	41,402,904	38,562,151
Reserve for Contingencies	0	47,243	125,000
Transfer to Other Funds	0	0	3,626,771
Fund 144 Appropriation Totals	<u>30,790,014</u>	<u>41,450,147</u>	<u>42,313,922</u>

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	9,023,950	26,345,070	42,003,532
From the Use of Money and Property	137,701	125,000	125,000
Miscellaneous Revenue	36,649	0	0
Permits, Privilege Fees, and Regulatory Licenses	143,670	175,000	150,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	35,390	35,390	35,390
Transfers from Other Funds	0	14,769,687	0
Fund 144 Revenue Totals	<u>9,377,360</u>	<u>41,450,147</u>	<u>42,313,922</u>

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>147 Federal Section 8 Program Special Revenue Fund</u>			
Appropriation Units:			
Housing and Neighborhood Preservation	18,554,138	18,587,664	18,676,860
Fund 147 Appropriation Totals	<u>18,554,138</u>	<u>18,587,664</u>	<u>18,676,860</u>

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	792,947	345,600	845,600
From the Use of Money and Property	1,905	0	0
Miscellaneous Revenue	21,740	32,000	32,000
Revenue from the Federal Government	17,358,738	17,776,999	17,448,950
Specific Fund Reserves	0	192,591	139,629
Transfers from Other Funds	106,517	240,474	210,681
Fund 147 Revenue Totals	<u>18,281,847</u>	<u>18,587,664</u>	<u>18,676,860</u>

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>149 Sheriff's Department Special Revenue Fund</u>			
Appropriation Units:			
Sheriff and Corrections	36,587,025	39,336,165	39,252,773
Transfer to Other Funds	146,147	24,551	24,551
Fund 149 Appropriation Totals	<u>36,733,172</u>	<u>39,360,716</u>	<u>39,277,324</u>

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	4,472,025	4,422,511	4,894,758
From the Use of Money and Property	17,494	17,500	15,000
Miscellaneous Revenue	6,376	10,000	10,000
Revenue from the Commonwealth			
Other Sources from the Commonwealth	17,175,183	17,608,339	17,605,275
Revenue from the Federal Government	578,762	1,149,750	229,950
Specific Fund Reserves	0	1,255,833	1,314,990
Transfers from Other Funds	13,030,489	14,896,783	15,207,351
Fund 149 Revenue Totals	<u>35,280,329</u>	<u>39,360,716</u>	<u>39,277,324</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>151 Parks and Recreation Special Revenue Fund</u>			
Appropriation Units:			
Debt Service	540,619	1,889,313	2,106,472
Future C.I.P. Commitments	0	1,597,465	0
Parks and Recreation	24,725,598	28,350,708	27,766,931
Public Works	2,082,478	2,772,645	2,833,125
Reserve for Contingencies	0	0	146,123
Transfer to Other Funds	1,158,517	2,573,615	3,331,436
Fund 151 Appropriation Totals	<u>28,507,212</u>	<u>37,183,746</u>	<u>36,184,087</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	12,036,681	12,938,096	12,982,690
From the Use of Money and Property	1,456,040	1,477,888	1,514,877
Miscellaneous Revenue	20,919	2,501	2,700
Permits, Privilege Fees, and Regulatory Licenses	7,283	700	700
Real Estate	17,206,540	16,749,009	16,653,197
Revenue from the Commonwealth			
Other Sources from the Commonwealth	19,098	26,000	27,000
Revenue from the Federal Government	332	0	0
Specific Fund Reserves	0	526,082	77,000
Transfers from Other Funds	3,572,309	5,463,470	4,925,923
Fund 151 Revenue Totals	<u>34,319,202</u>	<u>37,183,746</u>	<u>36,184,087</u>
<u>152 Tourism Investment Program Fund</u>			
Appropriation Units:			
Convention and Visitor Bureau	99,971	100,000	100,000
Cultural Affairs	50,500	50,500	50,500
Debt Service	25,831,976	26,252,872	25,041,384
Parks and Recreation	65,992	275,485	34,099
Public Works	791,683	915,684	968,133
Reserve for Contingencies	0	0	134,902
Strategic Growth Area	3,941,306	4,112,454	4,311,472
Transfer to Other Funds	4,162,124	4,326,391	4,349,015
Fund 152 Appropriation Totals	<u>34,943,552</u>	<u>36,033,386</u>	<u>34,989,505</u>
Revenue Sources:			
Revenue From Local Sources			
Amusement Tax	5,472,204	5,800,563	5,941,774
Cigarette Tax	937,093	934,885	932,081
Fines and Forfeitures	770,569	776,000	748,000
From the Use of Money and Property	640,587	593,277	626,400
Hotel Room Tax	14,122,260	14,333,141	15,443,711
Permits, Privilege Fees, and Regulatory Licenses	127,387	90,000	124,960
Restaurant Meal Tax	10,231,065	10,604,887	11,172,579
Specific Fund Reserves	0	2,650,633	0
Transfers from Other Funds	3,379,087	250,000	0
Fund 152 Revenue Totals	<u>35,680,252</u>	<u>36,033,386</u>	<u>34,989,505</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>157 Sandbridge Special Service District Spec Rev Fd</u>			
Appropriation Units:			
Transfer to Other Funds	5,414,361	4,804,405	4,390,194
Fund 157 Appropriation Totals	<u>5,414,361</u>	<u>4,804,405</u>	<u>4,390,194</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	6,764	7,100	6,764
Hotel Room Tax	1,201,663	1,306,790	779,012
Real Estate	615,314	581,621	591,675
Specific Fund Reserves	0	631,522	642,747
Transfers from Other Funds	1,856,105	2,277,372	2,369,996
Fund 157 Revenue Totals	<u>3,679,846</u>	<u>4,804,405</u>	<u>4,390,194</u>
<u>161 Agriculture Reserve Program Special Revenue Fund</u>			
Appropriation Units:			
Agriculture	126,441	215,950	214,886
Debt Service	2,320,459	3,643,024	3,838,198
Reserve for Contingencies	0	477,652	258,733
Transfer to Other Funds	2,600,000	0	0
Fund 161 Appropriation Totals	<u>5,046,900</u>	<u>4,336,626</u>	<u>4,311,817</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	4,455,103	4,336,626	4,311,817
Transfers from Other Funds	1,672	0	0
Fund 161 Revenue Totals	<u>4,456,775</u>	<u>4,336,626</u>	<u>4,311,817</u>
<u>163 Tourism Advertising Program Special Revenue Fund</u>			
Appropriation Units:			
Convention and Visitor Bureau	9,076,308	10,084,811	10,647,193
Reserve for Contingencies	0	0	11,331
Transfer to Other Funds	59,047	56,838	56,838
Fund 163 Appropriation Totals	<u>9,135,355</u>	<u>10,141,649</u>	<u>10,715,362</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	75,683	201,970	101,665
From the Use of Money and Property	41,723	42,730	42,432
Hotel Room Tax	4,926,388	4,846,444	5,259,938
Miscellaneous Revenue	31,068	48,200	41,243
Restaurant Meal Tax	4,825,974	5,002,305	5,270,084
Fund 163 Revenue Totals	<u>9,900,836</u>	<u>10,141,649</u>	<u>10,715,362</u>
<u>165 Lynnhaven Mall Tax Increment Financing Fund</u>			
Appropriation Units:			
Tax Increment Financing	2,821,663	0	0
Fund 165 Appropriation Totals	<u>2,821,663</u>	<u>0</u>	<u>0</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	1,810,835	0	0
Fund 165 Revenue Totals	<u>1,810,835</u>	<u>0</u>	<u>0</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>166 Sandbridge Tax Increment Financing Fund</u>			
Appropriation Units:			
Future C.I.P. Commitments	0	7,113,616	6,893,992
Transfer to Other Funds	7,281,671	0	909,806
Fund 166 Appropriation Totals	<u>7,281,671</u>	<u>7,113,616</u>	<u>7,803,798</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	28,200	15,300	25,000
Real Estate	7,292,742	7,098,316	7,410,157
Specific Fund Reserves	0	0	368,641
Fund 166 Revenue Totals	<u>7,320,942</u>	<u>7,113,616</u>	<u>7,803,798</u>
<u>169 Central Business District-South TIF (Twn Cntr) Fd</u>			
Appropriation Units:			
Debt Service	5,537,172	5,588,312	5,866,866
Transfer to Other Funds	150,000	150,000	150,000
Fund 169 Appropriation Totals	<u>5,687,172</u>	<u>5,738,312</u>	<u>6,016,866</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	906	3,000	900
Hotel Room Tax	250,000	500,000	500,000
Real Estate	5,149,809	4,976,213	5,208,136
Specific Fund Reserves	0	259,099	307,830
Fund 169 Revenue Totals	<u>5,400,715</u>	<u>5,738,312</u>	<u>6,016,866</u>
<u>172 Open Space Special Revenue Fund</u>			
Appropriation Units:			
Debt Service	2,451,368	2,433,043	2,827,433
Parks and Recreation	380,680	490,838	502,537
Public Works	0	15,300	15,300
Reserve for Contingencies	0	0	6,016
Transfer to Other Funds	2,369,181	2,026,724	1,827,258
Fund 172 Appropriation Totals	<u>5,201,229</u>	<u>4,965,905</u>	<u>5,178,544</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	4,444	14,560	21,144
Restaurant Meal Tax	4,246,858	4,402,029	4,637,674
Specific Fund Reserves	0	549,316	519,726
Transfers from Other Funds	11,073	0	0
Fund 172 Revenue Totals	<u>4,262,375</u>	<u>4,965,905</u>	<u>5,178,544</u>
<u>173 Major Projects Special Revenue Fund</u>			
Appropriation Units:			
Transfer to Other Funds	3,129,087	0	0
Fund 173 Appropriation Totals	<u>3,129,087</u>	<u>0</u>	<u>0</u>
Revenue Sources:			
Specific Fund Reserves	0	0	0
Fund 173 Revenue Totals	<u>0</u>	<u>0</u>	<u>0</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
174 Town Center Special Service District			
Appropriation Units:			
Parks and Recreation	31,143	29,367	30,501
Town Center Special Tax District	1,525,035	1,580,361	1,531,700
Transfer to Other Funds	313,564	337,197	337,197
Fund 174 Appropriation Totals	<u>1,869,742</u>	<u>1,946,925</u>	<u>1,899,398</u>

Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	0	2,600	2,600
Real Estate	1,692,226	1,476,231	1,480,463
Specific Fund Reserves	0	318,094	266,335
Transfers from Other Funds	150,000	150,000	150,000
Fund 174 Revenue Totals	<u>1,842,226</u>	<u>1,946,925</u>	<u>1,899,398</u>

180 Community Development Special Revenue Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	2,281,459	2,055,242	1,941,269
Transfer to Other Funds	394,125	128,858	128,858
Fund 180 Appropriation Totals	<u>2,675,584</u>	<u>2,184,100</u>	<u>2,070,127</u>

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	81,850	70,000	70,000
Revenue from the Federal Government	689,482	1,405,417	1,291,730
Transfers from Other Funds	714,138	708,683	708,397
Fund 180 Revenue Totals	<u>1,485,470</u>	<u>2,184,100</u>	<u>2,070,127</u>

181 CD Loan and Grant Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	857,681	595,488	699,104
Fund 181 Appropriation Totals	<u>857,681</u>	<u>595,488</u>	<u>699,104</u>

Revenue Sources:			
Non-Revenue Receipts	149,770	100,000	100,000
Revenue From Local Sources			
From the Use of Money and Property	4,317	0	0
Revenue from the Federal Government	1,463,813	370,488	484,175
Transfers from Other Funds	269,008	125,000	114,929
Fund 181 Revenue Totals	<u>1,886,908</u>	<u>595,488</u>	<u>699,104</u>

182 Federal Housing Assistance Grant Fund			
Appropriation Units:			
Housing and Neighborhood Preservation	690,157	900,639	900,639
Fund 182 Appropriation Totals	<u>690,157</u>	<u>900,639</u>	<u>900,639</u>

Revenue Sources:			
Non-Revenue Receipts	70,395	70,000	70,000
Revenue From Local Sources			
From the Use of Money and Property	9,091	0	0
Miscellaneous Revenue	2,000	0	0
Revenue from the Federal Government	977,184	830,639	830,639
Fund 182 Revenue Totals	<u>1,058,670</u>	<u>900,639</u>	<u>900,639</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>183 Grants Consolidated Fund</u>			
Appropriation Units:			
Circuit Court	26,354	0	0
Commonwealth's Attorney	346,594	333,680	333,680
Emergency Medical Services	920,774	375,000	375,000
Fire	460,823	757,260	770,853
Housing and Neighborhood Preservation	1,107,934	1,281,227	1,356,097
Human Services	2,080,139	1,677,882	1,684,321
Juvenile Probation	63,373	0	0
Library	69,004	0	0
Museums	31,053	31,000	31,000
Parks and Recreation	103,464	0	0
Police	1,311,145	75,866	58,111
Public Works	15,000	15,000	15,000
Reserve for Contingencies	0	100,000	100,000
Transfer to Other Funds	401,191	400,000	400,000
Fund 183 Appropriation Totals	<u>6,936,848</u>	<u>5,046,915</u>	<u>5,124,062</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	41,115	39,735	43,632
Revenue from the Commonwealth			
Other Sources from the Commonwealth	2,974,300	2,953,917	3,027,510
Revenue from the Federal Government	1,167,104	1,529,154	1,562,561
Transfers from Other Funds	612,047	524,109	490,359
Fund 183 Revenue Totals	<u>4,794,566</u>	<u>5,046,915</u>	<u>5,124,062</u>
<u>241 Water and Sewer Fund</u>			
Appropriation Units:			
Debt Service	7,873,801	20,050,544	22,527,690
Public Utilities	67,608,494	75,674,801	76,097,986
Reserve for Contingencies	0	1,072,393	1,112,052
Transfer to Other Funds	22,515,559	18,249,158	17,977,327
Fund 241 Appropriation Totals	<u>97,997,854</u>	<u>115,046,896</u>	<u>117,715,055</u>
Revenue Sources:			
Non-Revenue Receipts	5,272,115	2,665,095	2,665,095
Revenue From Local Sources			
Charges for Services	104,106,839	108,727,428	112,518,740
From the Use of Money and Property	604,677	559,447	444,274
Miscellaneous Revenue	539,502	330,218	390,773
Revenue from the Federal Government	1,017,733	1,017,733	1,017,733
Specific Fund Reserves	0	1,088,296	0
Transfers from Other Funds	639,494	658,679	678,440
Fund 241 Revenue Totals	<u>112,180,360</u>	<u>115,046,896</u>	<u>117,715,055</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
253 Parking Enterprise Fund			
Appropriation Units:			
Debt Service	695,545	725,012	692,863
Reserve for Contingencies	0	282,477	284,072
Strategic Growth Area	1,339,438	1,631,798	1,786,721
Transfer to Other Funds	914,644	433,428	933,428
Fund 253 Appropriation Totals	<u>2,949,627</u>	<u>3,072,715</u>	<u>3,697,084</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,868,842	3,050,215	3,688,584
From the Use of Money and Property	0	22,500	8,500
Fund 253 Revenue Totals	<u>2,868,842</u>	<u>3,072,715</u>	<u>3,697,084</u>

255 Storm Water Utility Enterprise Fund

Appropriation Units:			
Debt Service	958,735	2,359,776	2,263,221
Public Works	13,421,769	16,183,127	16,635,590
Reserve for Contingencies	0	220,000	3,060,469
Transfer to Other Funds	12,306,067	15,764,934	15,501,034
Fund 255 Appropriation Totals	<u>26,686,571</u>	<u>34,527,837</u>	<u>37,460,314</u>

Revenue Sources:

Revenue From Local Sources			
Charges for Services	27,785,024	32,278,283	37,018,136
From the Use of Money and Property	107,394	125,000	125,000
Miscellaneous Revenue	117,575	0	0
Revenue from the Federal Government	288,359	288,259	288,159
Transfers from Other Funds	1,924,255	1,836,295	29,019
Fund 255 Revenue Totals	<u>30,222,607</u>	<u>34,527,837</u>	<u>37,460,314</u>

310 Old Donation Creek Area Dredging SSD

Appropriation Units:			
Transfer to Other Funds	51,489	68,652	65,651
Fund 310 Appropriation Totals	<u>51,489</u>	<u>68,652</u>	<u>65,651</u>

Revenue Sources:

Revenue From Local Sources			
Real Estate	48,000	68,652	65,651
Fund 310 Revenue Totals	<u>48,000</u>	<u>68,652</u>	<u>65,651</u>

311 Bayville Creek Neighborhood Dredging SSD Fund

Appropriation Units:			
Transfer to Other Funds	0	50,508	48,751
Fund 311 Appropriation Totals	<u>0</u>	<u>50,508</u>	<u>48,751</u>

Revenue Sources:

Revenue From Local Sources			
Real Estate	0	50,508	48,751
Fund 311 Revenue Totals	<u>0</u>	<u>50,508</u>	<u>48,751</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>312 Shadowlawn Area Dredging SSD</u>			
Appropriation Units:			
Transfer to Other Funds	0	0	25,088
Fund 312 Appropriation Totals	<u>0</u>	<u>0</u>	<u>25,088</u>
Revenue Sources:			
Revenue From Local Sources			
Real Estate	0	0	25,088
Fund 312 Revenue Totals	<u>0</u>	<u>0</u>	<u>25,088</u>
<u>460 School General Revenue Capital Projects Fund</u>			
Appropriation Units:			
School Capital Projects	4,126,927	0	0
Fund 460 Appropriation Totals	<u>4,126,927</u>	<u>0</u>	<u>0</u>
Revenue Sources:			
Transfers from Other Funds	4,126,927	0	0
Fund 460 Revenue Totals	<u>4,126,927</u>	<u>0</u>	<u>0</u>
<u>540 General Government Capital Projects Fund</u>			
Appropriation Units:			
Building Capital Projects	7,812,466	965,000	1,641,287
Coastal Capital Projects	7,322,183	6,138,895	5,439,490
Communications and Information Technology Projects	8,860,897	560,329	0
Economic and Tourism Development Capital Projects	8,741,115	5,824,859	4,149,297
Parks and Recreation Capital Projects	4,912,089	7,373,332	7,825,198
Roadways Capital Projects	9,081,577	2,590,000	10,581,817
Fund 540 Appropriation Totals	<u>46,730,327</u>	<u>23,452,415</u>	<u>29,637,089</u>
Revenue Sources:			
Transfers from Other Funds	46,730,327	23,452,415	29,637,089
Fund 540 Revenue Totals	<u>46,730,327</u>	<u>23,452,415</u>	<u>29,637,089</u>
<u>541 Water and Sewer Capital Projects Fund</u>			
Appropriation Units:			
Water and Sewer Capital Projects	8,000,000	8,000,000	8,000,000
Fund 541 Appropriation Totals	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
Revenue Sources:			
Transfers from Other Funds	13,000,000	8,000,000	8,000,000
Fund 541 Revenue Totals	<u>13,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
<u>555 Storm Water Capital Projects Fund</u>			
Appropriation Units:			
Storm Water Capital Projects	10,836,635	14,202,870	13,962,480
Fund 555 Appropriation Totals	<u>10,836,635</u>	<u>14,202,870</u>	<u>13,962,480</u>
Revenue Sources:			
Transfers from Other Funds	10,836,635	14,202,870	13,962,480
Fund 555 Revenue Totals	<u>10,836,635</u>	<u>14,202,870</u>	<u>13,962,480</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
604 Print Shop Internal Service Fund			
Appropriation Units:			
Communications and Information Technology	2,044,276	0	0
Fund 604 Appropriation Totals	<u>2,044,276</u>	<u>0</u>	<u>0</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,172,987	0	0
From the Use of Money and Property	903	0	0
Miscellaneous Revenue	13,601	0	0
Fund 604 Revenue Totals	<u>2,187,491</u>	<u>0</u>	<u>0</u>
606 City Garage Internal Service Fund			
Appropriation Units:			
Public Works	11,431,241	10,646,769	11,732,660
Reserve for Contingencies	0	0	89,690
Fund 606 Appropriation Totals	<u>11,431,241</u>	<u>10,646,769</u>	<u>11,822,350</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	10,978,378	10,616,769	11,140,970
From the Use of Money and Property	6,982	0	0
Miscellaneous Revenue	182,005	30,000	0
Specific Fund Reserves	0	0	681,380
Fund 606 Revenue Totals	<u>11,167,365</u>	<u>10,646,769</u>	<u>11,822,350</u>
607 Risk Management Internal Service Fund			
Appropriation Units:			
Finance	10,505,258	11,071,818	12,030,968
Reserve for Contingencies	0	0	9,520
Fund 607 Appropriation Totals	<u>10,505,258</u>	<u>11,071,818</u>	<u>12,040,488</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	9,709,690	11,026,818	12,000,488
From the Use of Money and Property	39,578	30,000	40,000
Miscellaneous Revenue	411	15,000	0
Fund 607 Revenue Totals	<u>9,749,679</u>	<u>11,071,818</u>	<u>12,040,488</u>
610 Capital Projects Internal Service Fund			
Appropriation Units:			
Communications and Information Technology	1,980	197,364	197,938
Economic Development	45,002	80,671	63,300
Finance	56,088	164,434	162,711
Public Works	198,967	283,348	286,782
Reserve for Contingencies	0	0	2,330
Fund 610 Appropriation Totals	<u>302,037</u>	<u>725,817</u>	<u>713,061</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	361,389	725,817	713,061
Fund 610 Revenue Totals	<u>361,389</u>	<u>725,817</u>	<u>713,061</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>613 School Landscaping Internal Service Fund</u>			
Appropriation Units:			
Parks and Recreation	4,401,158	3,676,911	3,522,500
Reserve for Contingencies	0	0	41,852
Fund 613 Appropriation Totals	<u>4,401,158</u>	<u>3,676,911</u>	<u>3,564,352</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	3,751,950	3,676,911	3,564,352
From the Use of Money and Property	2,290	0	0
Miscellaneous Revenue	20,550	0	0
Fund 613 Revenue Totals	<u>3,774,790</u>	<u>3,676,911</u>	<u>3,564,352</u>
<u>614 School Risk Management Fund</u>			
Appropriation Units:			
School Risk Management	6,450,916	11,488,946	11,488,946
Fund 614 Appropriation Totals	<u>6,450,916</u>	<u>11,488,946</u>	<u>11,488,946</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	6,347,582	11,465,209	11,465,209
Miscellaneous Revenue	64,215	23,737	23,737
Fund 614 Revenue Totals	<u>6,411,797</u>	<u>11,488,946</u>	<u>11,488,946</u>
<u>615 City and School Health Insurance Fund</u>			
Appropriation Units:			
City and School Health Insurance	119,029,627	132,851,160	132,851,160
Fund 615 Appropriation Totals	<u>119,029,627</u>	<u>132,851,160</u>	<u>132,851,160</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	107,014,753	132,851,160	132,851,160
Fund 615 Revenue Totals	<u>107,014,753</u>	<u>132,851,160</u>	<u>132,851,160</u>
<u>616 Fuels Internal Service Fund</u>			
Appropriation Units:			
Public Works	7,438,768	7,009,359	7,872,002
Fund 616 Appropriation Totals	<u>7,438,768</u>	<u>7,009,359</u>	<u>7,872,002</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	7,710,926	6,876,428	7,872,002
From the Use of Money and Property	71,930	0	0
Specific Fund Reserves	0	132,931	0
Fund 616 Revenue Totals	<u>7,782,856</u>	<u>7,009,359</u>	<u>7,872,002</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>620 Telecommunications Internal Service Fund</u>			
Appropriation Units:			
Communications and Information Technology	2,336,744	2,807,772	3,457,477
Reserve for Contingencies	0	447,320	197,242
Fund 620 Appropriation Totals	<u>2,336,744</u>	<u>3,255,092</u>	<u>3,654,719</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	3,110,631	3,255,092	3,317,173
From the Use of Money and Property	5,733	0	0
Miscellaneous Revenue	10,083	0	0
Specific Fund Reserves	0	0	337,546
Fund 620 Revenue Totals	<u>3,126,447</u>	<u>3,255,092</u>	<u>3,654,719</u>
<u>621 Subscriptions Internal Service Fund</u>			
Appropriation Units:			
Communications and Information Technology	2,309,534	2,606,092	3,027,774
Reserve for Contingencies	0	998,781	255,507
Fund 621 Appropriation Totals	<u>2,309,534</u>	<u>3,604,873</u>	<u>3,283,281</u>
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,519,456	2,491,901	2,351,644
From the Use of Money and Property	150,534	0	0
Specific Fund Reserves	0	1,112,972	931,637
Fund 621 Revenue Totals	<u>2,669,990</u>	<u>3,604,873</u>	<u>3,283,281</u>
<u>908 City Beautification Fund</u>			
Appropriation Units:			
Parks and Recreation	27,762	72,500	72,500
Fund 908 Appropriation Totals	<u>27,762</u>	<u>72,500</u>	<u>72,500</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	44,829	72,500	72,500
Fund 908 Revenue Totals	<u>44,829</u>	<u>72,500</u>	<u>72,500</u>
<u>909 Library Gift Fund</u>			
Appropriation Units:			
Library	3,541	7,000	7,000
Fund 909 Appropriation Totals	<u>3,541</u>	<u>7,000</u>	<u>7,000</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	376	7,000	7,000
Fund 909 Revenue Totals	<u>376</u>	<u>7,000</u>	<u>7,000</u>
<u>910 Parking Meters - Homeless Donation Fund</u>			
Appropriation Units:			
Housing and Neighborhood Preservation	2,100	10,000	10,000
Fund 910 Appropriation Totals	<u>2,100</u>	<u>10,000</u>	<u>10,000</u>
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	4,060	10,000	10,000
Fund 910 Revenue Totals	<u>4,060</u>	<u>10,000</u>	<u>10,000</u>

City of Virginia Beach, Virginia
Expenditures and Revenues

	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>911 Parks and Recreation Gift Fund</u>			
Appropriation Units:			
Parks and Recreation	25,758	55,000	55,000
Fund 911 Appropriation Totals	<u>25,758</u>	<u>55,000</u>	<u>55,000</u>
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	403	0	0
Miscellaneous Revenue	0	55,000	55,000
Fund 911 Revenue Totals	<u>403</u>	<u>55,000</u>	<u>55,000</u>
Grand Total Of All Funds			
Total Appropriations for all Funds	2,320,348,650	2,453,170,103	2,457,590,592
Less Internal Service Funds	166,249,559	184,330,745	187,290,359
Less Interfund Transfers	487,735,878	500,032,644	489,927,169
Net Appropriations Totals	<u>1,666,363,213</u>	<u>1,768,806,714</u>	<u>1,780,373,064</u>
Revenue Sources Totals	2,298,906,852	2,453,170,103	2,457,590,592
Less Internal Service Funds	154,246,557	184,330,745	187,290,359
Less Interfund Transfers	487,735,878	500,032,644	489,927,169
Net Revenue Totals	<u>1,656,924,417</u>	<u>1,768,806,714</u>	<u>1,780,373,064</u>

City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
002 General Fund			
161 Agriculture Reserve Program Special Revenue Fund	1,672	0	0
181 CD Loan and Grant Fund	717,879	833,683	823,326
147 Federal Section 8 Program Special Revenue Fund	106,517	240,474	210,681
540 General Government Capital Projects Fund	35,710,345	12,962,952	18,030,920
183 Grants Consolidated Fund	612,047	524,109	490,359
172 Open Space Special Revenue Fund	11,073	0	0
151 Parks and Recreation Special Revenue Fund	3,572,309	5,463,470	4,925,923
460 School General Revenue Capital Projects Fund	4,126,927	0	0
115 School Operating Fund	314,813,174	360,564,152	382,098,154
098 School Reserve Special Revenue Fund	11,525,844	0	0
106 School Technology Category Special Revenue Fund	23,321,181	26,881,028	0
149 Sheriff's Department Special Revenue Fund	13,030,489	14,896,783	15,207,351
255 Storm Water Utility Enterprise Fund	1,895,236	1,807,276	0
152 Tourism Investment Program Fund	250,000	250,000	0
144 Waste Management Special Revenue Fund	0	14,769,687	0
241 Water and Sewer Fund	375,261	386,519	0
Total Transfer From Fund 002	410,069,954	439,580,133	421,786,714
098 School Reserve Special Revenue Fund			
115 School Operating Fund	13,300,000	11,000,000	14,000,000
Total Transfer From Fund 098	13,300,000	11,000,000	14,000,000
130 Law Library Fund			
002 General Fund	57,252	57,252	57,252
Total Transfer From Fund 130	57,252	57,252	57,252
142 DEA Seized Property Special Revenue Fund			
540 General Government Capital Projects Fund	941,898	0	0
Total Transfer From Fund 142	941,898	0	0
144 Waste Management Special Revenue Fund			
144 Waste Management Special Revenue Fund	0	0	3,228,656
241 Water and Sewer Fund	0	0	398,115
Total Transfer From Fund 144	0	0	3,626,771
149 Sheriff's Department Special Revenue Fund			
002 General Fund	146,147	24,551	24,551
Total Transfer From Fund 149	146,147	24,551	24,551
151 Parks and Recreation Special Revenue Fund			
002 General Fund	382,518	331,281	378,321
540 General Government Capital Projects Fund	775,999	2,242,334	2,883,115
157 Sandbridge Special Service District Spec Rev Fd	0	0	70,000
Total Transfer From Fund 151	1,158,517	2,573,615	3,331,436
152 Tourism Investment Program Fund			
002 General Fund	2,292,000	2,050,000	2,050,000
157 Sandbridge Special Service District Spec Rev Fd	1,856,105	2,262,372	2,284,996
255 Storm Water Utility Enterprise Fund	14,019	14,019	14,019
Total Transfer From Fund 152	4,162,124	4,326,391	4,349,015
157 Sandbridge Special Service District Spec Rev Fd			
540 General Government Capital Projects Fund	5,414,361	4,804,405	4,390,194
Total Transfer From Fund 157	5,414,361	4,804,405	4,390,194
161 Agriculture Reserve Program Special Revenue Fund			
002 General Fund	2,600,000	0	0

City of Virginia Beach, Virginia

Interfund Transfer Summary

Receiving Fund Code and Name	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
Total Transfer From Fund 161	2,600,000	0	0
<u>163 Tourism Advertising Program Special Revenue Fund</u>			
002 General Fund	59,047	56,838	56,838
Total Transfer From Fund 163	59,047	56,838	56,838
<u>166 Sandbridge Tax Increment Financing Fund</u>			
002 General Fund	7,000,000	0	0
540 General Government Capital Projects Fund	281,671	0	909,806
Total Transfer From Fund 166	7,281,671	0	909,806
<u>169 Central Business District-South TIF (Twn Cntr) Fd</u>			
174 Town Center Special Service District	150,000	150,000	150,000
Total Transfer From Fund 169	150,000	150,000	150,000
<u>172 Open Space Special Revenue Fund</u>			
002 General Fund	178,181	26,724	27,258
540 General Government Capital Projects Fund	2,191,000	2,000,000	1,800,000
Total Transfer From Fund 172	2,369,181	2,026,724	1,827,258
<u>173 Major Projects Special Revenue Fund</u>			
152 Tourism Investment Program Fund	3,129,087	0	0
Total Transfer From Fund 173	3,129,087	0	0
<u>174 Town Center Special Service District</u>			
002 General Fund	15,000	38,633	38,633
540 General Government Capital Projects Fund	283,564	283,564	283,564
255 Storm Water Utility Enterprise Fund	15,000	15,000	15,000
Total Transfer From Fund 174	313,564	337,197	337,197
<u>180 Community Development Special Revenue Fund</u>			
181 CD Loan and Grant Fund	265,267	0	0
002 General Fund	128,858	128,858	128,858
Total Transfer From Fund 180	394,125	128,858	128,858
<u>183 Grants Consolidated Fund</u>			
002 General Fund	1,191	0	0
540 General Government Capital Projects Fund	400,000	400,000	400,000
Total Transfer From Fund 183	401,191	400,000	400,000
<u>241 Water and Sewer Fund</u>			
002 General Fund	9,515,559	9,939,158	9,977,327
540 General Government Capital Projects Fund	0	310,000	0
541 Water and Sewer Capital Projects Fund	13,000,000	8,000,000	8,000,000
Total Transfer From Fund 241	22,515,559	18,249,158	17,977,327
<u>253 Parking Enterprise Fund</u>			
002 General Fund	114,644	118,428	118,428
540 General Government Capital Projects Fund	800,000	300,000	800,000
157 Sandbridge Special Service District Spec Rev Fd	0	15,000	15,000
Total Transfer From Fund 253	914,644	433,428	933,428
<u>255 Storm Water Utility Enterprise Fund</u>			
002 General Fund	1,205,199	1,259,904	1,258,229
540 General Government Capital Projects Fund	0	30,000	0
555 Storm Water Capital Projects Fund	10,836,635	14,202,870	13,962,480
241 Water and Sewer Fund	264,233	272,160	280,325
Total Transfer From Fund 255	12,306,067	15,764,934	15,501,034

City of Virginia Beach, Virginia

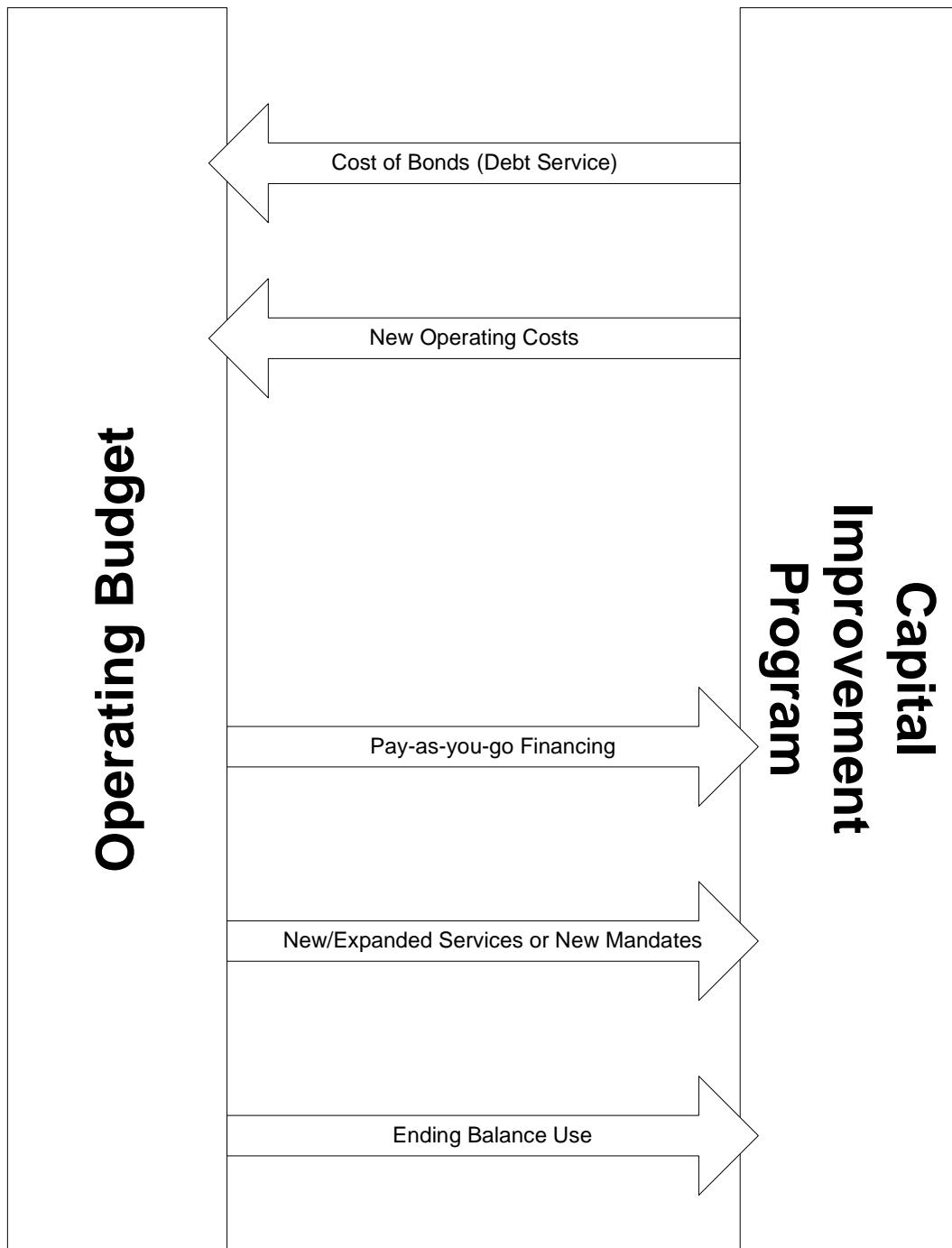
Interfund Transfer Summary

Receiving Fund Code and Name	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Total Adopted
<u>310 Old Donation Creek Area Dredging SSD</u>			
540 General Government Capital Projects Fund	51,489	68,652	65,651
Total Transfer From Fund 310	<u>51,489</u>	<u>68,652</u>	<u>65,651</u>
<u>311 Bayville Creek Neighborhood Dredging SSD Fund</u>			
540 General Government Capital Projects Fund	0	50,508	48,751
Total Transfer From Fund 311	<u>0</u>	<u>50,508</u>	<u>48,751</u>
<u>312 Shadowlawn Area Dredging SSD</u>			
540 General Government Capital Projects Fund	0	0	25,088
Total Transfer From Fund 312	<u>0</u>	<u>0</u>	<u>25,088</u>
TOTAL INTERFUND TRANSFERS FOR ALL FUNDS	<u>487,735,878</u>	<u>500,032,644</u>	<u>489,927,169</u>

City of Virginia Beach

Relationship of the Operating Budget to the Capital Improvement Program

As this graphic illustrates, there is a close linkage between the Operating Budget and Capital Improvement Program. Decisions made in one affect the other. For example, if we decide to open a new Fire Station, we also must plan for hiring new firefighters. Likewise, if we expand recreational programs in the Operating Budget we often must construct new facilities.

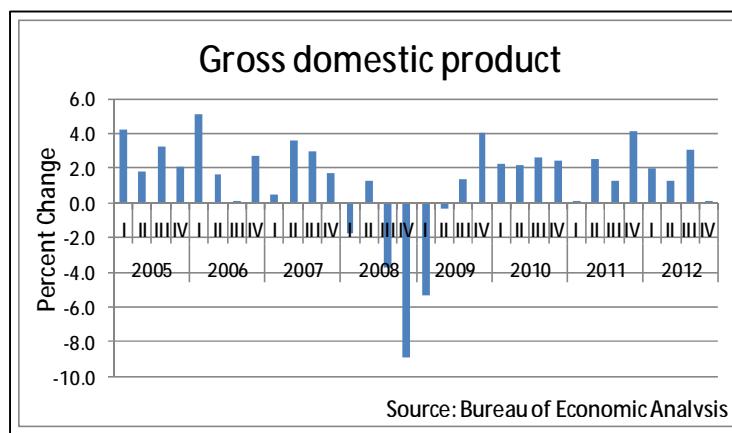


REVENUES

Revenues

National Economic Overview - The U.S. economy continues to recover from the longest and deepest drop in economic activity since the Great Depression. During the fourteen quarters following the end of the recession, real GDP growth has averaged 2.1%, which is near the long-term historic rate of growth for the national economy. But

this is a disappointing rate of growth, given that real GDP fell by nearly 5% from its peak during the recession. Historically, the economy snaps back from deep recessions. The annualized rate of growth after the recessions of the mid 1970's and early 1980's was 5.4% and 5.7% respectively. This past recession, however, was accompanied by a major financial and housing crisis. Economic history here and abroad tell us that recoveries following recessions associated with financial crisis tend to be more reserved.



While GDP represents an important measure of economic performance, the one that means the most to citizens is the unemployment rate, and it has remained stubbornly high. But the trend is improving. Unemployment lingered at or above 9% for twenty-nine of thirty months, but it has remained below 9% for six straight months. Each percent of the unemployment rate is approximately 1.5 million jobs and some economists suggest that GDP growth needs to exceed four percent before there is a substantial impact on unemployment. And economists now believe full employment is reflected at a rate of 6.5%.

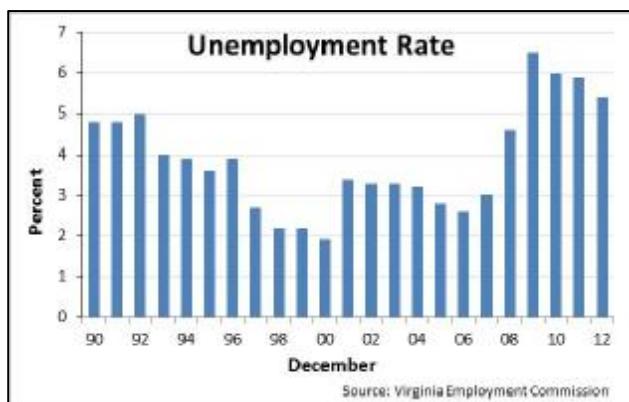
So where is the economy headed? The consensus forecast is for continued modest growth, but economic prophets can glean blue sky and bleak scenarios, which is often the case with the economy. The Federal Reserve's monetary policy is still quite accommodative; and investors are willing to purchase U.S. Treasuries, keeping long term interest rates low. While credit is loosening, institutions have maintained the more conservative lending standards compared to pre-recession requirements. Confidence in the U.S. economy and improved growth prospects abroad could change, causing a spike in interest rates. Productivity is high, resulting in record corporate profits and a booming stock market. These factors would normally bode well for wage increases. They have not because excess labor (high unemployment) has reduced the bargaining power of workers.



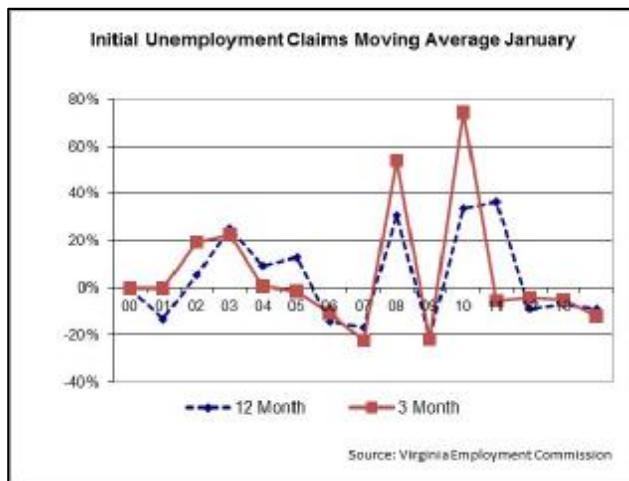
Housing continues to improve. Demand has picked up, and there has been sharp decline in supply of homes for sale. Banks have slowed foreclosures and approved more loan reworks and short sales, reducing the number of homes sold at larger discounts. Weak construction has been a factor slowing new inventory. Investment demand has picked up; record low mortgage rates and rising rents have created more demand. Still housing remains fragile, and it hard to qualify for a loan; many homeowners who are "underwater" cannot sell their home even if they wanted to. The housing rebound is occurring from a base that collapsed, so the initial growth is strong but will likely level off.

Political uncertainty remains perhaps the most unsettled issue that hangs over the economy. Can Washington reach a broad compromise "Grand Bargain" to reform entitlements and the tax code, and reduce deficits? In the short term such actions could reduce GDP, since Government represents a component of GDP and tax increases could have some effect on economic growth. Such actions, however, would bode well for long-term growth and reassure confidence in markets. Economic behavior is complex and economic turning points are notoriously difficult to predict. U.S. companies are well positioned to invest and labor is readily available.

Virginia Beach Economic Overview - With the exception of real estate, the city's economy has recovered since the recession. All three employment indicators continue to show improvement: Employment has grown for twelve consecutive months; the unemployment rate has fallen for fourteen consecutive months, and initial unemployment claims, which represent a national leading economic indicator, has fallen for thirty of the last thirty six months. The accompanying graphs illustrate the trends in these employment indicators.



Consumer spending has resumed. General Sales, Meal, and Hotel taxes have all returned to their pre-recession levels. New car sales have rebounded more robustly, but these had dropped dramatically during the recession; used cars are maintaining high values as well.



Housing remains the concern, but the deceleration in the rate of decline represents a positive harbinger. Distressed sales measured by foreclosures have decreased from nearly 30% of total sales to less than 20%. Half the properties in the city retained their assessed value from the previous fiscal year, up from 18% last year.

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

Although the aforementioned national macroeconomic influences can certainly affect our economy, sequestration and significant deficit reduction efforts represent our overarching concern. Sequestration will require an annual reduction of

roughly 5% for nondefense programs and roughly 8% for defense. Given that these reductions must be made over the remaining seven months of the Federal fiscal year, the effective reductions increase to 9% for non-defense and 13% for defense. Sequestration has asymmetric impacts across the nation. Because Federal civilian and military earnings combined represent 22% of total earnings in our city and 29.2% in the region (compared to only 5.4% on the national level), our region will be hit much harder. Although the specific impacts on individual regional cities is known, economists at Old Dominion University indicate that 12,000 jobs could be lost regionally if sequestration reductions remain in effect for a full year. If these job cuts come to pass,



the negative feedback loop on housing and consumption could jeopardize the city's revenue forecast. Even if Congress and the President agree to substitute reductions and revenue increases, defense spending is likely to experience some reduction in any plan to achieve deficit reduction, and Virginia Beach will continue to be on alert of these trends.

Forecasting Methodology

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

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

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

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

Recent Real Estate Tax Rate Adjustments and Distributional Purpose Historical Perspective - The table chronicles real estate tax rate changes from FY 1988-89 through FY 2013-14 and identifies the dedications. From FY 1982-83 through FY 1986-87, the City's real estate tax was 80¢ per \$100 of assessed valuation. Due to unprecedented appreciation, the City Council lowered the tax rate for each year from FY 2004-05 through FY 2007-08, and adjusted the following dedications: the Recreation Center dedication was decreased from 3.8¢ to 3.476¢, and Outdoor Initiative from 0.7¢ to 0.47¢ to mirror the reduction in the real estate rate. In FY 1995-96, the Agriculture Reserve Program dedication was established at 1.5¢. In FY 2004-05, it was lowered to 1¢, and in FY 2006-07, it was lowered to 0.9¢. The adoption of the City/School Revenue Sharing Formula in FY 1997-98, which originally dedicated 53.13% of all Real Estate Taxes (and six other fast growing revenues) to Schools, replaced specific rates for school-related purposes identified below. Due to City Council approved modifications and State revenue changes, the formula percentage changed to 51.3% while maintaining the City's commitment to the School system. Additional modifications are outlined in the narrative below. FY 2012-13 included a four-cent increase in the real estate tax to offset revenue losses for the Schools and a two-cent increase to address road construction and the estimated \$1 million annual impact from the line of duty retirement passed by the General Assembly and transferred to local governments as an unfunded mandate. On May 14, 2013, the City Council voted for a two-cent decrease in the real estate rate (from 95¢ to 93¢) to help offset the increase in the Waste Management Fee.

Real Estate Tax Adjustment from FY 1988-89								
Fiscal Year	Tax Rate	Tax Rate Change	General Government	Road Construction/ Line-of-Duty Retirement	Parks and Recreation	School Operating Budget	School CIP	ARP ¹
1988-89	\$0.915	3.8¢			3.8¢*			
1989-90	\$0.977	6.2¢			0.7¢	5.5¢		
1990-91	\$1.032	5.5¢	0.6¢				4.9¢*	
1991-92	\$1.09	5.8¢				5.8¢		
1993-94	\$1.14	5.0¢	-0.7¢				5.7¢	
1995-96	\$118.8	4.8¢					3.3¢	1.5¢
1996-97	\$1.22	3.2¢				3.2¢		
2004-05	\$1.1964	-2.36¢	-2.36¢					
2005-06	\$1.0239	-17.25¢	-16.75¢				-0.5¢	
2006-07	\$0.99	-3.39¢	-2.99¢		-0.3¢		-0.1¢	
2007-08	\$0.89	-10¢	-9.746¢		-0.254¢			
2012-13	\$0.95	6.0¢		2.0¢		4.0¢		
2013-14	\$0.93	-2.0¢	-2.0¢					
TOTAL CHANGE		3.5¢		-33.946¢	2.0¢	3.946¢	18.5¢	13.9¢
*Note: Originally approved in conjunction with a referendum								

¹Agriculture Reserve Program

City/School Revenue Sharing - With the exception of FY 2012-13, the City and School System have had a revenue sharing formula for every year since 1998. The City Council eliminated the formula in FY 2012-13, feeling that it needed to be revamped and tasked the City Manager, working with the Superintendent, to develop a new formula in time for the FY 2013-14 Operating Budget. The Superintendent and City Manager presented their proposed formula during the summer of 2012; City Council and the School Board ratified it on October 23, 2012. The old formula was restricted to seven of the city's largest and most-stable revenues, while the new formula encompasses all non-dedicated local taxes. The new formula also

recognizes the mandated local funding under the State's Standards of Quality Formula. This required match is funded by the formula at 100%. The non-dedicated revenues that remain after the required match are then split between the City and Schools with 32.37% going to the School System. In addition to the formula revenues, the Schools receive the revenue generated from the four cents of the real estate tax City Council dedicated in the FY 2012-13 Operating Budget. This dedication remains in place until the State restores education funding to its pre-recession level of \$350 million per annum (net of School Facility Funds). Once this annual level of state funding has been achieved, the City Manager will recommend a reduction in the four-cent dedication approximately equal to the increase in State funding.

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

Dedication of Tax								
Tax	Local Rate	General Fund	T.I.P.	T.A.P.	Beach Events	EDIP	Open Space	Tax Elasticity*
Amusement Tax	10.0%		10.0%					0.65
Hotel Room Tax	8.0%	2.0%	4.5%	1.0%	0.5%			0.84
Restaurant Meal Tax	5.5%	3.5%	1.06%	0.5%			0.44%	0.96
Cigarette Tax (per pack)	70¢	49¢	5¢			16¢		0.96

*Statistical Measure of Tax Elasticity - Elasticity is a measure of how one variable responds to a change in another variable. Using regression analysis in logarithmic form, the elasticity is computed as: Tax Revenues = f(tax rate, other causal variables). A coefficient for the tax rate variable of greater than "1" indicates that this is an elastic tax from the perspective of the government. (From the citizen's perspective the demand for the government service is inelastic; the behavior of the consumer/citizen does not change in response to the higher tax). A coefficient of less than "1" suggests the revenue is inelastic for the government; alternatively, this suggests that the consumer's demand for this service is price elastic (i.e. increases in taxes alter the consumer's behavior). (A coefficient of "1" implies unitary elasticity). Using a specific example, the elasticity for Amusement Tax implies that a 1% increase in this tax will generate a .65% increase in tax revenues. As the elasticities show and as intuition would generally suggest, all of these taxes are inelastic. A caveat is in order. Because specifying and quantifying other causal variables in the equation are both difficult, these results should be interpreted as very approximate values.

Tourism Investment Program (TIP) - This fund combines the previous Tourism Growth Investment Fund (TGIF) and Major Project Fund. These funds received revenue from the hotel room, restaurant meal, admission taxes, cigarette tax, and other miscellaneous tourism-related revenues. These funds were established to fund specific tourism projects, capital projects, Beach and other special events, maintenance of infrastructure, and to fund the debt service for the Convention Center, the Sandler Center, and the Virginia Aquarium and Marine Science Center.

Tourism Advertising Program Fund (TAP) - City Council designated funding for tourism advertising and marketing costs.

Economic Development Investment Program Fund (EDIP) - To support and enhance the City's economic development program and strategic plan, 16 cents (22.9%) of the local Cigarette tax rate is dedicated to this fund. This includes an FY 2013-14 increase of 4¢ dedicated to this program. The program will leverage grant dollars, fund infrastructure, and other case-by-case approved economic development initiatives. A policy to guide the use of these funds has been adopted by City Council.

Open Space - To acquire and preserve land for future generations, this fund provides open space initiative resources. For additional information, please see the Cultural and Recreational section of the Capital Improvement Program.

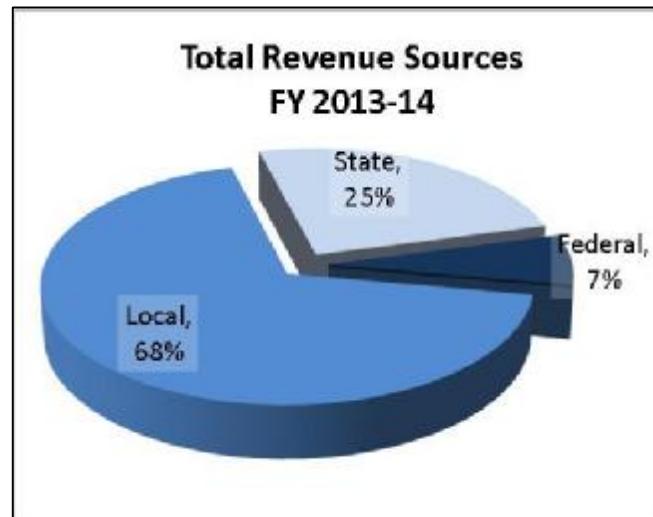
The cigarette tax was increased five cents in FY 2013-14, with one cent remaining in the General Fund to enlist a biomedical healthcare industry consultant for economic development; the other four cents will go to the Economic Development Investment Program.

Fees and Charges for FY 2013-14

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

The following are the notable changes to City fees for FY 2013-14:

- Parks and Recreation Fees: In response to increased operational costs, this budget includes increases in certain fees and charges that have not been adjusted in several years. For a complete list, please see the Parks and Recreation write-up in the Cultural and Recreational Opportunities section of this document.
- The Planning Department's budget adjusts numerous fees to address service demands. Additional information can be found in the Planning Department write-up in the Quality Physical Environment section of this document.
- City Council increased the Waste Management Fee for the FY 2013-14 adopted budget to \$21.36 per month from \$10 per month. This increase fully supports Waste Management operations and eliminates the General Fund support for the Waste Management Special Revenue Fund. The Waste Management Special Revenue Fund now transfers funding back to the General Fund to support vehicle replacement and overhead costs that reside in that fund.
- Storm Water Equivalent Residential Unit (ERU) was approved by City Council in FY 2011-12 for a three-year phased increase. In FY 2013-14, the ERU increases 5 cents from \$0.366 per day to \$0.416 per day. Additional information can be found in the Public Works section of the operating budget.
- A four-year phased sewer rate increase that was approved with the FY 2010-11 Capital Improvement Program. In FY 2013-14, the monthly sewer rate for a single family residence with a typical 5/8" meter and 5,000 gallon usage will increase from \$24.86 to \$27.76. Additional information can be found in the Public Utilities section of the operating budget.
- The City is also instituting various fees to support the escalating costs of special events. These fees will help offset the costs of activities such as street closures, security, and waste collection. A more detailed discussion of these fees is included in the Strategic Growth Area Department write-up.



Overall, local sources comprise the largest portion of all revenues (see graph above), which remained steady at 68% of all revenue sources. Additional details about the various rate and fee changes can be found in the Executive Summary and in the individual department sections.

Changes in Funds

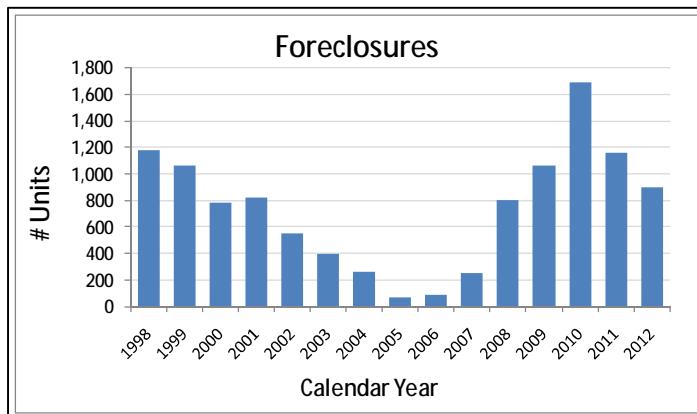
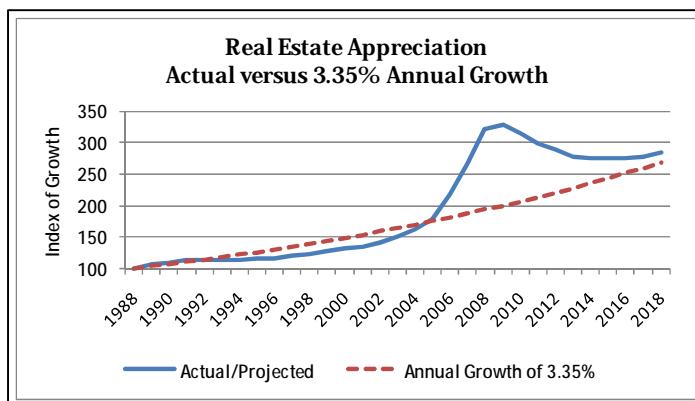
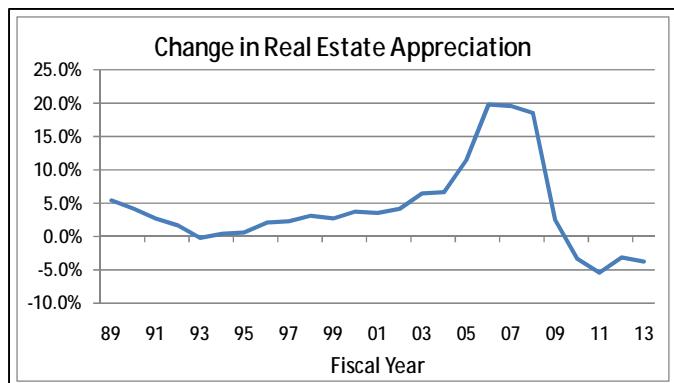
Consolidation/New Funds - Two new neighborhoods have established dredging special service districts and thus the associated Special Revenue Funds since last year's proposed budget. Bayville Creek and Shadowlawn were established by

City Council to providing neighborhood channel dredging of creeks and rivers to maintain existing uses. The following table shows the dredging SSDs established to date.

Neighborhood/Area	Approved by City Council	Effective Date	Current SSD Real Estate Tax Rate	CIP Project #
Old Donation Creek	September 13, 2011	October 1, 2011	18.4¢	8-500
Bayville Creek	March 27, 2012	July 1, 2012	36.3¢	8-501
Shadowlawn	March 12, 2013	July 1, 2013	15.9¢	8-502

General Fund Revenue Source Analysis

Real Estate Tax - Beginning in 2005, the City experienced four years of unprecedented double-digit housing appreciation (averaging 19% annually) followed by one year of below-trend growth (2.3%) and five consecutive years of negative appreciation, which is also unprecedented. This describes a classic boom-and-bust cycle. During the boom period, home prices rose 89.3% while median household income grew at approximately 17.6% over the same time span. For FY 2013-14, overall assessments are decreasing 0.8%. Average assessment change for residential properties is -2.3%; for commercial/ industrial property, the average change is -1.18%. Residential units comprise 83.4% of the total tax base and commercial/industrial the remaining 16.6%.



The table shows the change in assessment according to home values. Continuing the trend seen last year, residential units under \$150,000 are experiencing the greatest decline in value. It is important to note that fifty percent of all properties saw no change in value.

Estimated Revenue - Real estate assessment projections are provided by the City Real Estate Assessor. For FY 2013-14, the City Council reduced the rate from 95¢ to 93¢. That rate will generate General Fund Real Estate collections (including current taxes, public service, delinquencies and interest) of \$427,074,330, a \$9,581,816 reduction

The graph compares the actual growth in appreciation to a series constructed based on the long-term linear-average growth rate of real estate. This smooths out the “boom and bust” cycle and may provide insight as to whether real estate has reached a bottom or has further to fall to achieve equilibrium. The key assumption is what represents a long-term average growth for real estate. Expert opinion varies. Noted real estate economist, Robert Shiller, suggests the figure is 3.35%; other estimates approach 5%. If the Real Estate Assessor’s projected growth through FY 2017-18 is compared to this linear average, the points are aligned five years in the future. While growth in real estate appreciation is still negative, the overall trend continues to improve steadily; however, as the graph shows, it will be several years before we return to growth that mirrors the long-term average.

Another trend that should be considered is the improvement in the foreclosures. Initial foreclosures totaled 895 in calendar year 2012, a 23% decrease from 2011. This is just over half the number of foreclosures in 2010 in Virginia Beach. While this level of foreclosure is still significantly above the long term average of 672 annually, the trend continues to move in the right direction.

Percent Change in Residential Property by Value Range

Value Range	Median Change	Mean Change
Under \$150,000	-3.5%	-7.1%
\$150,000 - \$200,000	0%	-1.9%
\$200,000 - \$250,000	0%	-1.7%
\$250,000 - \$350,000	0%	-0.7%
\$350,000 - \$500,000	0%	-0.7%
\$500,000 - \$750,000	0%	-0.3%
Over \$750,000	0%	-0.3%

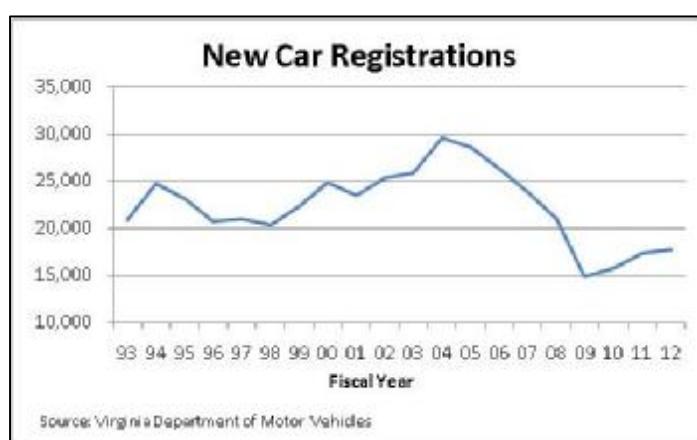
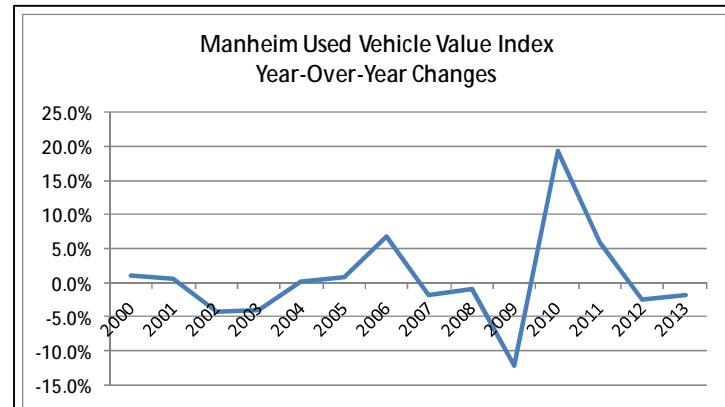
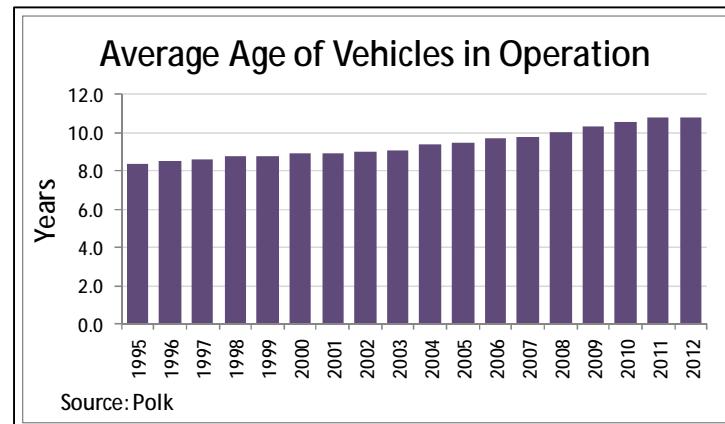
Source: Real Estate Assessor's Annual Report

from the proposed budget. A total of \$462,869,265 is generated by real estate tax in all funds. Parks and Recreation and Agriculture Reserve Program dedications are estimated in their respective funds, as are real estate revenues related to TIFs and SSDs.

Personal Property - Seventy-three percent of personal property taxes, \$103 million, pertain to the assessed values of vehicles. The State reimburses the City a flat \$53.4 million under the Personal Property Tax Relief Act (PPTRA); the remaining \$49.6 million is paid by the vehicle owners. Traditionally, in Virginia Beach, there has been a healthy vehicle buying churn. As vehicles aged and lost value, they were sold or traded in for a newer and higher valued vehicle. Typically, during a recession, the churn quiets as consumers retain vehicles longer for economic reasons.

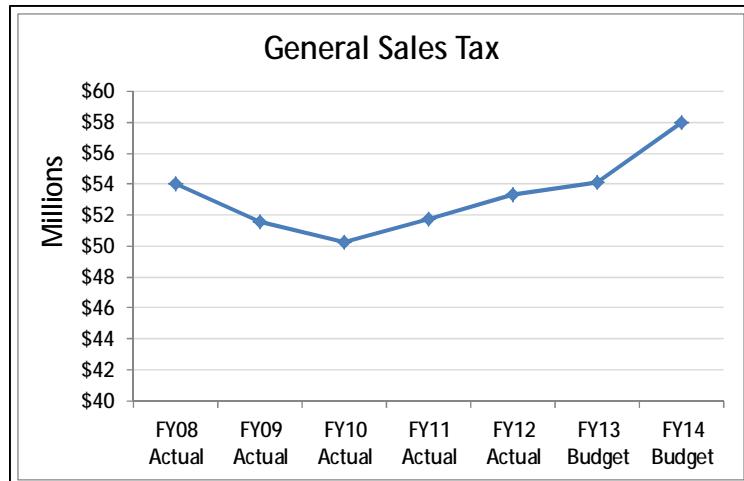
In the 1990-91 recession, new vehicle sales decreased 6.7% while unemployment peaked at 5.0%. Comparatively, during the 2001 recession, new vehicles sales dipped by 3.8% while unemployment peaked at 3.4%. Demonstrating the magnitude of the most recent recession, unemployment climbed to 6.4% and new vehicle sales decreased 24.6%. The average age of a vehicle in the City's base exceeds ten years, which follows the national trend depicted in the graph. While this is certainly economically driven, the increased vehicle quality also supports maintaining vehicle ownership for longer periods. Growth in the average age of vehicles is beginning to level off, as can be seen in the graph demonstrating vehicle age as well as the 1.8% decline in the values of used vehicles in 2012 according to the Manheim Used Vehicle Value Index. New car sales are up and the total number of vehicles in operation has also increased as the economy improves, which bodes well for personal property tax collections.

The State implemented the Personal Property Tax Relief Act in which localities will receive a flat reimbursement rather than receive reimbursement for 70% of the total tax eligible tax base in FY 2005-06. This is a somewhat complicated piece of legislation, and the following discussion highlights the important aspects. The Car Tax reimbursement is no longer linked to the percentage of individual vehicle tax bills. Rather than experiencing increases in our reimbursement that parallels the growth in the vehicle base, the amount of the State reimbursement is frozen at \$53.4 million. With projected growth in the vehicle base, this budget proposes a relief percentage of 59%, unchanged from FY 2012-13. Consistent with the original legislation, vehicles valued under \$1,000 will not be subject to any tax. Vehicles valued between \$1,001 and \$20,000 will be taxed at 41% of the assessed value of \$3.70 per \$100, and the portion of vehicles valued over \$20,001 will be taxed at 100% of \$3.70 per \$100 of assessed value. However, in addition to the impacts of complicated legislation, this revenue is substantially collected once a year; therefore, no current year data is available to evaluate trends or validity of assumptions. In addition,



this revenue has been erratic and difficult to forecast. None of the sophisticated statistical techniques have forecasted this revenue very well. So, the past performance has not been a good predictor of the future.

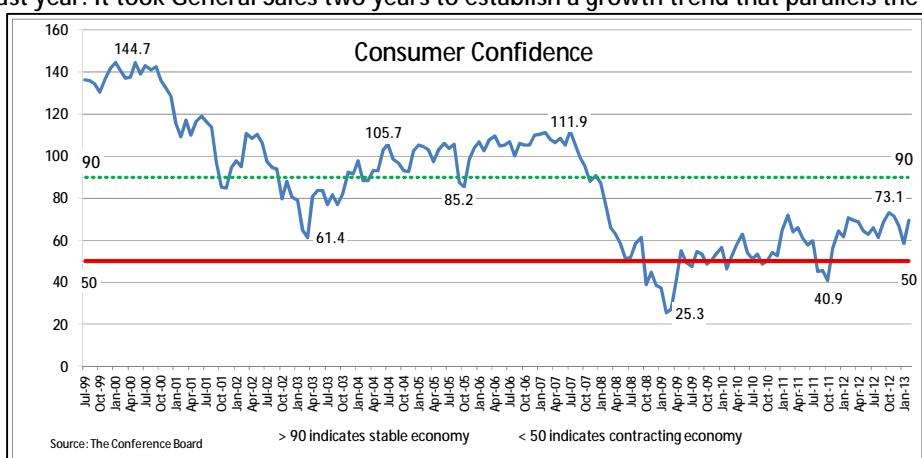
Estimated Revenue - For FY 2013-14, Personal Property taxes are estimated to be \$138,576,713, a 4.7% increase over the FY 2012-13 estimates. The adopted budget did not include the reinstatement of the personal property tax on pleasure boats at \$1.00 per \$100 of assessed value, which would have generated an estimated \$1,750,000 in FY 2013-14 to support the dredging program in the Coastal section of the capital improvement program. Without this funding, support for dredging activities was eliminated. Reductions in the rates for commercial boats, recreational vehicles and aircraft classifications were recommended in the proposed budget to keep the rates equivalent to the proposed rate for pleasure boats; however, these changes were not implemented by City Council.



General Sales - This revenue represents one percent of total State sales tax collected in Virginia Beach, which is distributed back to local governments. It performed exceptionally well during the housing boom, rising 10.9% and 6.4% in FY 2003-04 and FY 2004-05, back-to-back levels not experienced since FY 1986-87. The appreciation of home values and the ability to monetize it through re-financing/home equity loans had allowed homeowners to withdraw cash from their home and spend it. Consider these national statistics. A 2004 Federal Reserve study indicated that home owners withdrew equity in their homes equivalent to 7% of their disposable income (and it may have risen to 10% in 2005), and a study by Goldman Sachs Group suggested that

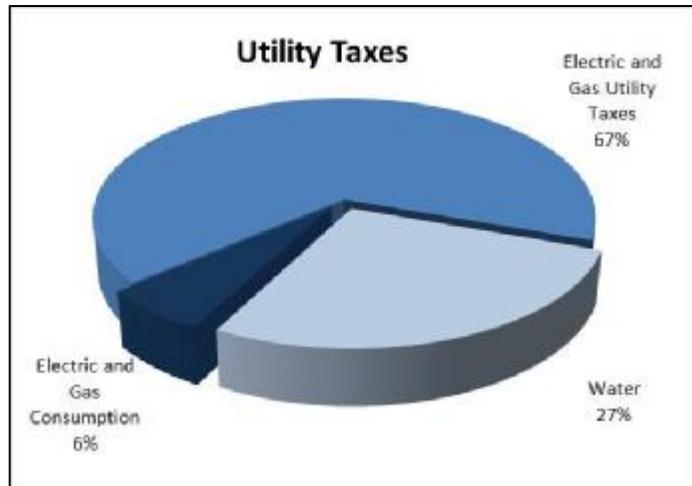
homeowners spent over two-thirds of these monies on consumer goods. With home prices declining, equity extraction has nearly halted and consumer psychology has likely changed. The growth rates in general sales tax revenues for FY 2007-08 through FY 2009-10 were: 0.2%; -4.6%; and -2.6%. This revenue stream began to rebound again in FY 2010-11 when it improved to 2.9% annual growth and 3.2% growth in FY 2011-12. Year-to-date sales tax collections remain positive, tracking about 3.7% ahead of the same period last year. It took General Sales two years to establish a growth trend that parallels the long-term annual average; however, we would not anticipate that the City will return to the 6.6% average annual growth we experienced from FY 2003-04 through FY 2007-08.

The Conference Board provides a monthly index of national consumer confidence. A reading of 90 indicates a stable economy; less than 50 indicates a contracting economy. As the graph indicates, the trend is increasing from the 25.3 seen in February 2009, but it likely hasn't been totally restored yet. The downgrade of the US government's credit rating in August 2011 and subsequent battles in Congress over spending, as well as the inability to avoid the sequester in December 2012, are notable events that shook consumer confidence as reflected in the drops in ensuing months. With a significant concentration of federal spending throughout the State of Virginia, and especially in Hampton Roads, we are bracing for the possible effects of sequestration on the City's consumer-driven revenues (general sales, hotel taxes, and meal taxes).



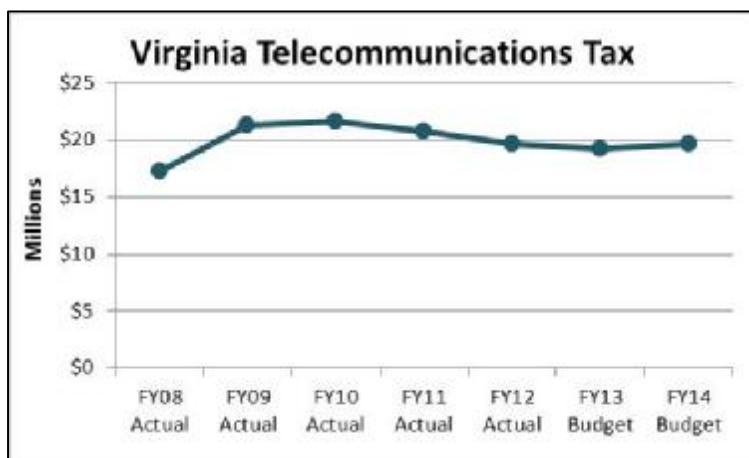
Estimated Revenue - For FY 2013-14, estimated revenue for General Sales is expected to be \$57,987,463. This is 7.2% greater than the previous year's budget, and FY 2011-12 actual collections that were higher than estimated, thus increasing the base for FY 2012-13, better-than-expected growth for FY 2012-13 to date, and staff has accounted for an increase related to the opening of an Amazon warehouse in Virginia. Those sales will then be subject to sales tax; one percent of the sales in Virginia Beach will be remitted back to the City.

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



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

Estimated Revenues - For FY 2013-14, estimated revenue for utility taxes is expected to be \$25,123,967. This represents a 2.24% decrease from the previous year's budget and reflects a current growth.



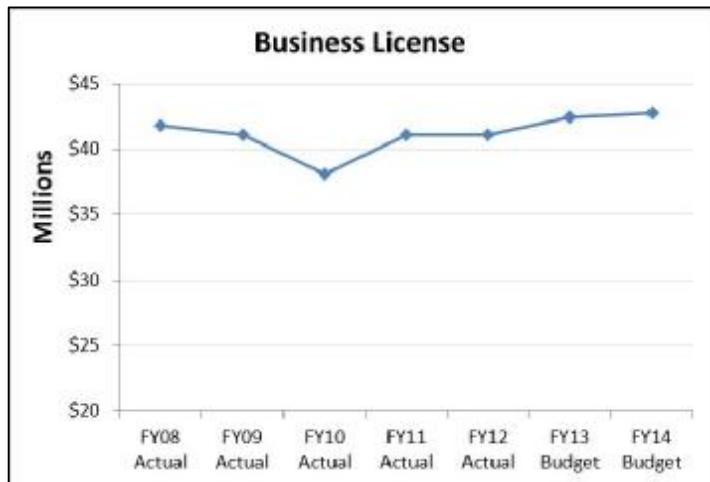
Virginia Telecommunications Tax - In January 2007, the State replaced all local telecommunication and cell phone taxes with a uniform 5% tax. The taxation applies to satellite TV, Internet phone service, Voice-Over-Internet-Protocol (VOIP), and satellite radio; additionally, a \$0.83 cent Right-of-Way fee was imposed. To eliminate the various rate structures imposed by over 100 local governments, telecommunication industries intensely lobbied for this change. From a local government perspective, there were concerns about achieving revenue neutrality (a legislative promise). However, many local governments were experiencing a decline in the telecommunication revenues due to the use of VOIP (which is not subject to the tax) and the trend

of consumers canceling landline service, relying strictly on mobile service. As a result, since its inception, the telecommunication tax has not maintained revenue neutrality, but it is impossible to know what growth would have occurred under the previous tax structure.

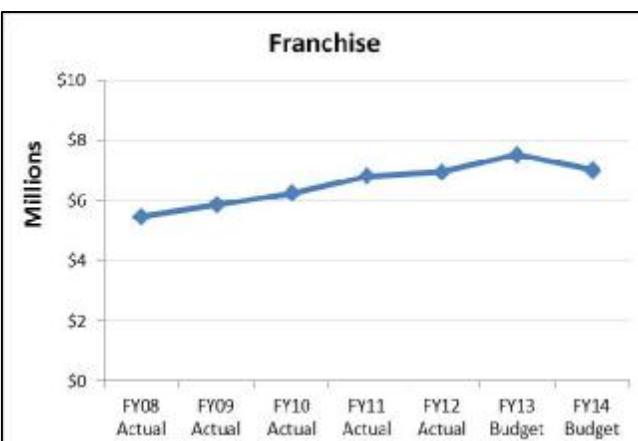
Neutrality was based upon FY 2005-06 revenue collections and represents \$23.4 million per annum. Revenues are received monthly, but they usually incur adjustments. Each month, the City receives adjustment information. The adjustments include overpayments, amnesty collections, and misapplied revenues. To measure the correct annual collections, the adjustments are applied, and a normalized collection is calculated. Previous trends in this adjusted revenue stream showed a continued deterioration. As the graph indicates, this revenue had been experiencing year-over-year declines in this source – an average of 5% annually, with an equalization reached in FY 2013-14.

Estimated Revenue - For FY 2013-14, this revenue is projected to be \$19,694,924. Limited data is provided to the City from the State distribution, so analysis of specific trends is not possible; however, the State has been processing significant numbers of large exonerations that affected multiple years but were paid in FY 2010-11 and FY 2011-12. Year-to-date trends indicate that this stream is holding steady for collections compared to FY 2011-12; therefore, that was the basis of the estimate.

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



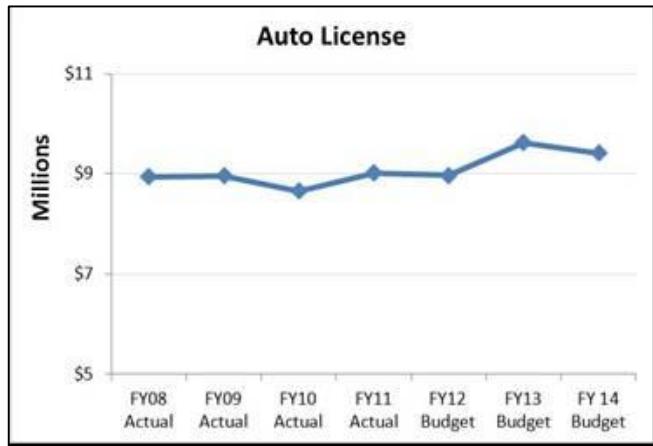
Estimated Revenue - For FY 2013-14 estimated revenue for BPOL is projected to be \$42,791,543, which represents a 0.8% increase over last year's budget.



Cable Franchise Tax - During the recession, many discretionary spending decisions were made by consumers. For instance, some big ticket purchases were delayed and consumers turned to discount stores for goods. One area unaffected by the recession has been cable entertainment, which may appear to be counterintuitive; however, the literature suggests that consumers turned to less expensive at-home entertainment. So, while theater prices had escalated, movie rentals and pay-per-view had only modestly increased. In addition, the City benefitted from the growing offerings of high definition and digital channels have been introduced for which consumers pay increased monthly rates. Because the cable franchise tax is based upon gross revenues

and prices have increased with options, the cable franchise revenues have also risen. Between FY 2007-08 and FY 2010-11, annual increases in cable franchise revenues exceeded 7.5% on average. However, for FY 2011-12, collections only increased 2% and the year-to-date trend is similar for FY 2012-13.

Estimated Revenue - For FY 2013-14, cable franchise revenues are projected to be \$7,031,293, a decrease 6.6% over the previous year's budget, which is trending to be too aggressive based on actual collections for FY 2011-12 and year-to-date collections for FY 2012-13.



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

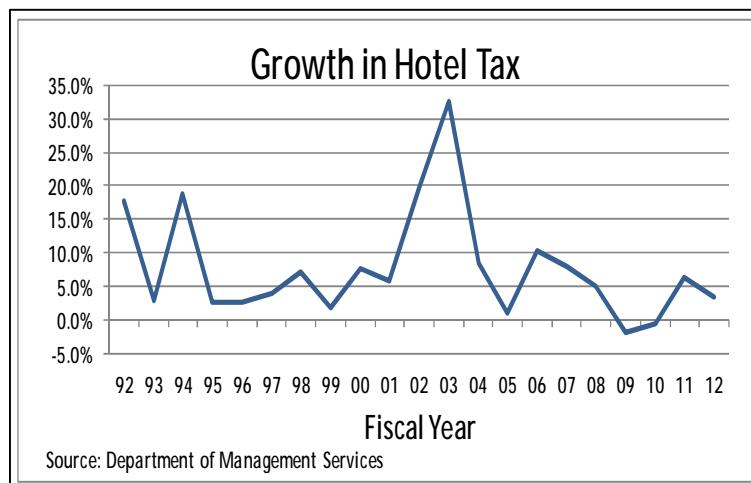
In recent years, this revenue has experienced flat or declining growth, and may be attributable to three demographic factors and the economy. (1) The number of students becoming of driving age is declining according to school enrollment data. With graying of America, it is possible that some elderly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

Estimated Revenue - Given the explained factors, further complicated by a deep recession, for FY 2013-14, automobile license fees are projected to be \$9,419,062. This is 2.2% below the previous year's budget, which appears to be overstated. This revenue performed very poorly in FY 2011-12 after performing well in FY 2010-11 estimate, continuing the erratic performance.

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

Estimated Revenue - For FY 2013-14, total cigarette tax revenues are projected to be \$13,042,050. This is 7.3% above last year's budget, and reflects an adjustment to the base level due to the actual revenues received in FY 2011-12 and the previously noted 5-cent-per-pack increase. Note that a portion of these taxes are earmarked to the Tourism Investment Program; therefore, due to GASB 54, \$932,081 revenues are recorded in that fund.

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



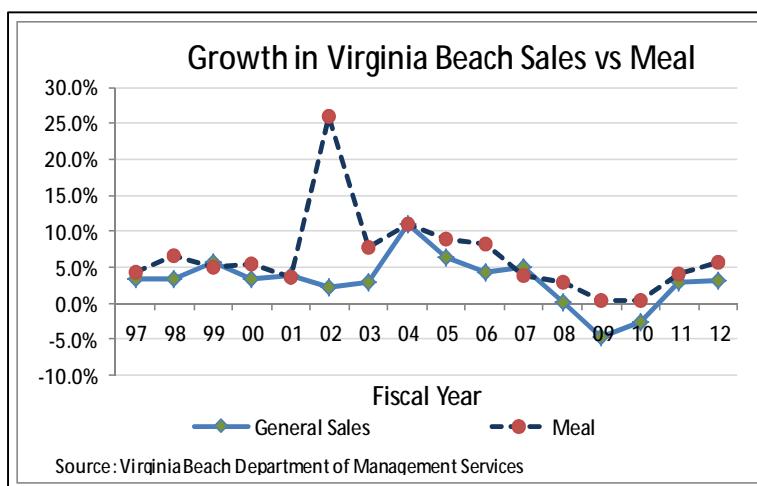
Growth has now resumed. FY 2011-12 was the highest-grossing year in the City's history. Although the recovery in hotel sales was delayed compared with General Sales and Meal, beginning in FY 2010-11, growth eclipsed those of the

aforementioned revenues. Old Dominion University is projecting a modest increase in regional hotel sales, and Virginia Beach nearly always outperforms the region. Gas prices do remain a concern, particularly since we are a drive-destination. As pointed out below, higher gas prices are not negatively correlated with hotel taxes. Perhaps, the visitors that would have traveled here but for the higher gas prices are offset by vacationers that would have traveled further to other destinations but for the gas prices.

The City has experienced slight increases in occupancies, but the bulk of the increase in revenue is the result of higher average daily room rates and rentals at the residential beach community of Sandbridge, which generate over 15% of total Hotel taxes. The City hotel product has been upgraded with the addition of the Hilton, a Hampton Inn, Spring Hill Suites, and Westin hotel at the Town Center.

In terms of projections, the fundamentals for a successful season include: a relatively healthy economy in the northeast (the City's largest tourism market); a continued successful media program; the weather (always an unknown); gas prices; and competition from competing destinations. Surprisingly, a correlation analysis of hotel room prices, gas prices, and consumer confidence in the northeast with our hotel revenues revealed that no strong correlation exists, which seems inconsistent with survey data and simple intuition. The statistical techniques have not accurately forecasted this revenue. Staff does review local forecasts for tourism, but these are regionally based. As a result, these estimates are developed based on simple trend analysis and judgment.

Estimated Revenue - On May 14, 2013, the City Council voted to decrease the surcharge for Sandbridge hotel taxes by 1% to compensate for the increase being implemented at the State level. This equates to a reduction of \$456,008 in hotel-related taxes in the Sandbridge Special Service District. As such, for FY 2013-14, total hotel taxes are expected to be \$28,049,035, of which \$25,154,382 is hotel tax, \$684,012 is the transient occupancy tax recorded in the Sandbridge SSD, and \$2,115,641 is related to the flat tax paid per room night. Total hotel taxes are estimated 5.4% above the previous year's budget. This reflects current trends and an adjustment to the base due to FY 2011-12 actual collections performing better than the budgeted amount. The FY 2012-13 actual is likely to exceed previous years as well since revenue to date is tracking 7.6% above the budgeted amount. A total of \$6,066,374 is estimated in the General Fund. The majority of hotel taxes are earmarked to the Tourism Investment Program (\$15,443,711 including Beach Events) and Tourism Advertising Program (\$5,259,938 including flat tax); other hotel tax revenues can be found in the Central Business District – South TIF (\$500,000) and the Sandbridge Special Service District as previously mentioned. Due to GASB 54, these revenues are recorded in those respective funds. The aforementioned growth rate in this revenue applies to the hotel taxes recorded in these funds as well.



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

sales comprise 46% of all food purchases in the city (grocery stores and restaurants combined)

Modest growth, however, has resumed with this revenue growing at an average of 5.2% for the last twelve months.

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

Estimated Revenue - For FY 2013-14, meal taxes are expected to be \$58,140,927, a 5.4% above the previous year's budget. A total of \$37,060,590 is estimated in the General Fund. This reflects current trends and an adjustment to the base due to FY 2011-12 actual collections performing better than the budgeted amount. Note portions of the meal tax are earmarked to the Open Space Fund, Tourism Investment Program and Tourism Advertising Program; therefore, due to GASB 54, these revenues are recorded in these respective funds. The aforementioned growth rate in this revenue applies to the meal taxes recorded in these funds as well.

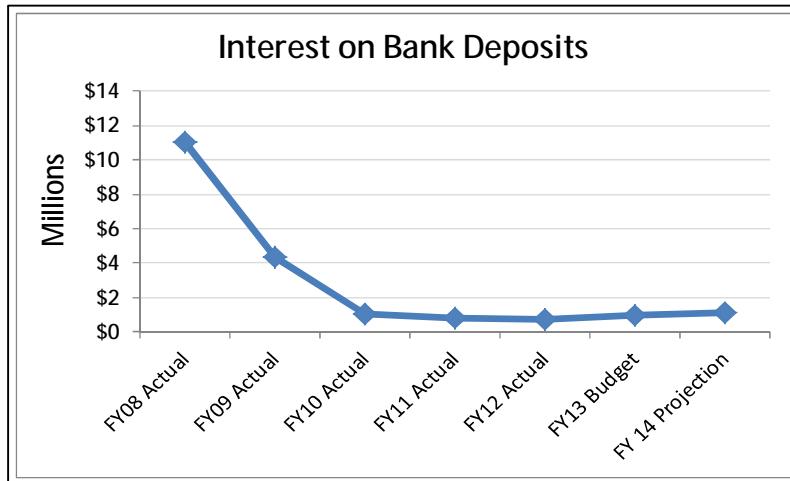
Permits, Privilege Fees, and Regulatory Licenses - This represents a broad range of governmental service permits, privileges, and regulatory licenses. Over the last five years, these revenues have varied greatly because rate changes, new revenue sources, and deleted fees have altered the foundation. These revenues are primarily a function of population count, population age, the economy, and real estate/construction industry activities. Because regulations and rates change, historical data is not a good forecasting tool. As a result, departmental input was used.

Estimated Revenue - For FY 2013-14, the estimated revenue for Permits, Privilege Fees, and Regulatory Licenses in the General Fund is \$4,794,486, which represents a 7.1% increase above last year's estimate and primarily reflects the establishment of a new fee to recover cost (Public Works and Police for example) and increase in various Planning department fees.

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

Estimated Revenue - For FY 2013-14, the estimated revenue for General Fund Fines and Forfeitures is \$5,757,400. This represents a 4.7% decrease from last year's estimate and primarily reflects decreased fees generated by the "PHOTOSafe" red light camera program because of increased compliance/decreased red light running by motorists.

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



This revenue category trends with interest rates and is primarily a function of the rates and cash balances invested. Because the Federal Fund rate has been between 0% and 0.25% since 2008, this has had a diminishing effect upon City returns. With a very fragile national economy, the Federal Reserve has publicly stated that the federal rate will stay at this level until sustained economic growth is seen at the national level. The graph shows the dramatic decline in interest that the City receives on investments: In FY 2007-08, the City earned almost \$11.1 million in interest in the General Fund; in FY 2011-12, the City received \$0.75 million – a 93% decrease.

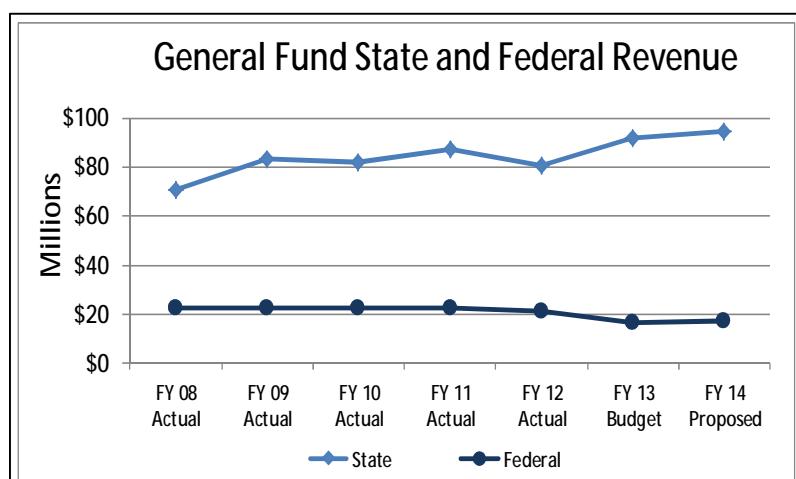
Bond sale timing and amount affects the City's invested principal. The 90-Day Treasury bill rate serves as a conservative proxy for City investment earnings.

Estimated Revenue - For FY 2013-14, the estimated revenue for Use of Money and Property is \$5,282,570. This represents a 3.7% increase above last year's estimate, and primarily reflects increases in rentals from cell phone towers.

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

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

Estimated Revenue - For FY 2013-14, the estimated revenue for Charges for Services in the General Fund is \$37,054,562, an increase of 8.4% above last year's budget. This primarily reflects increases in Human Services self-payments and Medicaid payments, strong growth in Museum sales, Excess Fees, due to a rise in Deeds, from the Clerk of the Circuit Court (these essentially represent the State providing a portion of "excess" revenues over the cost of the Clerk's operation), sale of police reports, and a new fee for selling Roadway signs to Norfolk and Chesapeake.



State and Federal Revenue - Estimates are based on historical trends, General Assembly budget proposals, gubernatorial recommendations, and congressional processes. Because state and federal budgetary timelines lag the locality cycle, budgets are based upon speculative reports. Typically, the state and federal bicameral establishments have not jointly resolved budgetary issues by the time of this report. Further complicating the projection is the fact that Congress has not adopted a budget for a number of years and continues operation through continuing resolutions. The ensuing fallout from sequestration and deficit reduction have the potential to significantly impact a number of programs that rely on direct federal support, in addition to the trickle-down effects likely to be felt in our region from the concentration of military assets.

potential to significantly impact a number of programs that rely on direct federal support, in addition to the trickle-down effects likely to be felt in our region from the concentration of military assets.

Estimated State and Federal Revenues - For FY 2013-14, State and Federal revenues are forecasted to be a combined \$112,600,815 in the General Fund, which is 3.6% above last year's estimate. This reflects increases modest increases in many State revenues due to demand for services increasing.

Transfers from Other Funds - These estimates reflect the City's on-going policy of charging self-supporting and fee-generating funds for support costs financed through the General Fund.

Estimated Revenue - For FY 2013-14, General Fund revenue from transfers is expected to be \$17,344,351. This represents 23.5% above last year's estimate. This increase is primarily due to the increase in the adopted fee for Waste Management and the subsequent transfer back to the General Fund to support vehicle replacements and overhead costs.

Summary of General Fund Revenues - Total estimated revenue for the General Fund, including transfers from other funds, is expected to be \$985,021,233, which is 0.0059% lower than last year's estimate. Current year revenues (excluding fund balance use) are increasing 1.2%.

Special Revenue Funds

This section highlights the major Special Revenue Funds:

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

Revenue is received from three sources: Federal, State, and local governments, including local fees for charges by Schools. Federal funds are of two types. Federal revenues primarily consist of impact funds, which are allocated to Schools for use in the operation of the total instructional program to support the cost of educating military children, and funds for the School lunch program. State funds are allocated based on a two-part, General Assembly, adopted formula: 1) The Standards of Quality are used to determine the number of teachers that are required by each school system. The state also uses an average salary figure to arrive at the total level of funding. 2) A Composite Index of Local Ability to Pay is used to determine the funding split between the State and localities. Wealthy communities receive less State aid while less-wealthy communities receive more. The City is responsible for the residual amount from the Composite Index (subject to a cap). For FY 2013-14, the City is \$215.3 million above the minimum amount required by the State.

Certain categorical State funds are dedicated to certain specific courses or activities, such as pupil transportation, vocational education, special education, and technology initiatives. The State Share Sales Tax (one cent on the sales dollar) is returned by the Commonwealth to localities exclusively for public education and is distributed based on the number of School age persons residing in each locality. Regarding local funds, historically, these consisted primarily of monies derived from property taxes. Because local, School Boards in Virginia are fiscally dependent bodies, they must rely on the City Council to appropriate the required local tax funds and also to approve the total budget. In FY 1997-98, the City adopted a revenue-sharing formula as a means to provide funding for Schools. The formula initially provided 53.13% of the following taxes: Real Estate; Personal Property; General Sales; Utility; Cell Phone; Business Professional License Occupancy tax, and the Cable Franchise tax. The actual percentage was recomputed after the adoption of the budget each May to reflect changes in the revenue streams and rates. With the adoption of the FY 2011-12 Operating Budget, the City Council believed that the formula no longer served its purpose, especially in light of the recessionary conditions. Therefore, the FY 2012-13 Operating Budget was adopted without a revenue sharing formula; however, the City Council and the School Board directed the staffs of the respective bodies to develop a new formula for consideration for the FY 2013-14 Operating Budget. The new formula was adopted for use in beginning in FY 2013-14, and includes a four-step computation:

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

Estimated revenue for these funds is expected to decrease 0.9% over last year's estimate, excluding Internal Service Funds and the School Reserve Special Revenue Fund, primarily due to the decline in the use of fund balance and in State revenues. In total, the local City revenue will increase by 0.7%, which reflects the continued decline in real estate taxes offset by the growth in most of the other revenue streams. State funding will increase by 0.5% for FY 2013-14.

Housing - The following funds comprise the majority of the housing operations for FY 2013-14: Grants Consolidated, Community Development Special Revenue, CD Loan and Grant, Federal Housing Assistance Grant, and Federal Section 8

Programs. Revenue estimates for these funds are provided by the Department of Housing and Neighborhood Preservation (HNP) and are based on information received from State and Federal agencies at the time of the preparation of the budget. Revenue is received from three sources: Federal, State, and local governments. Federal funds are received both directly through the Department of Housing and Urban Development (HUD) and indirectly through the Commonwealth. Local funds are allocated to offset administrative costs for certain salary and fringe benefits, rental of office space, and utility costs.

Estimated revenue for these funds is expected to be 0.7% above last year's estimate for FY 2013-14, and reflect increased charges for services and a reduction in Federal funding that, given the size of the national deficit, may continue in the future.

Parks and Recreation - The Parks and Recreation Special Revenue Fund comprise the total operations for the Parks and Recreation Department. The golf course operations have been privatized (except for one position that oversees the contract) and are no longer reflected in the department. Funding is derived from user fees and charges for the use of Parks and Recreation facilities and sponsored activities, a dedicated portion of the real estate tax to support recreation center operations, and additional support from the General Fund to support park operations.

Estimated revenue is expected to be 1.8% below last year's estimate for FY 2013-14, and primarily reflects the decrease in a dedicated real estate taxes due to declining assessments and decreased General Fund support. Unallocated dedicated revenues for recreation center were reserved to service the debt for this center in FY 2012-13; there are no unallocated revenues available in FY 2013-14, but the special revenue fund will have sufficient funds to service the future debt. Staff from Bow Creek was transitioned to Williams Farm, which has left staffing levels unchanged despite the opening of the new recreation center. Once the Bow Creek Community Recreation Center is completed, work will begin on the Kempsville Community Recreation Center and staff will again be transitioned.

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

Estimated revenue is expected to be 0.4% below last year's estimate for FY 2013-14, which reflects a significant decrease in Federal revenue due to lower enrollment of federal inmates.

Waste Management Special Revenue Fund - The FY 2013-14 budget furthers the transition of this operation to an Enterprise Fund by raising the monthly charge from \$10 to \$21.36, and eliminating all General Fund support to this fund. The operation now transfers funding back to the General Fund to support its share of vehicle replacement and overhead. Historically, the City of Virginia Beach has paid the full tipping fee to SPSA, and SPSA has reimbursed the city for the difference between the current rate and the city's contract amount of \$65 per ton. Reductions to this revenue and expenditure are noted based on disposal of less refuse tonnage. This saved the City over \$1 million in FY 2013-14.

With the increased fee, the estimated revenue is expected to be 2.0% above last year's estimate for FY 2013-14. This also reflects the reduction in tonnage noted above and City Garage Charges, and the elimination of four positions.

Tourism Investment Program Fund - This reflects the merging of the Tourism Growth Investment Fund and the Major Projects Fund. Both of these funds received dedicated revenue streams to fund tourism and other economic developed related capital projects. Specific major projects include: \$203.3 million for a completely rebuilt Convention Center on the existing site; \$32.3 million for a new performance theater; and \$3 million to expand the Virginia Aquarium and Marine Science Center parking facilities. Revenues in this fund are primarily generated from: 4.5 cents of the Hotel tax; 1.06 cents of the Meal tax; 5 cents per pack of the Cigarette tax, and 100% of Amusement (10% Admissions and 5% Participatory) tax.

Estimated revenue is expected decrease by 2.9% from last year's estimate for FY 2012-13. Excluding the use of fund balance, however, revenue is expected to increase by 4.8%, and reflects the continued recovery in hotel, meal, and admissions taxes.

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

Estimated revenue is expected to be 5.7% above last year's estimate for FY 2012-13 and reflects the continued recovery in meal and hotel taxes.

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

Total revenue is expected to be \$4,311,817, which is 0.6% lower for FY 2012-13 and reflects the continued decline in real estate.

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

- Sandbridge TIF - The Sandbridge area, which is an important real estate and aesthetic asset of the City, has long battled sand erosion. Over the years, the City has pursued a multi-front strategy of funding sand replenishment: seeking Federal funds; appropriating local funds; and establishing the Sandbridge Special Services Tax District. The establishment of this TIF is another method to ensure stability to this area. These revenues are designed to reserve the revenue for future costs, and these revenues are transferred directly into the fund, \$7,803,798 for FY 2013-14, and these figures reflect a significant decrease in real estate appreciation that is occurring after a period of exceptional growth. A financial analysis indicates that sufficient monies will be available in the future to fund sand replenishment and transfer surplus funds from the TIF to finance roadway projects in the CIP.
- Central Business District-South TIF (Town Center) - Town Center is associated with a public-private partnership to develop a high-rise office, hotel, and retail complex in the Pembroke area of the City. These revenues are funding the debt service costs associated with the construction of public parking, and these revenues are also transferred directly into this fund, \$6,016,866 for FY 2013-14.

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

Estimated revenue is expected to increase by 4.3% from FY 2012-13, and reflects the continued recovery in meal tax revenue. The fund is nearing the end of its planned use of fund balance in which revenue accumulated in the early years of the fund and now are being drawn down to meet the CIP commitments.

Enterprise/Utility Funds

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

Estimated revenue is expected to increase by 2.3% above the total FY 2012-13 budget and a 3.3% increase excluding last year's use of net assets. This increase reflects the increased rates discussed above.

Storm Water Utility Enterprise Fund - This fund is also self-supported through two sources of revenues: charges for services and reimbursements from the Commonwealth of Virginia. Charges for services are billed by the utility to owners of developed properties within the City. These charges are dependent upon the amount of impervious surface at each property generating storm water run-off. The State reimburses the City, upon audited proof of work performed by the City, for road ditch maintenance. City Council adopted a multi-year, phased increase of 17.5 cents in the Storm Water Equivalent Residential Unit (ERU) fee: 7.5 cents for FY 2011-12, 5 cents in FY 2012-13, and another 5 cents in FY 2013-14. These increases provide funding to begin to address the significant backlogs in the areas of flood control, water quality, and operations and maintenance.

Estimated revenue is expected to increase by 8.5% over the FY 2012-13 budget, and primarily reflects the rate increase noted above.

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

Estimated revenue is expected to increase by 20.3% from last year's estimate for FY 2013-14, which reflects a strong growth in parking fees.

REQUESTED BUT NOT FUNDED

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Museums				
Enhancements to Museums Marketing Program	Increased marketing for the Virginia Aquarium. Currently, only 27% of the Virginia Beach overnight visitors visit the Virginia Aquarium, and surveys show the disconnect is because of awareness by the visitor prior to arriving in Virginia Beach.	Above Current	380,000	0.00
Operational Improvements for History Museums	Additional part-time staff to support daily operations of the City's historical homes and implement a greater volume of special events. The additional staffing will also allow the Lynnhaven House to open for 46 hours a week.	Above Current	16,255	0.55
Staff for Historic Preservation Commission	A position to provide consistent staffing for the Virginia Beach Historic Preservation Commission (created by City Council in 2008) and will eliminate pressure on Department of Museums and Department of Planning to support the growing activities of the Commission from pre-existing staff resources.	Above Current	77,650	1.00
Volunteer Program Enhancements	An additional part-time position to assist one full time position with coordinating and scheduling 1,309 volunteers who work 96,675 hours annually. This would also fund additional training and recognition for the volunteers.	Above Current	16,261	0.50
Virginia Aquarium Sustainability Program	This provide initial funding for sustainable, green initiatives for daily operations to: replace antiquated equipment with energy star rated machines; install light sensors; update bathroom fixtures and faucets; provide recycling containers in the parking lots; and implement a facility-wide composting program.	Above Current	20,000	0.00
First Landing Fire Station Aquarium	To enhance the theme of the Shore Drive corridor, the Virginia Aquarium installed a 180 gallon salt water aquarium in the First Landing Fire Station. This aquarium exhibits species that are found in the Chesapeake Bay and the Atlantic Ocean.	Current	3,521	0.12
Parks and Recreation				
Urban Forestry Management Program	This expansion of the Urban Forest Management Program would provide for contractual maintenance of neighborhood street trees to reduce conflicts with infrastructure, such as street signs and street lights to minimize view obstructions, and to provide proper clearance for emergency response vehicles, pedestrians and bicyclists. It would also allow for the replacement of trees that have been removed in the past as well as replacements for future tree removals.	Above Current	300,000	0.00
Enhanced Roadway Maintenance Frequency	This would provide additional funding to enhance landscape maintenance frequencies for divided roadways. Maintenance frequencies would improve from every 21 days to every 18 days in order to provide a more aesthetically acceptable appearance. Ferrell Parkway, First Colonial/Westminster Roads, and Lynnhaven Parkway from Indian River Road to Virginia Beach Boulevard would be placed under contract and all other landscape contracts would improve by one cycle.	Above Current	181,415	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
2nd Grade Learn to Swim Program	This request is for funding to implement the Learn to Swim Program for 2nd grade children in eleven Title I schools. The program will be held at the three recreation center locations closest to Title I schools: Kempsville Recreation Center, Seatack Recreation Center, and Williams Farm Recreation Center. Children will participate in a two-week American Red Cross Certified Program which consists of water safety skills, fundamental aquatic skills, stroke development, and survival swimming. Transportation from schools to the recreation centers as well as additional recreational activities will be provided.	Above Current	56,342	1.40
Background Checks For Volunteer Youth Recreational Coaches	This would provide additional funding to begin conducting national background checks on farm league assistant coaches. Currently, national background checks are performed every three years for head coaches and assistant coaches for City leagues. They are also performed for head coaches of farm leagues. This funding would allow for national background checks to be performed on all head coaches and assistant coaches in both City and Farm leagues.	Above Current	16,000	0.00
Out of School Time (OST) Quality Improvement System	This will provide funding for the adoption of the School Age Care Environment Rating Scale (SACERS) Quality Improvement System. Adoption of this system will ensure program quality and positive youth development outcomes. In addition, per the Commission for Accreditation of Park and Recreation Agencies (CAPRA) requirements, effective implementation of evaluation and research functions requires that all personnel involved in evaluation be properly trained. Implementation of this system will provide a robust set of tools and approaches for training approximately 29 supervisors and over 400 site staff members responsible for 66 program sites.	Above Current	33,490	0.00
Move Open Space Contracts to General Fund	This would provide additional funding to perform landscape maintenance for Lake Smith Fishing Station, Lynnhaven House, and Providence Park. Each of these properties were purchased through the Open Space program and funding for landscape maintenance will continue to be charged to Open Space fund if funding is not made available through the General Fund.	Above Current	49,309	0.00
Restoration of Various Operating Accounts	This would restore funding for various operating accounts across multiple programs, park facilities, and recreation centers. This includes office supplies, chemical supplies printing, travel, telecommunications, food, and food service supplies.	Current	125,767	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Cultural and Recreational Opportunities				
Parks and Recreation				
Restoration of Staffing - Parks and Recreation Programs and Facilities	This would restore funding for 5.51 FTE (Recreation Specialist - 1.0 FTE, Parks and Recreation Aide - 4.5 FTE, Recreation Class Instructor - 0.01 FTE) as well as funding for overtime and contractual services. These positions assist in the maintenance and operation of various park sites and public restrooms, provide staff support for "Party in the Park" events, and perform aspects of the day-to-day operation of the City's recreation centers. They assist with facility coverage in the weight room, gymnasium, game room, senior center, drop in programs, and support for programs (Fitness, Out of School Time, Aquatics, Therapeutics, and Service Standards) that operate within the recreation centers.	Current	165,769	5.51
Restored Maintenance Frequencies for Schools	This request would fund seven positions were cut from the School landscape maintenance program by the School Board due to insufficient resources. If funded, maintenance frequencies at school sites would be reduced from 16 to 18 days back to 13 to 15 days.	Above Current	212,072	7.00
Kellam High School Landscape Maintenance	It would provide contractual landscape maintenance of the grounds on a 14 day cycle for a partial year (March 15 - June 30, 2014) at a cost of \$22,956. It will also include contractual weed control and maintenance for the green roof for the same time period at a cost of \$1,875. Not funding the contractual maintenance of this site will significantly impact the ability of the landscape management division's ability to keep up with the maintenance cycle within the maintenance zone that includes the new Kellam High School. This request was not funded in the School Budget.	Above Current	24,831	0.00
Green Roof Maintenance - School Facilities	This request is for funding to perform contractual weed control and landscape maintenance on "Green Roofs" at school facilities that have recently been constructed. This includes College Park Elementary, the Pupil Transportation Facility, Great Neck Middle School, and Renaissance Academy. Not funding the contractual maintenance of the roofs at these sites will negatively impact the maintenance cycles at all sites within these schools' respective maintenance zones.	Above Current	25,500	0.00
Total Cultural and Recreational Opportunities				<u>1,704,182</u> <u>16.08</u>

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Agriculture				
Farmers Market Additional Staffing	This request is for an Administrative Assistant at the Farmers Market. In previous years the Farmers Market had 3 full time employees; however, due to budget cuts the Market Manager position was eliminated. This additional position will provide three full time salaries at the Farmers Market. One will focus on the administrative side of the market , one on the education programs, and the new position to assist as needed.	Above Current	15,364	1.00
Economic Development				
Fleet Vehicles	Provides two compact SUVs and related City garage charges for Economic Development staff to replace two vehicles no longer available for use by Avis Rent a Car and an existing 1999 Ford Explorer the department owns that has excessive mileage. Over the last ten years, the local Avis headquarters has provided 5 loaner vehicles for use by Economic Development staff. Over the years AVIS has reduced the number of available vehicles from 5 to 3. Years ago, the department purchased a 1999 Ford Explorer that was formerly leased, which now has excessive mileage and should be replaced. All 18 staff members use these vehicles on a daily basis, of which some usage is for meetings outside the office and regional travel and to conduct tours of the City for business prospects. Because of the reduction in Avis vehicles, staff members have had to use their personal vehicles for business.	Above Current	47,533	0.00
Other Contractual Services-Business Incubator	Provides annual funding of \$200,000 for a business incubator service. Small and emerging companies are critical for the future long term economic development growth and prosperity of Virginia Beach. The department is evaluating various incubator models to determine which produces the highest success rate. Also, it is exploring partnering opportunities with various incubator operators who feel that the City could be added to their existing network of incubators, and provide a wide range of business collaboration for potential emerging companies. Projected results include increased capital investment by \$6.87 million from 2 new companies, expansion of 3 existing companies, and an increase of 103 new full-time jobs.	Above Current	200,000	0.00
Contracted Manpower	Provides additional funding for 1,000 hours of contracted manpower bringing the total budgeted for FY 2013-14 to \$18,500. Contracted manpower assistance has been used in place of full-time administrative positions, one of which was eliminated from the budget in FY 2009-10. With the addition of two professional staff in FY 2012-13, the demand for administrative assistance has increased.	Above Current	12,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Economic Development				
Computer Peripherals	Provides funding for four iPads (\$729 each) for Economic Development's marketing staff to use for mobile presentations, and immediate access to information needed when meeting with prospective clients. Often, staff members are given a limited amount of time to meet business prospects and the capacity to access information on a mobile basis in an easily readable or visual format is priceless. iPads are the most interactive with Apple presentation materials, which are extremely prevalent within the industry and work well with Ad agency quality materials and information.	Above Current	2,916	0.00
Housing and Neighborhood Preservation				
Housing Investment Trust Fund	This request would fund the establishment of a Housing Investment Trust Fund. The Trust Fund would support the following community goals: (1) Preserve neighborhood quality and property values through continuation and enhancement of home-rehabilitation financing programs for home owners; (2) Help fund special needs housing developments by non-profit organizations, including housing for participants in Human Services programs; (3) Create effective incentives to spur the production of new, quality, mixed-income housing as part of the fulfillment of the city's SGA plans; (4) Ensure continuing support to expand the stock of quality affordable housing options within Virginia Beach; (5) Provide ongoing operating support for the proposed housing resource center, and support improved programs to address and end homelessness; (6) To provide funding to prevent homelessness and help homeless families to obtain permanent housing; and (7) To contribute to the development of essential service facilities, such as the regional Healing Place. Such facilities aim to address chronic homelessness and reduce ongoing public costs for law enforcement, incarceration and emergency health care associated with homelessness.	Above Current	4,739,420	0.00
Rental Housing FTE	This would restore one FTE in the Rental Housing program. The Department will utilize a portion of the savings from this position for contractual staffing. This transition to contractual staffing will allow the Department greater flexibility should Federal funding continue to decline.	Current	50,094	1.00
Strategic Growth Area				
Strategic Growth Area Planner II FTE	Planner II – To manage the \$29 million Strategic Growth Area implementation process, two professional Civil Engineer/Planner teams will be created, and each implementation team will manage four SGAs. This request for one new Planner II FTE who will team with a Civil Engineer requested in Public Works. The addition of this Planner will complete one of the two implementation teams. The Planner's responsibilities will include conceptually detailed site development planning tasks, periodical SGA plan reviews, plan modification recommendations, professional trend advice, SGA capital improvement project implementation oversight, private developer coordination and negotiation, project brief preparation, progression presentations, and City, State, and Federal agency integration efforts.	Above Current	71,657	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Economic Vitality				
Strategic Growth Area				
Strategic Growth Area Planning Technician I FTE	Planning Technician I – Assisting the SGA staff, this position will provide technical support for all SGA plan implementation efforts. Responsibilities will include land use planning, geospatial research, preliminary site analyses, report writing, and discovery presentations.	Above Current	45,676	1.00
Total Economic Vitality			5,184,660	4.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Family and Youth Opportunities				
Health				
Chronic Disease Prevention	Education to decrease the incidence of chronic targeted diseases has been identified as an unmet need among the city's residents. Funding would be used to conduct an awareness campaign targeting the top four chronic disease prevention strategies: be more physically active, eat a healthier diet, stop using tobacco and better manage diabetes and asthma. A public and private sector taskforce will develop interventions in schools, work sites, the community and health care settings that promote healthier lifestyles and assist people in making sustainable changes to reduce their risks for chronic diseases.	Above Current	43,000	0.00
Human Services				
MHSA New Clinician Positions	DHS is requesting four new Clinician II nursing positions with two for the MHSA Recovery Center and two for the Adult Outpatient Program. The Recovery is a 24/7 sub-acute crisis stabilization program responsible for providing comprehensive medical services to people with mental illness and substance use disorders who are experiencing a psychiatric crisis and/or needing safe detox from alcohol or other drugs. The Adult Outpatient Program delivers MHSA Outpatient Treatment and Medication Services by providing psychiatric evaluations, client medicine management, and family and group therapy.	Above Current	260,816	4.00
Adult Protective Services	The needs of the elderly and disabled in the community are growing at an increased rate. The department is experiencing increases in adult protective service complaints, guardianship cases, personal care/nursing home screening and adult foster care. The State developed workload measures documents the need for 3 additional workers.	Above Current	130,554	2.00
Total Family and Youth Opportunities				<u>434,370</u> <u>6.00</u>

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Education and Lifelong Learning				
Library				
Books and Subscriptions and Instructional Supplies	This reduction in Books and Subscriptions may increase the waiting list for popular titles from 12 weeks to approximately 15-18.	Current	111,294	0.00
Library Payment Center Maintenance Costs	Hardware maintenance and software licensing for the Library Payment Centers, which allow patrons to pay for printing from computers and fines through automation rather than through staff, will be absorbed within overall departmental expenditures.	Above Current	13,500	0.00
Expand the Citizen Survey for Libraries and Conduct Focus Groups	Funding to expand the Citizen Survey to more comprehensively assess use and satisfaction with Library services and conduct citizen focus groups.	Above Current	30,000	0.00
Total Quality Education and Lifelong Learning			154,794	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Budget and Management Services				
Reduction of Executive Assistant	Elimination of Executive Assistant	Current	72,635	1.00
Funding for GovMax Budgeting Software	Reduction of \$11,245 to SL2 to meet target. Funding for GovMax Maintenance, Customized Reports, Improvements to Performance Measures, Ad Hoc Reporting and other areas of specialized budgeting software.	Current	11,245	0.00
Management and Budget Analyst I	New Full Time Management and Budget Analyst I. This position will strengthen the City's efforts in performance measurement and increase accountability and transparency. It will enhance the decision making process and will move the City's strategic goals forward. This would restore one of six analyst positions eliminated during the recession.	Above Current	59,733	1.00
Legislative Analyst	Additional full-time position and related support costs to do legislative analysis. While the City has a full-time position dedicated to working with the General Assembly, the ground work is delegated out to various departments to do analysis and responses are then compiled to frame the City's position. Much of this work is budgetary or service impacts; however, the analysis is needed at a time when Management Services has limited availability to conduct detailed analysis and evaluation.	Above Current	70,983	1.00
City Auditor				
Senior Auditor Position	A Senior Auditor position to address the backlog in audits, and more proactively audit City Contracts and Information Technology systems.	Above Current	68,350	1.00
City Clerk				
Telecommunications	Restores funding for telecommunications costs including cellular telephone for the City Clerk and wireless card for the Mayor's laptop. This brings funding back to the FY 2012-13 budgeted amount of \$3,000. The annualized cost for telecommunications for FY 2012-13 is projected to be \$2,921.	Current	2,000	0.00
City Manager				
Beach Magazine Editor	Republish Beach Magazine, a feature publication that was delivered to each household in the City, to enhance the information provided to citizens about programs and services. A Media and Communications Coordinator II position was requested to serve as editor.	Above Current	65,506	1.00
Communications and Information Technology				
Data Center After Hours Operation	Restoration of two FTEs to provide after standard City hours staffing for the ComIT Computer Data Center located in Building Two. Without these two positions, Data Center printing will be limited to standard work hours, reducing the time available for priority printing.	Current	127,932	2.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Communications and Information Technology				
Disaster Recovery Planning and Operation	Restoration of operating funding to support Disaster Recovery off site document storage and continuity services. Elimination of these funds will stop all operating Disaster Recover/Business Continuity efforts that were planning to begin in January 2013. This funding represents the initial requirement for Business Continuity / Disaster Recovery. ComIT began this initiative several years ago in response to organizational needs to have such capabilities for response as well as the demand of several city businesses who have expressed interest and concern with service sustainment and recovery alternatives during and after a disaster event for their specific business units including: Public Utilities, Human Resources, Finance, Public Works and Department of Human Services.	Current	57,345	0.00
Repair and Operate	Restoration of funding to operate and support the existing hardware, software and technology Infrastructure necessary to ensure the quality and availability of City business operations.	Current	139,987	0.00
Lifecycle Maintenance	Restoration of activities to sustain and refresh existing technology (software and hardware) to ensure operation of current line of business functionality for the organization.	Current	127,935	0.00
Software Packaging	Funding for five contracted packagers, budgeted at \$120,000 each to prepare software for deployment to PC workstations. These contracted staff members were previously paid by the Windows 7 project and will leave the city at the end of the fiscal year. Once gone there will only be two city software packagers, which will lead to delays in packaging new or upgraded software applications.	Above Current	600,000	0.00
Office 365 for Executives	Funding to add licensing for Director's level and above to have their Microsoft Office Suite including Outlook e-mail in the cloud. This would provide better business continuity in situations of disaster or outage in Virginia Beach as well as expand the size of the individual mail boxes to 250 GB, eliminating any issue with executives reaching the limit of their mailbox size.	Above Current	18,210	0.00
Radio Technician	Funding to add a technician to the Radio team to support tuning and optimizing both public safety and nonpublic radios.	Above Current	78,834	1.00
Technology Support Priority After Hours Response	Expansion of overtime for after-hours standby and work by staff in Systems Support for Tier 1 staff to support 911 workstations and Technology Services for the Support Center Staff to coordinate and document service outages and actions. Stand-by operations primarily support Public Safety systems that provide protection for citizens 24 hours per day in cases where the systems experience downtime or an outage outside of standard City operating hours. (8 am - 5 pm, M-F). This is services above the current pilot program level. During the pilot program, additional needs were identified for Systems Support technical support and for coordination and documentation of the 24/7 operation. Funding requested in Budget Issues 001 and 002 included only the minimum funding needed to provide a basic level of Priority After Hours Support.	Above Current	152,595	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Communications and Information Technology				
Continued Implementation of Enterprise Mobile Application	ComIT is recommending a multi-phased approach that will implement specific, prioritized services via the implementation of a COTS Mobile Application Suite while completing a comprehensive mobile strategy that will extend the organization beyond basic mobile features and functions. It is further recommended that the City consider and prepare to design and develop a Custom Mobile Application Suite that will establish the foundation to deliver business process transformation through redesign and reengineering of service processes. This budget issue continues with the implementation of the comprehensive mobile application strategy. With prototyping complete, a custom mobile application suite framework will be finalized and full development will be underway with the prime objective being business process transformation providing citizen end-to-end services.	Above Current	287,168	1.00
Media Effectiveness Monitoring Tool	Funding to purchase a tool to evaluate the effectiveness of communications initiatives. "Media monitoring software is needed to provide situational awareness to leadership; one value of this tool is that it makes it easier to target communications and marketing to specific audiences as well as evaluate the effectiveness of communications campaigns.	Above Current	11,000	0.00
Finance				
VRS Modernization and Automation	The VRS Modernization effort has created a number of new tasks and roles for local employers. The changes made help ensure better controls and validated VRS records, but place a burden of validation and administration of the 'myVRS Navigator' website on the city. It is important that the City validate payments, make corrections to accounts and reconcile contributions in order to minimize overpayments to VRS.	Above Current	62,187	1.00
Accounts Payable Vendor Compliance	As a result of increased government regulations, there are additional reporting requirements for paying vendors as well as increased penalties for non-compliance. This position will research current, new and changing tax laws and implement policies and procedures for insuring compliance. The position will also focus on nonresident alien suppliers to insure special documentation and reporting requirements are met. In addition, the position will manage efforts to eliminate duplications and inconsistencies within the City's vendor records.	Above Current	62,152	1.00
General Registrar				
Additional Positions	Request for a Deputy Registrar and Election Specialist. The job task and responsibilities associated with these positions will differ from the job descriptions of existing positions and better serve the needs of the growing number of registered voters. These positions will provide the office with additional oversight and technical skills.	Above Current	70,354	2.00
Human Resources				

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Organization				
Human Resources				
Human Resources PT	This request for a part-time Human Resources Coordinator is an alternative in case the full-time HR Coordinator requested in HRD-001 is not recommended for funding. This position will be utilized for special projects, such as creating and overseeing a citywide internship program; assisting with overflow in various areas of the department, such as with EEO cases; assisting with internal self-audits of policies and procedures, such as overtime usage by departments.	Above Current	23,093	0.50
Family Medical Leave Act Administration	The City currently has a decentralized approach to the overall administration of the Family Medical Leave Act program. Monitoring of compliance and utilization currently falls upon the individual departments. Human Resources Occupational Safety/Health is responsible for the medical certifications and medical record keeping. Human Resource/Employee Relations is currently responsible for assisting with interpreting the City's policy. The City currently uses a "12 month rolled forward" approach that measures the time period eligibility from the date of the FML application forward. To implement these recommendations, Human Resources requests funding to support two FTE's dedicated to determining eligibility, ensuring City-wide compliance with the Act's communication requirements, and monitoring FML leave use. Additionally, they will work with the InSite Team in developing new tools, such as report development and multiple status designations	Above Current	117,126	2.00
Municipal Council				
Remaining Funds for Council Meeting Consultant	Restores funding for an outside consultant and related costs such as catering to facilitate the City Council's goal setting workshops, annual retreat, and a community summit. This would bring funding to the FY 2012-13 level totaling \$29,131. This item is funded at at \$23,087 or at 79% of the anticipated program cost. With this reduction, the City Clerk predicts that the City Council will be able to have, at a minimum, two goal setting workshop and one community summit.	Current	6,044	0.00
Travel/Professional Improvement	Restores funding for professional improvement for Council members to the FY 2012-13 level totaling \$9,029. Without this funding, there will be a decrease in programs in which City Council Members currently participate.	Current	4,029	0.00
Non-Departmental				
Full Funding for Fleet Asset Replacements	There is currently a backlog of fleet assets that are eligible for replacement due to age and condition; however, sufficient funding has not been available to address these replacement needs. This request shows the funding necessary to address all of the general government fleet replacements at one time.	Above Current	28,000,000	0.00
Total Quality Organization				30,296,443
15.50				

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Planning				
Stormwater Program	State statute 10.1-603.3 requires Virginia Beach to adopt and implement a local storm water management program for land disturbing activity by July 1, 2014, a Program that has historically been managed by the State. Program requirements include approval of erosion and sediment control and storm water management plans; requirements to ensure compliance; requirements for inspections and monitoring of construction activities by the operator; collection and distribution to the State, if required, regarding fees; and enforcement procedures and civil penalties. In order to meet the July 1, 2014 start date, staff must be hired and trained, code amendments must be completed and adopted, and administrative policies and procedures must be established during FY 2013-14. Additional staff for this Program is 3 Construction Inspector I's, 2 Planning Aide I's, 1 Engineer II, 1 Engineer III, and an Administrative Specialist I. Additional revenue will be collected beginning in FY 2014-15.	Above Current	426,828	8.00
Strategic Growth Area Overlay Zoning Districts	Strategic Growth Area Overlay Zoning Districts will be completed for two of the Strategic Growth Areas during FY 2013-14. This request is for media advertisement and adjacent property owner notifications, and is based on Planning Department actual expenditures (\$19,700) for the Oceanfront Form Based Code.	Above Current	39,400	0.00
Environment and Sustainability Office Expansion	The Environment and Sustainability Office (ESO) proposes to add one new full-time Planner I. The ESO is currently using a full-time temporary position to assist the Office in fulfilling its mission and work assignments, which include development and maintenance of the City's Sustainability Plan; tracking of Water Quality Initiatives for meeting TMDL requirements; and liaison support to the Clean Waters Task Force, Sustainability Advisory Team and Energy Advisory Committee. The Office has been using a contracted individual but having a permanent full-time person will aid in developing a predictable work program and eliminate the lack of consistency resulting from the uncertainty associated with using contracted manpower. The activities undertaken by the ESO are not mandated by State or federal law.	Above Current	59,142	1.00
Reduced Operating Accounts	This request is to restore funding for contracted manpower in the Environment and Sustainability Office (ESO) (\$32,000), contracted manpower in Permits and Inspections (P & I) (\$25,000), and information technology services in P & I (\$12,134). Funding in the ESO would provide support to year 1 work program tasks for implementation development of the Sustainability Plan document data gathering, performance measures development and tracking program, and ongoing updates and maintenance of the City's Environment & Sustainability Office and green websites. Funding in P & I would ensure that (a) Permits and Inspections had the capability to complete daily work assignments and complied with State laws and (b) P & I could contract with outside technology assistance, if needed, to support the implementation of the Accela system.	Current	87,671	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Planning				
Accela 7.2 Enhancements	This funding would allow the Department of Housing and Neighborhood Preservation and the Planning Department's Permits and Inspections Division to convert from Accela Wireless to Accela Mobile Office as part of the continued implementation of the Accela system.	Above Current	10,000	0.00
Public Works				
GeoMedia Software & Maintenance	New software and annual maintenance to digitize current hard copy maps that are rapidly disintegrating. An additional license would allow Public Works to assist with drawing of maps into City's GIS system to help speed completion.	Above Current	11,038	0.00
Sandbridge Beach Operations Quality Service	Additional staffing and equipment to enhance the level of beach cleaning, grooming and trash collections at Sandbridge Beach. Maintaining this beach on a daily basis would require additional personnel and equipment.	Above Current	599,986	3.00
Intelligent Transportation System Program	Continue implementation of the Intelligent Transportation System, including 1) distribution of the intersection video from 45 CCTV cameras at key intersections around the City to EOC/911 Center, Police, Fire, EMS, CVB Traffic Engineering Bureau, Department of the Navy and motoring public; 2) Installation of road surface temperature, wind speed, and flood level sensors at select high water locations, bridge decks and crucial arterial roads to relay weather messages to Public Works personnel monitoring freezing roads and roadway flooding levels and to the public to inform better travel decisions. Messages can be posted on the City Dynamic Message signs, e-mail, City cable TV stations, and web sites.	Above Current	300,000	0.00
Traffic Management Center Staffing	Additional staffing for Traffic Management Center. Engineering Technician position will have maintenance responsibility for the traffic signal system communications network and the Traffic Management Center LAN. Developing and modifying signal timings. Maintenance of the fiber optic network mapping. Engineer III position will assist in managing the day-to-day operations of the City traffic control system and the Traffic Management Center. Will also assist in analyzing driver tendency data and the regular retiming of traffic signals.	Above Current	205,379	2.00
Traffic Signal Construction Staff	Re-establish the traffic signal construction staff through the addition of five (5) FTE's to the Traffic Signal Shop. These positions were eliminated four years ago and this function was contracted to a private company. The contract has since been terminated due to a budget reduction. The 1,300 preventive maintenance tasks performed previously by City staff and then the contractor are now performed by eight Traffic Signal Electronic Technicians resulting in an increase in work backlog and staff overtime use.	Above Current	485,088	5.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Traffic Signal Rehabilitation Program	Reduce the number of technologically outdated signal intersections. The City currently has 90 intersections that require upgrading. The outdated intersections are maintenance-intensive, especially in this coastal environment, requiring labor every 6 months. The typical newer model mast arm installations only require inspection every 16 months and are more aesthetically pleasing. This program was partially funded; however full funding was not available. The funding provided will enable intersection upgrades to occur over the next 4 to 5 years.	Above Current	528,309	0.00
Beach Resort Green Initiative Program	Provide recycling services on the resort beach. Requires the purchase of 200 additional ornamental trash cans, recycling lids, and can liners. This is reflected in this request. The ongoing cost for this service is approximately \$50,000 per year.	Above Current	242,000	0.00
Contracted Manpower	Intern with experience in Access and/or ability to develop a real estate database to track properties and purchases acquired by the City.	Above Current	3,000	0.00
Certification / Training	Certification and training programs for Real Estate staff.	Above Current	34,022	0.00
Computer Software for Real Estate	Replacement of outdated computer software for the Real Estate Division. The Access Program currently used for tracking and reporting for the division is no longer supported by the City and providing annual updates to meet the current State and Federal reporting requirements for CIP projects has been denied. Funding has not been provided to support the cost to develop a new program. Currently, staff perform duplicate work to develop reports in Excel because the Access database does not meet all of the City's needs.	Above Current	3,000	0.00
Non-Arterial Street Sweeping Program Expansion	Public Works currently sweeps arterial roadways on a 60-90 day cycle which appears to be sufficient for those roadways. However, non-arterial roadways are swept on an 18 month cycle and the program only addresses roadways in the Lynnhaven Watershed. This request expands the program to sweep all non-arterial streets in the City with curb and gutter. The sweeping cycle would be quarterly. This request includes street sweeper capital equipment, fuel and maintenance costs, and 10 additional full-time personnel.	Above Current	2,823,485	10.00
Expansion of Lake Management Program	One additional Construction Inspector II and one Engineering Aide II are needed to provide project inspection and administrative support for lake management and dredging projects. The current inspector and support staffing level capacity has been exceeded by the increased inspection and reporting requirements for BMP inspections. The Lake Management program will expand from \$536,280 in FY2010-11 to \$4,353,280 in FY 2013-14 and additional positions are needed to provide inspection and administrative services related to the lake management program.	Above Current	144,802	2.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Environmental Maintenance Crew - Storm Water	The number of assets that need to be maintained by Storm Water Maintenance is continually increasing. In the past year, two major pump stations and their accompanying maintenance and operations have been added. Additionally, water quality structures are being added throughout the City on an ongoing basis. The structures require scheduled and repeated maintenance to function properly. The use of backflow preventer/valves at the end of pipes has become an accepted solution for tidally flooded areas. Consequently, many more will soon be installed, but are useless unless they receive routine maintenance. The existing tow-person pump station crew is insufficient to handle the expansion of the Storm Water assets. Five additional positions specializing in the scheduled and emergency maintenance of these specific assets are requested.	Above Current	872,131	5.00
Waste Management Route Efficiencies	Four positions were eliminated based on increasing the average route time to 8 hours in FY 14. An additional 4-5 positions should be reduced in FY15 when the average route is recommended to increase to 9 hours.	Current	148,421	4.00
Cathode Ray Tube (CRT) Recycling	The request will be for \$50,000 per year for CRT recycling. CRT's (monitors and TV's) have a cost to recycle, whereas most of the other e-cycle components are near breakeven. Electronics recycling is a more environmentally sound approach, but is currently only available to citizens through periodic collection events. The proposal is to add full time electronics recycling drop off to the Household Hazardous Waste program at the Virginia Beach Landfill.	Above Current	50,000	0.00
Oceanfront Recycling Services	Expansion of recycling collection services along Atlantic Avenue. This request coordinates with Beach Resort Green Initiative Program for the purchase of additional cans/lids and liners. This request would purchase 200 cans (matching the existing Atlantic Avenue cans) and lids.	Above Current	273,000	0.00
Restoration of Travel/Training for Business Center and Contracts Office	Restoration of professional improvement funds for staff to attend conferences and training to stay updated with current industry trends and standards	Current	6,647	0.00
Underground Utility Location	The City has had an increase in the number of underground location requests. Accurate utility exhibits are an integral part of the construction, renovation and maintenance of all facility and areas including the resort area. Before any work which involves digging, testing or construction, all utilities must be located and plotted to ensure safety to the workers, overall constructability, control costs and prevent breakage of utility lines. Public Works currently shares this locator contract with Public Utilities.	Current	25,000	0.00
Alarm Protection Service	Costs associated with the implementation of the Fire Alarm System installation. As buildings have been integrated with the new system, Building Maintenance has begun to incur monthly monitoring service charges for the buildings as they come on line. Additional funding is requested to complete the integration, monitoring and annual service costs.	Current	15,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Hazardous Refuse Disposal	The crushing, compacting, and disposal of fluorescent lighting is now required to be disposed in a manner that does not allow for the escape of mercury into public landfills. This has resulted in a new cost which we have attempted to absorb into the regular operating expenses. The city is undergoing a process of having standard fluorescent lights replaced by energy efficient lighting in order to reduce electrical costs. The result of this continuing process has prompted Building Maintenance to purchase a machine which crushes and compact the bulbs into 55 gallon drums which are then picked up by an authorized company to be properly disposed. Building Maintenance currently provides the funding for all waste disposal and recycling containers at the Courthouse complex for public use. Not funding disposal of fluorescent bulbs may result in discontinuing or reducing this recycling service at the Courthouse complex.	Current	5,000	0.00
Electrical Maintenance	Request for funding to maintain materials for make basic electrical repairs and address routine preventative maintenance. Lack of sufficient supplies results in over loading present electrical capacities in some areas. Building Maintenance is currently replacing the standard fluorescent lighting with energy efficient lighting, ballasts, fixtures and watt reducing instruments. While the initial cost of this replacement project for the city's largest facilities is funded through a CIP, it is necessary to stock both types of lighting, which is causing an increase in materials costs.	Current	30,000	0.00
HVAC Maintenance	Due to the age of many HVAC environment support systems, the maintenance continues to increase. Many of our HVAC systems have been extended long past their operating life because of a well established maintenance program; however, as each system passes beyond the extended life expectancy stage, maintenance costs increase.	Current	30,000	0.00
HVAC Technician II (Appliance) Position	Request for one HVAC Technician and vehicle to support appliances in City facilities. There are 540 appliances that require daily repair, maintenance and refurbishment within the city. This equipment is essential to the daily operations of the city and includes such appliances as large commercial stoves and ovens, walk in refrigerators and freezers, washers/dryers, icemakers, dishwashers, warmers, and many non-commercial appliances that occupy areas such as all fire and police stations and other City buildings. Currently, one employee manages the most critical repairs of these appliances in addition to his regular duties as a Heating/Air-Conditioning technician. It has become increasingly difficult to maintain and repair many of the appliances in a timely manner due to lack of manpower. This is resulting in replacement versus repair in order to maintain basic needs in buildings that are operational on a 24-hour basis.	Above Current	73,049	1.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Non-Maintenance Services	Funding for numerous requests of non-maintenance work orders requested from other departments that fall outside the scope of routine infrastructure maintenance. This includes aesthetic changes, installing and re-keying locks, room modifications, construction of office shelving, and cabinets that are needed by City departments to meet service needs. Non maintenance work is not performed during normal working hours because it interferes with regular duties and must be completed after regular work hours at an overtime rate. Since these requests are not budgeted, requesting Departments have paid for the services; however, many of the requests are inexpensive and it is not efficient to transfer funding internally. In FY 2011-12, there was approximately \$150,000 of non-maintenance expenses, of which \$91,617 was overtime and the remaining \$58,383 was for materials.	Above Current	150,000	0.00
Resort Maintenance Materials	Paint and materials to maintain basic repairs and address routine preventative maintenance at the resort. Maintaining sufficient supplies (particularly paint products) at the oceanfront is critical to maintaining the resort in pristine condition for tourism. The salt air will always corrode this area at a much faster rate which requires more maintenance than other areas in the city. Reduced funding will result in extending time between preventative maintenance schedules and an overall poor appearance of buildings and boardwalk .	Current	6,019	0.00
TIP Fund Overtime	Overtime for Plumber II position in the TIP fund performing resort area maintenance.	Above Current	9,990	0.00
Beach Operations Contracted Manpower Restoration	Restoration of 6 contract workers for the summer work force. Limited funding decreased personnel from 40 to 34. The 15% reduction in staffing will affect trash collection service to the resort area.	Current	93,426	0.00
Professional Improvement Restoration	Professional improvement to enable staff to attend National Association of Fleet Administrators conference and Virginia Association for Government Procurement association conference.	Current	4,800	0.00
Fleet Management Parts Operation MEO Transition Plan	Reduction of one position resulting from the Fleet Management Parts Operation transition to the Division's most efficient operation	Current	59,616	1.00
Miscellaneous Operating Expenses	Operating expenses for Engineering Division, such as messenger services, office supplies, computer peripherals, travel, memberships, books and subscriptions and contractual services.	Current	51,099	0.00
Overtime for Inspection of CIP Projects	Overtime for construction inspections outside of normal work hours. The construction inspectors ensure that the construction work is completed in accordance with the plans and specifications, that proper documentation is kept, and that the work is completed safely while minimizing impacts to the public. The majority of CIP projects are on aggressive construction schedules that often require the contractor to work beyond a normal 8 hour day. Additionally, work within the City's roadways often requires construction activities to be completed outside of peak traffic periods and sometimes at night.	Current	40,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Quality Physical Environment				
Public Works				
Construction Inspector II/III for Neighborhood Dredging Projects	One new position in the Engineering & Construction Management Services Bureau for the Neighborhood Navigation Dredging Program being managed by the Coastal Engineering Project Management Bureau. Within the last two years the Neighborhood Navigation Dredging Program is starting to formulate. Two neighborhood projects are in the design phase moving forward to construction. In addition, four more neighborhood projects are moving toward confirming neighborhood commitment for a dredging project. Six more neighborhoods are determining how the program can benefit them and working toward neighborhood commitment. The Engineering & Construction Management Services Bureau does not have adequate resources to take on the construction oversight of this new program.	Above Current	95,074	1.00
Staffing for PW/Facilities Management Office	Engineering Technician II/Autocad technician and space management and renovations technical support for the Facilities Management Office. Will provide support for building section of CIP and technical support for additional card access system projects.	Above Current	58,557	1.00
Maintenance and Supplies for City's Card Access System	Lenel system maintenance increasing \$13,000 due to additional buildings added and coming off warranty. Added buildings include Heavy Duty Garage, Holland Road Garage, Williams Farm Rec Center, 4th Precinct, Landscape Services, Building 18 - Telecommunications, and Building 14. Also requires \$3,327 in supplies due to an increase in the number of cardholders from the addition of City buildings using the card access system. Professional improvement for Lenel Training to provide additional support and expertise on card access system daily transactions and programming for buildings.	Current	17,357	0.00
Building Maintenance HVAC Overtime Restoration	Restoration of overtime funding to meet general maintenance needs for HVAC systems.	Current	19,230	0.00
Media Advertising Restoration	Media advertising for notices and public hearing advertisements of city-owned property for sale through the Asset Management Program.	Current	978	0.00
Directional Signs & Supplies Restoration	Directional signs and supplies to provide materials necessary to fabricate, install & maintain highway signs throughout the City. Sign materials for the shared services initiative are provided through estimated revenue from Norfolk and Chesapeake to cover the cost of materials.	Current	150,000	0.00
Total Quality Physical Environment				<u>8,287,544</u> <u>44.00</u>

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Commonwealth's Attorney				
Additional Contracted Manpower Funding	Request for funding to support an Administrative Assistant and Legal Investigator on a contractual basis. The Administrative Assistant is utilized to aid existing human resources staff and the Legal Investigator is used to work on gang related cases and issues.	Above Current	75,000	0.00
Law Intern Summer Program	Provides funding for six part-time law interns to work ten, 40 hour weeks between June and August. This internship program will be similar to the one that existed prior to being eliminated as part of a budget cut in FY 2011-12. The use of these interns will give attorneys the ability to focus their attention on preparing for more complex cases as well as give the law student experience in trying cases under an attorney's supervision.	Above Current	40,744	1.15
Emergency Communications and Citizen Services				
Addition of an Administrative Technician	Additional funding for an Administrative Technician to provide FOIA support and to serve as a liaison for Emergency Communications and Citizen Services (ECCS). ECCS is a record holder of public safety FOIA documents and recordings. Increased FOIA request and the administrative responsibilities associated with them has become a full-time job.	Above Current	43,976	1.00
Replacement of Audio Video Equipment	Provides funding for the replacement of the existing audio video equipment within Emergency Communication and Citizens Services building. This equipment has been in existence since 2005 and is in need of upgrading to current Technology standards.	Above Current	177,000	0.00
Public Safety Telecommunicators	Funding for the addition of 8 full time Public Safety Telecommunicator I positions, entry level positions within the VB9-1-1 Operations Center, responsible for receiving, processing, and relaying requests for police, fire, or emergency medical services; once filled, the addition of these positions should reduce the mandatory overtime hours currently worked by operations staff to achieve minimum staffing levels.	Above Current	351,805	8.00
Operation Supervisor	Funding for the addition of 4 full time Operations Supervisor positions responsible for maintaining the first line supervision of the overall operation within the VB9-1-1 Operations Center, a 24/7 operations. These additional Operations Supervisor positions would ensure adequate supervision of staff, systems, and processes; and should create a decrease in Operations Supervisor overtime that is needed to meet current supervisor staffing requirements.	Above Current	280,318	4.00
Emergency Response Consoles	Provides funding for the purchase of an emergency console system. This system would allow E 9-1-1 operations too quickly and efficiently transition operations to the existing backup center, as well as, quickly expand current operations in the case of a catastrophic event. ECCS personnel could move to the backup site, plug into power and network lines, and begin answering calls without interruption of existing calls and their data.	Above Current	204,500	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Emergency Communications and Citizen Services				
Additional Administrative Technician	Funding for a full-time Administrative Technician to provide Information Management support/liaison for Emergency Communications and Citizen Services (ECCS). ECCS disseminates city information across the organization and to the public via multiple communications channels such as phone, online assistance, web, etc. The duties of this position are currently assigned to multiple staff (contractor/FTEs) as a secondary responsibility. This position is tied to the CRM CIP that will need to be funded if that CIP moves forward.	Above Current	43,976	1.00
Emergency Medical Services				
Six Paramedics for Town Center Fire and Rescue Station	This would provide 6 new paramedics, uniforms (\$9,000) and protective apparel and supplies (\$3,000) for the replacement Thalia/Town Center Fire and Rescue Station (capital project 3-021) anticipated to open July 1, 2013. These positions are needed to supplement the Volunteer Rescue Squad medics to adequately staff this additional rescue facility in a high demand sector of the City.	Current	379,363	6.00
Additional Classroom Space	Would add leased training space and relocate to the EMS Administrative Office in leased space on Viking Drive the EMS Training Division offices from the Fire and EMS Training Center. This move will provide a central location for EMS volunteers to report to class and obtain other assistance, as well as various operational and office space efficiencies for EMS staff and instructors. In addition, this will provide additional office space to the Fire Department by moving out of the Fire Training Center. The cost is based on the existing five year lease that contains a 2.5% annual escalation rate and expires August 31, 2013.	Above Current	114,000	0.00
Conversion of Part-time Instruction Supervisor to Full-time	Converts one part-time EMS Instructor Supervisor (0.5 FTE totaling \$25,286) to a full-time training Paramedic (1.0 FTE totaling \$61,228) to address the increasing workload of EMS' Training Division. The net additional cost is \$35,942. The Training Division conducts Virginia Department of Health's initial EMS certification programs (EMT), which provides certified BLS providers to staff ambulances for the ten volunteer rescue squads within the City.. The Virginia Department of Health provides strict standards to credential instructors and a mandated student to instructor ratio. The EMT program consists of approximately 168 hours of didactic, practical and field instruction. Currently, four classes a year are conducted, and class size has grown from 15-to25 several years ago to 60-to-80 now. In 2006, there were 62 volunteers enrolled in EMT classes and in 2012, there were 278.	Above Current	35,942	0.50
Stryker Power Lift Stretchers	Would provide funding for the second year of a three year phase-in of battery powered stretchers (\$16,000 unit cost) that will replace existing manual stretchers. The use of power lift stretchers will reduce back injuries for EMS providers and risk management costs for the City.	Above Current	48,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Emergency Medical Services				
Medical Shelter Supplies	Will provide funds to continue outfitting the City's Medical Shelters with equipment and supplies that cannot be funded using grants. The purpose of the Emergency Medical Shelters is to support citizens, who have special medical needs, with medical assistance and maintenance care during a natural or man-made disaster. The initial goal is to obtain enough equipment and supplies to support a 300 bed facility, 600 family members and 200 staff members with associated supplies and equipment for at least three to five days. Currently, EMS has equipment and supplies for 300 patients for 3 days. Grants may become available for medical shelters after the aftermath of Hurricane Sandy in 2012.	Above Current	22,000	0.00
Oxygen Fill Stations	Provides retrofits for five Fire and Rescue stations for oxygen containment fill systems to address safety issues with proper storage and use of these systems to meet City standards for compressed gas fill stations: First Landing, Courthouse, Plaza, Sandbridge and Creeds. The Chesapeake Beach and Blackwater Volunteer Rescue Squads also need replacement systems, but these may be incorporated with the replacement capital projects. These systems are used to refill portable oxygen cylinders, which are deployed on Fire Department apparatus as well as rescue squad ambulances. The volunteer rescue squads pay the cost oxygen refills. No funding is available in the Fire Rehabilitation capital project for this need.	Above Current	80,000	0.00
Diamondback Airboat	Provides an airboat to enable EMS to provide emergency medical response to low-lying and flood-prone areas in the City, which cannot be accessed by EMS' traditional rescue boats.	Above Current	37,000	0.00
Medic for Chronic Health Patient Checks	Provides one full-time paramedic to develop a tracking tool to identify and investigate cases involving chronic and non-emergency callers, who often have chronic health or mental health issues. This will create a formal mechanism for patient education, referral to definitive services, and follow up checks for patients who refused EMS services to verify those individuals received appropriate care. This may entail home visits in medical cases or contacts to the appropriate agency, such as Human Services. When not directly engaged in individual case management, the paramedic will participate in community outreach, education and wellness initiatives similar to programs of the Police and Fire Departments. Partnerships will be established with the Health Department, Department of Human Services and allied agencies.	Above Current	64,228	1.00

Fire

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Fire				
Resource Management Relocation	The Fire Department requests funding for an annual lease to relocate the Fire Department's Resource Management facility from the Fire Training Center to an 18,200 square foot warehouse adjacent to the space leased by Virginia FEMA Task Force 2. The estimated cost is \$6.90 per square foot for a five year full service lease. The annual escalation on the lease could range from 1% to 3%. This space would provide an improved platform and location to provide resource management functions, allow for the sharing of resources between the FEMA Task Force and Resource Management during emergencies, and would free up 21,000 square feet of space at the Fire Training Center to be renovated for fire training needs.	Above Current	167,100	0.00
Equipment Funding	The Fire Department requests a \$300,000 funding increase in its operating accounts to provide for core fire and medical equipment including: thermal imaging cameras, EKG monitors, self-contained breathing apparatus, extrication equipment, ladders, hoses and hazardous material equipment. These items have a designated life expectancy from their manufacturers due to the technology used in the equipment and the normal wear from use. Currently, the department replaces this equipment using its operating budget and grants, which does not provide a regular cycle of replacement.	Above Current	300,000	0.00
Four Person Staffing	This request would provide funding for additional firefighters to begin implementing the Fire Departments four person staffing initiative. Funding would provide an additional position for one front line fire apparatus/unit for three shifts. Costs reflect hiring four firefighters (salary and benefits), overtime costs, as well as equipment and training.	Above Current	244,100	4.00
SCBA (Self-Contained Breathing Apparatus) Equipment Funding	This request is to replace all of the Department's SCBA's. Replacing all of the units at the same time must occur due to integrating the equipment and technologies together. Overall, the Fire Department's cache of 400 SCBA's is getting older. The latest purchase took place in 2004. Many parts have been replaced and regular repair is ongoing. The Fire Department will be able to extend the operational life of units on fire apparatus but, units at the Fire Training Center will not likely last more than two years.	Above Current	1,450,000	0.00
Emergency Management Exercises	This request is for funding to perform a full scale emergency management exercise. Exercises would be conducted every three to four years to meet the goal of providing a full scale city wide exercise on a regular basis. This exercise would differ from exercises that the City currently performs in that it would be developed and administered by an external consultant. Such an exercise would allow for a more comprehensive testing of emergency preparedness functions and allow staff who normally develop exercises to participate in the scenario.	Above Current	50,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Fire				
Health and Safety Program Funding	This request is for funding to improve and maintain the health, safety, and wellness of Fire Department personnel. The items requested are necessary to provide personnel and equipment to maintain a healthy and safe workforce. Funding will also be utilized to maintain compliance with federal and state requirements. Expenditures would include salary and overtime costs for annual fitness assessments, ongoing recertification and training, member counseling, program inspection and monitoring, health and safety training/exercises, peer fitness recertification, travel costs for members to continue to serve on National Fire Protection Association (NFPA) committees, construction of a structure for agility testing, wellness programs, strength training for recruits at the Fire Training Center and a replacement vehicle for the shift safety officer.	Above Current	253,570	0.00
Technology Funding (LiveMum)	The Fire Department requests funding to provide the LiveMum system. LiveMum provides the Department with the ability to: determine the most strategic and efficient placement of apparatus; provides the most optimal move up recommendations during increased emergency incident rates, major disasters, or special events; avoids dependence on pre-planned move ups; provides real-time streaming and a color coded display of coverage to make identification of gaps easier; tests, trains and evaluates move up decisions before implementing them in the field; and functions as an interoperability and simulation tool.	Above Current	100,000	0.00
Police				
Central Business District Staffing	Funding for 15 additional sworn positions (1 sergeant and 14 officers), a part-time Community Services Officer (.8 FTE), overtime cost and related equipment to provide dedicated public safety resources to the growing Town Center area. The visibility of officers in an area is a key factor in deterring crime. Without additional staffing, the Police Department will provide the same level of services that is currently being provided.	Above Current	1,570,127	15.80
Central Business District Overtime	Would provide funding for over-time for expanded police officer staffing of the Central Business District Town Center area on the weekends during the summer months and from mid-November through December during holiday shopping periods as an alternative to adding 15 permanent full-time officers to this portion of the Third Precinct. The impact of not funding this request will result in the same level of services currently being provided by the Police Department.	Above Current	336,406	0.00
Street Crime/Gang Unit	Funding for nine additional sworn positions (one sergeant and eight officers) to combat criminal street gang and other violent street crime activities directly affecting City neighborhoods. These personnel will work in conjunction with other department members and outside agencies. If not funded, the Police Department will have to continue to perform these functions using existing staff, which may degrade service in other areas.	Above Current	949,176	9.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Additional VCIN/Warrant Position	Would provide funding for a second additional Public Safety Data Services Assistant to address a substantial workload increases in warrant work including protective orders associated with State and Federal requirements, and in concealed handgun permits. Not funding this request will result in the Police Department continuing to perform these responsibilities with existing staff members including reassignment of a Precinct Desk Officer, who are having difficulty meeting the State Police regulations for entry into the Virginia Criminal Information Network and servicing prior to expiration of the order.	Above Current	44,140	1.00
Animal Control Part-Time Caretaker and Clerk Positions	Would add four part-time positions totaling 2.5 FTEs to correct staffing shortages at the Shelter, which will result in higher quality customer service and increased shelter maintenance and animal care. Additional staffing would include: two part-time Clerk III positions (\$13,415 each and 0.5 FTE each) totaling \$26,830 (1.0 FTE) to provide service for the two lobbies (located on opposite ends the facility) during the normal operating hours 7 days a week, and provide data entry of animal related records into the PISTOL database and assistance for increased customer demand; and two part-time animal caretakers (\$18,229 each and 0.75 FTE each) totaling \$36,458 (1.5 FTE) to supplement the existing 10 full-time caretakers to meet national standards developed by the Humane Society of the United States and endorsed by the National Animal Control Association for feeding and cleaning tasks.	Above Current	63,288	2.50
WAN Charges Data Storage CIT	Would provide on-going costs data lines related to the Data Storage and Evidentiary Files and Integrated Public Safety Records Management capital projects.	Above Current	35,000	0.00
AED Replacements	Would provide funding to replace all 128 AEDs in patrol vehicles, which are 8 years old. The useful life of an AED is 7 years at the most according to the Department of Emergency Medical Services (EMS). The existing AEDs are not set to newer American Heart Association standards of 2 minutes of CPR operation (current AEDs have 1 minute of operation). The current AEDs are increasingly requiring battery replacements every 2-3 years depending on use and pad replacements annually. The replacement AEDs will require battery and pads replacements every 5 years.	Above Current	176,000	0.00
Fuel	Would provide additional funding to cover increased fuel costs based on FY 2011-12 expenditure level. The department spent \$2.1 million for fuel for FY 2011-12, which was \$393,785 over budgeted amounts mainly due to the price of fuel rather than increased usage. It is budgeted for fuel in FY 2013-14 at \$1.9 million.	Above Current	125,000	0.00
Police In-Car Digital Cameras	Would provide funding for approximately 20 digital in car cameras for marked police vehicles as a means to record officer and citizen activity during traffic stops, to provide evidentiary videos to be used in court preparation and presentations by the department, defense attorneys and citizens. Currently, the Police Department has 124 digital in-car cameras in traffic and precinct units. If not funded, potential evidence needed to prosecute cases or clear up questions about police officer conduct would not be available.	Above Current	84,000	0.00

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Police Online Training Module	Would provide for the annual maintenance and licensing cost for an on line training application, which began in 2010, and reduces the amount of time officers spend in classroom training while increasing their availability for their normal duties, such as patrol and investigations. If not funded, the department will have to delay other training opportunities and costs to continue funding this cost or revert back to using traditional training methods.	Above Current	45,000	0.00
Part-Time Special Events Coordinator	Would provide funding for a part-time Civilian Special Events Coordinator to free up existing sworn officers, who are providing this service. The position will facilitate traffic and crowd control training for non-sworn volunteers; act as a liaison to those seeking event permits to help recommend sufficient public safety staffing for the event; and coordinate logistics, identifying, acquiring, and assigning a cadre of resources to include, but not limited to, volunteer groups, paid civilian staffing, and on-duty and off-duty sworn personnel. Not funding this position will result in the Police Department continuing to use sworn staff to coordinate and provide manpower to staff special events, which diverts resources from their law enforcement duties. Funding could come through an increase in Special Events fees.	Above Current	28,594	0.63
Additional Precinct Desk Officer for Headquarters	Would provide a sixth full-time Precinct Desk Officer to the First Precinct to enable the precinct to remain open from midnight to 7:00 a.m., which will provide a 24-hour operation consistent with the other three precincts. This will provide citizens, visitors and victims of crimes with improved customer service including assistance with information requests and reports, more timely entry of traffic accident reports and criminal and traffic summonses. This will assist the Detective Bureau, which operates 24-hours a day and utilizes the First Precinct lobby as a waiting area for citizens and witnesses waiting to be interviewed. If not funded, the precinct will remain closed from midnight to 7:00 a.m. and citizens will have to continue to utilize the phone located outside Police Headquarters to request police services, which will be provided by a street officer.	Above Current	47,124	1.00
Uniform Patrol Overtime	Would provide additional funding to cover increased overtime for sworn personnel based on FY 2011-12 expenditure level. The department spent \$4.2 million for over-time for FY 2011-12, which was \$552,105 over budgeted amounts. It is budgeted for overtime in FY 2013-14 at \$3.8 million.	Above Current	185,023	0.00
Part Time Cold Case Investigators Expansion	Would increase hours of the department's two part-time cold case investigators from 20 hours per week to 32 to allow for more investigation, which may result in solving more cases. The impact of not funding this request will result in the same level of services currently being provided by the Police Department.	Above Current	27,232	0.60

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Police				
Police Storekeeper	Would provide funding for one full-time Storekeeper to address increased workload and processes due to opening of new long-term Property and Evidence Facility on Leroy Drive that is anticipated to open in June 2013. This new position would staff a partial Property and Evidence facility at Police Headquarters to serve as the day-to-day distribution and acceptance point for all evidence and property, including court proceedings. This position will transport evidence and property between the two facilities, document the relocation in the automated evidence tracking system, and physically place the evidence/property in the new location. If funding is not provided, existing staff would provide this support.	Above Current	40,238	1.00
Part Time Telephone Reporting Unit Positions	Would provide funding for six part-time civilian positions working 32 hours per week (4.8 FTEs) to supplement limited duty personnel working in the Telephone Reporting Unit. Approximately 10,000 lower priority calls for service could be redistributed to these staff members from street patrol. It is difficult to assign full duty officers to these duties due to patrol needs. Limited duty personnel are unavailable a significant percentage of their time due to medical appointments, surgeries, and physical therapy appointments. Not funding this request will result in the continued handling of low priority police reports by existing staff.	Above Current	217,859	4.80
Integrated Public Safety Position	Would provide funding for one full-time Business Application Specialist II position to support expansion of responsibilities associated with the new Police Integrated Public Safety Records Management System (RMS) capital project. Also, the position will provide on-going support for the project after implementation including security and business issues related to the system. The Police Department will be impacted heavily due to CAD and RMS replacements and implementation of field reporting and electronic ticketing. The Department of Communications and Information Technology staff will only handle technical issues.	Above Current	65,937	1.00
Civilian VCIN Instructor	Would provide funding to add a civilian instructor for the Virginia Crime Information System (VCIN) (1.0 FTE), who will provide state and federal mandated VCIN instruction to all sworn and many civilian personnel in various departments, and return the existing sworn instructor to street duty. The Virginia State Police requires all users of the Virginia Crime Information Center (VCIN) to complete various mandated training before they are approved to use the system and to continue its use. Initial certification training involves 3 full days of instruction. Recertification is required every other year with 4 hours of instruction. Approximately 900 police employees are certified as either Level A or B VCIN users. The Police Department has one sworn instructor assigned to the Law Enforcement Training Academy and one part time instructor with other full time duties. The Police Department regularly works with civilian VCIN instructors assigned to the Sheriff's Office and to the Department of Emergency Communications and Citizens Services in offering VCIN training classes.	Above Current	50,522	1.00

Sheriff and Corrections

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
Mirror Server backup system for correctional facility	Additional funding request to purchase a mirror server for the correctional facility. A mirror server would afford the Sheriff's Office the ability to continue operations if the primary computer operating system fails. The mirror server would be used to sustain operations within the correctional facility until issues with the primary server were resolved.	Above Current	327,000	0.00
Reorganize Master Control Center and replacement of equipment	Funding to reorganize the operations of the Master Control by replacing Deputies with part time civilians and hiring a specialist with technical skills to work the security systems. Included in this request is funding for vehicles, replacement radios, replacement computers and additional facility maintenance funding.	Above Current	985,900	2.00
Additional Positions and Equipment for Training	Request for additional funds to hire seven additional deputies (5 Corporals and 2 Clerks) and various equipment items for the Sheriff's Office training division. Equipment items in this request include a replacement vehicle, upgrade and additions to the current software, computers, protective gear and supplies used in the training.	Above Current	620,753	7.00
Additional Position and Technical Equipment/Software Training	Request for a Micro. Computer System Analyst, funding for training seminars/conferences and for dues/association member fees. This need stems from the rapid growth of the IT Equipment & Software that the office has acquired over previous years and to ensure the needed support and maintenance are met.	Above Current	141,021	1.00
Addition of a DARE Deputy	An additional Corporal Deputy to work in the DARE division of the Sheriff's Office. This request includes funding for a new car and equipment for the position. This position will cover the extra classes that are needed with the new and longer curriculum. The classes will run one week longer for each session with three sessions each school year.	Above Current	105,829	1.00
Additional Staff and equipment for Human Resources	Funding to hire an additional Clerk and purchase additional equipment for the Sheriff's Office Human Resources division. The position is needed to meet increased work load demands of the department. The equipment is necessary to build tests and assess the training needs of entry level and promotional candidates.	Above Current	288,732	1.00
Additional Work Force Staff and Equipment	Funding request for additional staff (two deputies and one corporal) and equipment for the Sheriff's Office Workforce division. The additional positions will provide better schedules for Deputies working within this division. The equipment to be purchased includes new vehicles and mowers and will provide efficient service and completion of work in a timely manner and will also cut the cost of maintenance.	Above Current	255,489	3.00
Part-time Community Outreach Coordinator and staff	Request for additional part-time staff to handle all the incoming calls of the Sheriff's Office that will relieve the other departments of the high volume of calls that takes away the hours of their main job responsibility. The Part-time community outreach coordinator will take some of the task of the PIO who will oversee the operation of the requested positions.	Above Current	45,925	1.90

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
Safe Community				
Sheriff and Corrections				
Additional Clerk to maintain office accreditation	Addition of a full-time Clerk to ensure the office maintains its accredited status. This position will replace the deputy currently completing these job tasks and responsibilities and allow the deputy to be utilized elsewhere within the correctional facility.	Above Current	35,423	1.00
Expansion of Commissary Services	Funding request for additional part-time positions and kitchen replacement equipment. These positions and equipment will allow the existing commissary services menu to expand and offer a wider variety of options to inmates.	Above Current	98,289	1.00
Expansion of Professional Standards Office	Two additional full-time positions for Professional Standards Office and Intel to decrease case workloads and one Corporal to handle the Canine Program that was funded through the acquisition of a grant.	Above Current	198,891	3.00
Upgrade of Technical Equipment	Additional funding for the upgrade of the video visitation hardware and software system. Additional funding is also requested for the purchase of a system that will track and monitor inmate movement within the facility.	Above Current	510,000	0.00
Additional Staff and Equipment for mailroom	Request for an additional full-time Deputy and Clerk to ensure that inmates receive their mail within 24 hours of delivery. This request also includes funding for the purchase of a new flatbed scanner used to complete mailroom operations.	Above Current	85,822	2.00
Expansion of Court Support Services	Request for 3.83 new part-time Security Screener FTEs to work security at the courthouse. This request also includes the funds needed to upgrade the software for the x-ray machines in the courthouse.	Above Current	129,151	3.83
New Vehicles	Request for additional funds to purchase two new SUVs for the command staff within the Sheriff Office, one new vehicle to serve papers in Pungo and work the Emergency Medical Center and a new pickup truck for the maintenance division.	Above Current	83,630	0.00
Expansion of Medical Contract	Additional funding to expand the existing medical services contract for inmates housed within the correctional facility.	Above Current	117,000	0.00
Total Safe Community				<u><u>12,682,143</u></u> <u><u>92.71</u></u>
Total Requested But Not Funded				<u><u>58,744,136</u></u> <u><u>178.29</u></u>

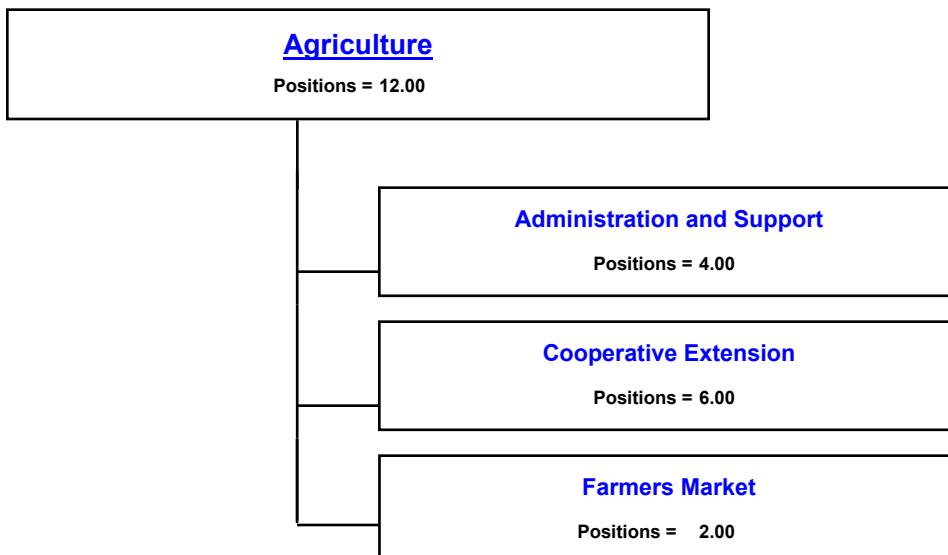
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City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Agriculture - Departmental Performance Report

Agriculture						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Community						
Marketing/Promote the Farmers Market						
Children/Students Attending Events at Farmers Market	#	2,500.0	2,650.0	3,700.0	4,100.0	4,200.0
Events at the Farmers Market	#	100.0	108.0	129.0	150.0	170.0
Process Agriculture Reserve (ARP) Applications						
Acres in the Agricultural Reserve Program	#	300.0	8,817.5	8,906.4	9,106.0	9,406.0
Financial						
Recruit, Train and Manage Volunteers						
Educational Programs Provided by Volunteers	#	40.0	40.0	50.0	40.0	40.0
Maintain the number of volunteers	#	1,000.0	996.0	1,095.0	1,200.0	1,270.0
Internal Process						
Retain & Grow Businesses at Farmers Market						
Farmers Market Space Leased	%	100.0	100.0	96.0	100.0	100.0

Agriculture

Major Changes

The FY 2013-14 General Fund portion of the Department of Agriculture's operating budget totals \$784,013, an increase of \$27,991 or 3.7% over the previous year. The Agricultural Reserve Program (ARP) Fund is a component of the overall Agriculture department operating budget. For FY 2013-14, ARP totals \$4,311,817, a decrease of \$24,809 or 0.57% from the previous year. This budget includes a \$2 increase in the cost of agricultural tours at the Farmers Market, which is expected to make this program self-sufficient. This operating budget funds the existing 12 FTEs and all existing programs are expected to continue at current levels.

Departmental Overview

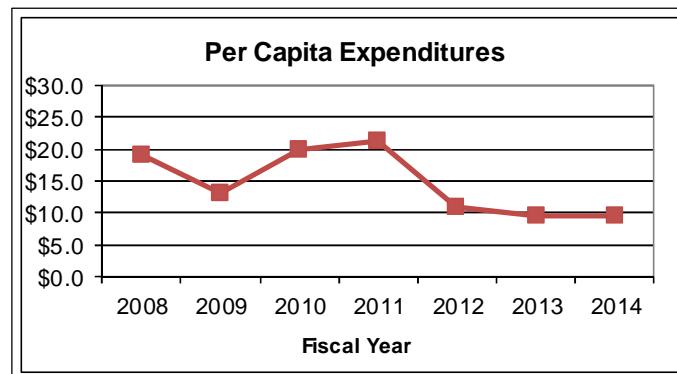
The core services of the department of Agriculture fall into four areas:

- Director's Office - Provides overall direction, coordination and administrative support to the department; leadership in developing and implementing the Agricultural Reserve Program; working with the Agriculture community on marketing opportunities to sell their products and expand their business (i.e. Why Not Wednesdays, other venues and events to bring the farm to the citizens); technical assistance to the agricultural community to ensure that agriculture is a viable segment of the city's economy and competitive with nearby areas; support to the Agricultural Advisory Commission; recommendations and assistance to the Planning department regarding the Comprehensive Plan, compliance with Chesapeake Bay Area Preservation mandates, Southern Watershed Ordinance, Transition Area, and Open Space; recommendations for the future direction of the Farmers Market; coordination of city services for agricultural related special events (i.e. Strawberry Festival, Harvest Fair); assistance in developing and implementing strategy to address the issue of aesthetics; assistance in preserving the city's agricultural heritage; installation, maintenance and management of the road-side farm sign program; site plan review for projects in the southern portion of the city; technical advice to the Clean Water Task Force, and Wild Horse Committee; and recommendations regarding rural drainage.
- Cooperative Extension Program - Provides research, technical and marketing assistance and community education for all residents regarding agriculture, horticulture, soils, family issue programming, and home management. It administers two mandated programs, Agriculture Disaster Reporting and Pesticide Applicator Certification Recertification education. The city and Virginia Polytechnic Institute and State University jointly fund this program with the city funding one-third of the costs of two Agricultural Extension Agents, 45% of the cost of one agent and 100% of the costs of a fourth agent as well as two administrative support staff.
- Agricultural Reserve Program (ARP) - The goal of the program is to preserve and protect 20,000 acres of farm and forested lands in the southern part of the city. Council established the program in May 1995. The ARP is a voluntary program. Landowners, who enroll their agricultural land, help to preserve the rural quality of the southern part of the city, and preserve the agricultural land base of the city's third largest industry for future generations. The ARP protects agricultural lands from increased residential, commercial and industrial development through the purchase of development rights in the form of perpetual preservation easements, and reduces the need to extend city services. Eligibility requirements include: the parcels can be no less than ten developable acres; zoned for agricultural use; and cannot contain land used for recreational or open space purposes. Funding for this program is dedicated from 0.9 cent of the real estate tax.
- Farmers Market - Leases space to vendors to sell agricultural and complementary products, provides agricultural based education programs (K-5th grade) for students and rural heritage programming for students, citizens and visitors. Market staff provides programming that is agriculturally based and educational, in a safe, family friendly environment. The Market provides for over 500,000 visitors a year. In 2012 covered the operating cost as well as a small surplus of funds back to the General Fund.

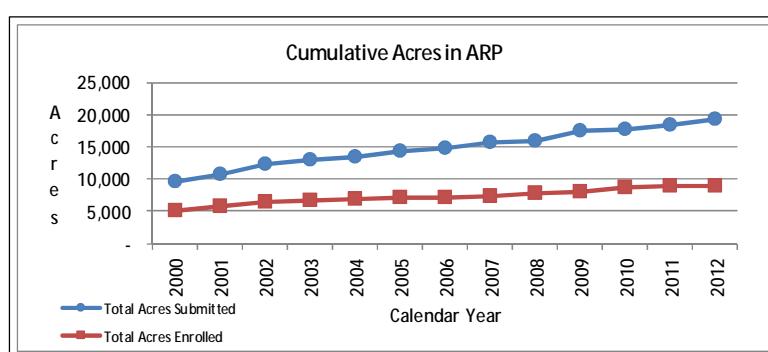
The *Envision Virginia Beach 2040 Committee Report* provides a vision of life in Virginia Beach in 2040. One aspect is a thriving regional economy in which the agriculture presence remains significant due to proactive strategies and initiatives. One of the ways this department works toward ensuring that vision is through the administration of the Agriculture Reserve Program as well as other programs and services.

Trends and Issues

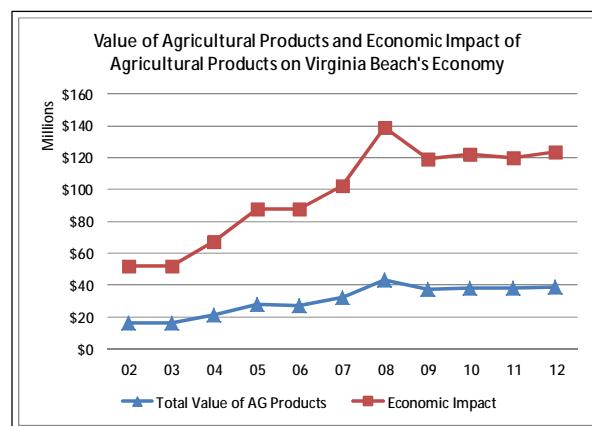
- In the Per Capita Expenditures chart, the peaks are due to City Council's use of fund balance from the Agricultural Reserve Program for transfers to the General Fund and the Capital Improvement Program to support budget and CIP related issues. In FY 2013-14, per capita expenditures will decrease slightly from \$9.69 to \$9.58.
- The Farmers Market is fully occupied with 14 leaseholders and two permanent vendors, who have located their own buildings on site. In 2012 Business License gross dollars exceeded \$2.5 million. Special events and family activities are very popular at the Market and include hoedowns, with a total estimated attendance of over 500,000 visitors per year. During FY 2012-13, changes were made to Market operations to increase operational efficiency, and renovations were made to enhance security for staff and visitors.



- By the end of 2012, the city had purchased the 788 development rights for 8,906.43 acres. The Department anticipates adding 700 acres in 2013. Over time, approximately 50% of the applications submitted have been closed. On occasions, the city receives grant funding from the Virginia Department of Agriculture and Consumer Service (VDACS) to help offset ARP easement acquisition costs. When available, funds are appropriated through City Council ordinance and added to the ARP Fund.



- In 2012, the Virginia Beach 4-H Program enrolled 2,984 volunteers in its programs. Volunteers in the 4-H Program provided 9,455 hours of service valued at over \$182,086.
- The city continues to support the agricultural industry through programs and services offered by the Agriculture Department. In 2012 agricultural products had an economic impact of over \$124 million to Virginia Beach's economy. This department works with the Virginia Department of Agriculture and Consumer Services and the General Assembly and Senate on State and Federal Agriculture issues and opportunities.
- Cooperative Extension provided farmer educational programs in grain, fruit, vegetable and strawberry production to support the city's agriculture industry. Extension agents provided education on quarantined fire ants and Beach Vitex, while monitoring the threat of Asian Soybean Rust. They maintain awareness of other diseases, and received national recognition as the first to detect Anthracnose Crown Rot in strawberry plants in Virginia.
- In 2012, there were 260 active Virginia Beach Master Gardener (VBMG) volunteers that collectively contributed approximately 15,000 hours of service valued at \$292,000, and provided horticultural information to over 32,014 residents. VBMG volunteers worked in 24 program areas including: "Ready, Set, Grow", an environmental stewardship program which reached 2,093 Virginia Beach City Public School students and teachers; "VBMG Speakers Bureau" which delivered 84 presentations to 1,637 members of civic groups; and the "VBMG Help Desk" which provided information via email, telephone, or personal contact to 1,200 citizens.



Agriculture - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	315,648	276,935	280,349	3,414
Cooperative Extension Program	210,388	283,512	274,608	(8,904)
Farmers Market	164,314	195,575	229,056	33,481
	Total Expenditures	690,350	756,022	784,013
				27,991
<u>Revenues</u>				
Fees	167,145	165,760	179,560	13,800
Transfers	1,230	0	0	0
	Total Revenues	168,375	165,760	179,560
				13,800
	General City Support	521,975	590,262	604,453
				14,191
161 Agriculture Reserve Program Special Revenue Fund				
<u>Expenditures</u>				
Agricultural Reserve Program	126,441	215,950	214,886	(1,064)
Debt Service	2,320,459	3,643,024	3,838,198	195,174
Reserve for Contingencies - ARP	0	477,652	258,733	(218,919)
Transfer to Other Funds	2,600,000	0	0	0
	Total Expenditures	5,046,900	4,336,626	4,311,817
				(24,809)
<u>Revenues</u>				
Local Taxes	4,455,103	4,336,626	4,311,817	(24,809)
Transfers	1,672	0	0	0
	Total Revenues	4,456,775	4,336,626	4,311,817
				(24,809)
	General City Support	590,125	0	0
				0
				0
Total Department Expenditure	5,737,250	5,092,648	5,095,830	3,182
Total Department Revenue	4,625,150	4,502,386	4,491,377	(11,009)
Total General City Support	1,112,100	590,262	604,453	14,191
				14,191

Position Summary by Program

002 General Fund				
Director's Office	3.00	2.52	2.52	0.00
Cooperative Extension Program	6.00	6.00	6.00	0.00
Farmers Market	2.00	2.00	2.00	0.00
	Total	11.00	10.52	10.52
				0.00
161 Agriculture Reserve Program Special Revenue Fund				
Agricultural Reserve Program	1.00	1.48	1.48	0.00
	Total	1.00	1.48	1.48
				0.00
Total Position Summary	12.00	12.00	12.00	0.00
				0.00

Resource Summary Notes

The \$590,125 of General City Support in the Agriculture Reserve Program Special Revenue Fund in FY 2011-12 represents a use of fund balance.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Convention and Visitors Bureau - Departmental Performance Report

Convention and Visitors Bureau							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Community							
Increase Visitor Spending							
City and State Tax Revenue (in millions)	\$	103	98	100	103	103	
Public Relations Advertising Equivalency (in millions)	\$	8	4	7	8	9	
Visitor Spending (in millions)	\$	1,203	1,157	1,180	1,203	1,227	
Customer							
Host Events at the Virginia Beach Convention Center							
Virginia Beach Convention Center Revenue (in millions)	\$	4	4	4	4	4	
Tour and Travel Room Nights							
Internet Inquiries (in millions)	#	1.9	1.8	1.9	1.9	2.2	
Visitors Assisted at Visitor Centers and Kiosks	#	161,265.0	167,914.0	163,202.0	161,265.0	179,753.0	
Year Round Hotel Occupancy Rate	%	60.0	60.0	61.0	60.0	60.0	

Convention and Visitors Bureau

Major Changes

The Department of Convention and Visitors Bureau's (CVB) FY 2013-14 operating budget totals \$49,097,115 including the General Fund, Tourism Investment Program (TIP) Special Revenue Fund, and Tourism Advertising Program (TAP) Special Revenue Fund. This reflects a decrease of \$559,168 or -1.1% compared with the FY 2012-13 operating budget mainly due to a decrease in the debt service payments by the TIP Fund. The General Fund portion of the operating budget increased \$55,983 or 0.6% due to the net impact of the increased cost of risk management charges. The TIP Fund decreased by \$1.2 million or -3.9% due to decreased costs for debt service (-\$1,211,488) and increased amount (\$22,624) estimated for the transfer to the Sandbridge Special Service District (SSD) Special Revenue Fund to align with recent increases in lodging tax revenues generated in Sandbridge. This reflects the hotel tax revenues generated in Sandbridge that are collected in the TIP Fund. Meanwhile, the TAP Fund increased \$573,713 or 5.7% because of the net impact of an increase in local tax revenues generated from the hotel tax, hotel flat tax and restaurant meal tax. These funds will primarily be used for tourism promotion and development.

Change	Impact
Eliminated 3 full-time vacant custodial worker positions totaling \$84,130 at the Virginia Beach Convention Center.	<ul style="list-style-type: none">Contracted manpower will replace these three positions with total cost of \$58,897 producing a savings of \$25,233. No degradation to maintenance services at the Convention Center is anticipated.

Departmental Overview

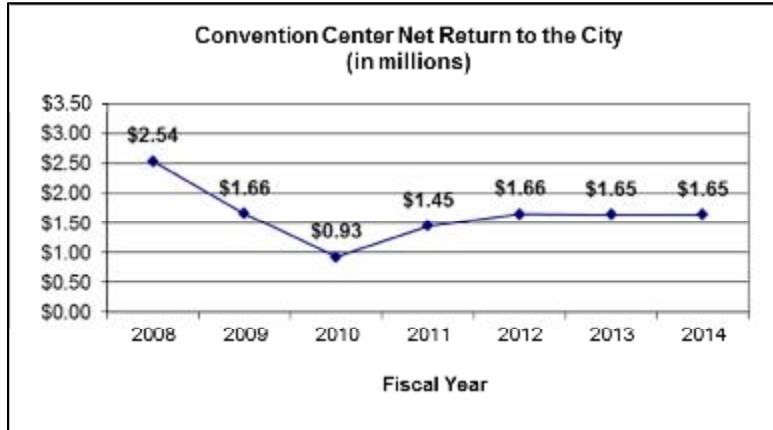
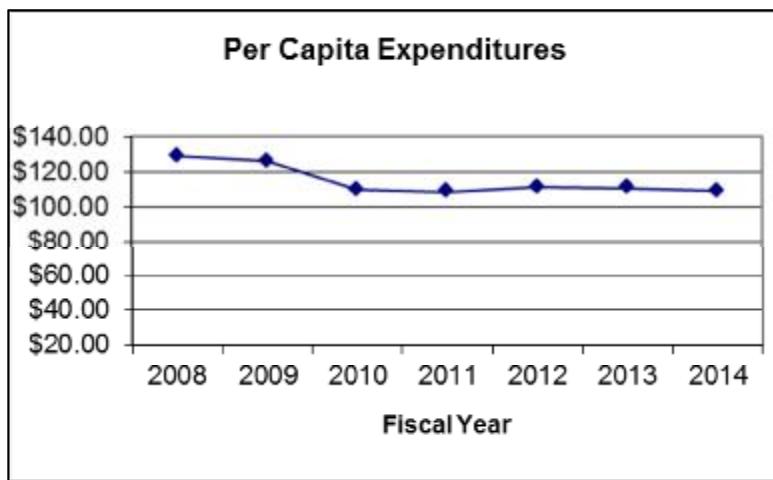
The department's 110.52 FTEs support, maintain and expand the leisure travel, meeting and convention markets in the city in order to create jobs and generate tax revenue. The three core areas of CVB are:

- Convention Promotion and Facility Management – These staff members total 80.13 FTEs and provide the operations and marketing for the city's Convention Center as a destination for conventions, trade shows, and meetings. Staff members promote the city and Convention Center on a nation-wide basis with the objective of increasing the number and quality of events.
- Tourism and Sports Marketing Promotion – These services are provided by 9.0 FTEs and include developing domestic and international tour operator, family reunion and travel agent sales contacts, leads and sales opportunities, and developing and servicing sports events and sports related meetings and conventions. These sales leads and opportunities are generated from trade shows, trade advertising, telemarketing, in-person sales calls, and site inspection visits. The sales leads are converted to bookings by the local hospitality industry.
- Tourism Promotion and Advertising – Advertising for the resort area and visitor information are provided by 11.39 FTEs through a dedicated funding stream in the TAP Fund. The fund dedicates revenues from one cent of the transient lodging tax, one half cent of the restaurant meal tax, and a flat lodging tax of one dollar per night to support the city's advertising and marketing program and related activities, including the operation of the Visitor Information Center. The advertising campaign uses a combination of newspaper, magazine and internet advertisements, and television for national advertising to promote tourist visitation. Since mobile media and social media are becoming increasingly more popular with consumers, CVB has adapted many of its marketing initiatives for social media platforms and mobile marketing. Other marketing strategies include a convention sales program, sports marketing initiatives, a public relations program, a comprehensive research program and related collateral materials. The development of new markets is important to maintain and to increase the number of visitors to the city, especially during the shoulder seasons.
- Tourism Investment Program – This program is funded by the TIP Fund, which provides a dedicated resource for future projects in Strategic Growth Areas; maintenance of the resort area including the beach and boardwalk; beach special events and entertainment; a local tourism marketing campaign; transit service to the resort; debt service for Economic Development and Tourism related projects and initiatives including the replacement of the Convention Center, addition of the Sandler Center for the Performing Arts, and the expansion of the Virginia Aquarium parking facilities. Also, this funding stream provides funding to the General Fund and Sandbridge SSD Special Revenue Fund.

Shown in CVB's budget are \$29.6 million in costs for: the local tourism campaign (\$100,000), debt service (\$25.0 million) and transfers (\$4.5 million) to other funds. The majority of funding for oceanfront and entertainment events is shown in the operating budget of the Strategic Growth Area Office and totals \$3.4 million for FY 2013-14. Major sources of funding for the TIP Fund include: 5-cents from the hotel tax, 1.06 cents from restaurant meal tax, 5-cents from the cigarette tax, 10% admissions tax, and parking ticket revenues.

Trends and Issues

- The per capita expenditures for prior fiscal years (FY 2007-08 through FY 2008-09) have been adjusted to reflect the transfer of the Parking Enterprise Fund and oceanfront entertainment budget from Convention and Visitors Bureau to the Strategic Growth Area Office. The downward trends from FY 2007-08 through FY 2009-10 reflect the decline in Convention Center utilization due to the economic recession. The per capita cost for CVB in FY 2013-14 is \$109, which is the same as it was in FY 2010-11.
- The department's expenditures are comprised mainly (51%) of debt service costs totaling \$25 million related to the capital projects funded by the TIP Fund (e.g., Convention Center, Sandler Center for the Performing Arts, Aquarium parking expansion). Operating costs including tourism, sports, and convention marketing and advertising comprise \$13.1 million (27%) of the department's operating budget, while personnel costs total \$6.5 million (13%), and transfers total \$4.5 million (9%) for services provided by other agencies to the resort as well as the transfer hotel tax revenue generated by Sandbridge to the Sandbridge SSD Special Revenue Fund.
- The replacement Convention Center opened in January 2007. It held 333 events in FY 2011-12 resulting in 116,288 room nights, and produced \$36.4 million in direct delegate spending, which generated \$3.1 million in tax revenues. Total revenue to the city generated by the Convention Center was \$7.2 million in FY 2011-12. As shown on the graph, revenues to the city net of operating expenses increased to \$1.66 million in FY 2011-12 compared with \$1.45 million in FY 2010-11. Event bookings for FY 2012-13 and FY 2013-14 are projected to decrease slightly. Although the Convention Center is seeing some indications of a gradual rebound from the recent economic recession, the current conditions within the federal government have resulted in a "freeze" for one of the Center's most valuable market segments. The Convention Center is projecting to make up some of this potentially lost revenue with increases in internet and A/V commissions resulting from new vendor contracts, and also from a continued increase in overall food and beverage commissions.
- Inquiries to the city's website and Visitor Center increased 282,824 in 2012 to 2.2 million despite the continued weak economy. The Visitor Centers act as a sales outlet to major tourism attractions, such as Busch Gardens, Water Country USA, Ocean Breeze Water Park, and the Virginia Aquarium, and receives a percentage of gross ticket prices. The highlight of 2012 for Visitor Services continues to be the number of visitors served on the first island of the Chesapeake Bay Bridge Tunnel (CBBT). The new center, which opened in July, 2010, was the result of a successful partnership with the management of the CBBT and the management of the restaurant/gift shop, Virginia Originals. With two full years of



operation this facility assisted 35,617 people in 2012. Virginia Beach continues to have a strong presence on the internet, with more than four out of five visitors using it as a source of information about Virginia Beach and almost half of visitors using the internet to purchase some travel service. Perhaps as a result of the increasing use of the Internet, personal visits at the Visitor Centers and oceanfront kiosks decreased by 5,112 inquiries to 163,202 in 2012.

- During January 2013, Virginia Beach was ranked 4th among the top beach destinations in the U.S. by SuccessfulMeeting.com, which is a website dedicated to meeting and convention planners. In addition, Virginia Beach was featured in publications such as the Washington Post, Washingtonpost.com, the Baltimore Sun, about.com, USAToday.com, USA Today, and many others. The effectiveness of a public relations program is measured in part by the circulation of the publications generated and their advertising equivalency. In 2012 for the entire year, the public relations program reached 983,066,099 in circulation with a media value of \$6,624,708, compared to the results in 2011 with circulation of 667,532,084 with a media value of \$4,295,368. The increase in both circulation and media value is the result of increased media visits to Virginia Beach, and the use of a new media clipping service that is more efficient in collecting both print and online media content featuring Virginia Beach.

- The latest data available from U.S. Travel estimated 2011 visitor spending in Virginia Beach to be \$1.22 billion,

HOTEL/INDUSTRY PERFORMANCE FOR CALENDAR YEAR 2012 COMPARED WITH 2011 SOURCE: SMITH TRAVEL RESEARCH	
Hotel Occupancy	From 57.0% to 57.7% (1.3% Increase)
Average Daily Rate	From \$109.04 to \$113.71 (4.3% Increase)
Revenue Per Average Room	From \$62.16 to \$65.65 (5.6% Increase)
Room Nights Booked	2.3% increase

generating an estimated \$98 million in city and state tax revenue, of which approximately \$80 million is city revenue. This reflects the impact on the city's hotel industry of product development and aggressive market segment diversification through actions taken to promote tourism, conventions, and special events in the city.

- Visitor spending on overnight accommodations (including hotels, cottages, campgrounds and timeshare/condo rentals) is the best indicator of the overall health of the city's tourism industry. Based on data collected by the Virginia Beach Commissioner of the Revenue, there were significant increases in citywide lodging sales and related tax revenue in 2012 for the hospitality industry:

- Total annual lodging sales were more than \$301.6 million, or a 7.9% increase over 2011.
- Restaurant sales increased to \$993.1 million, or a 5% increase compared with 2011.
- Retail sales were up to more than \$5.5 billion, or a 4.2 percent increase over 2011.
- Amusement sales were up to more than \$48.7 million, or a 6.3% increase over 2011.
- Participatory sports sales were up to \$16.6 million, or a 4.8% increase from 2011.

- A key indicator of Council's goal of a year-round destination can be measured by the seasonality of our guests. According to Longwoods International and Smith Travel Research, 59% of overnight visitor trips and 65% of room nights generated in Virginia Beach occur between September through May. Markets that impact fall, winter, and spring visitation are Convention Sales and Sports Marketing, which booked 190,197 total room nights in FY 2011-12, compared to the 208,916 total room nights booked in 2010-11. This sector is expected to experience continued room night decreases in the near term due to the contraction in the number of conventions and conferences, especially those related to the federal government, which was formerly a key business segment for Virginia Beach, and the continuing handicap due to the lack of a high-quality convention center hotel in the resort area.
- Given CVB's promotion of the City and its unique environmental and cultural assets to attract domestic and international visitors, conventions, sporting events, and collaboration with regional partners to attract visitors to Hampton Roads, the department's mission and operations directly support various key areas of focus in the "Envision Virginia Beach 2040 Committee Report" including: Unique Environment, Active Lifestyle, Thriving Economy, as well as

the goals and objectives of the City's Sustainability Plan entitled "A Community Plan for Sustainable Future". Specific examples of linkages to the Sustainability Plan include:

- Goal 3 - We will have unique, vibrant, and attractive gathering places in our rural, suburban, and urban centers that are accessible to and treasured by residents, visitors, and guests. 3.3 Promote green certification (e.g., LEED) for the construction and retrofitting of our structures and centers. For the second year in a row, the Visitor Information Center has maintained the U.S. Environmental Protection Agency's ENERGY STAR certification and has increased its score from 82 to 85 with recent upgrades that replaced the heating and air conditioning system, installed programmable thermostats and LED lighting.
- Goal 5 - We will become a top-quality, year-round destination for domestic and international visitors. Objective 5.1 Grow our ecotourism potential by developing, marketing, and investing to enhance our existing natural resources.
- Goal 8 - We will support and value the traditional sectors as the foundation of our economy. Objective 8.1 Continue to grow and diversify our tourism sector into a year-round economic driver by marketing our unique environment and history.

Dedicated funding totaling \$9.4 million from the Tourism Advertising Program and \$100,000 from the Tourism Investment Program Funds provides CVB resources to market and promote the City's resources to residents, national and international markets. In FY 2012-13, \$93,000 from the TAP Fund will be used to provide incentive grants to various organizations to hold sporting and other events in the City including rugby, soccer, softball, surfing, fitness competitions, wrestling, and dance, which are anticipated to increase room nights by 21,280. During FY 2012-13, CVB was awarded a state Virginia Tourism Corporation Marketing Leverage Program grant to create a new tourism marketing program through creation of a tourism partnership. The CVB along with Destination DC, Busch Gardens Williamsburg, Jamestown, Rudee Tours and Cercle Des Vacances formed the Cercle Des Vacances French Co-op Partnership, and will use a \$24,000 grant along with \$48,000 grant match provided in total by the 7 partners to develop a marketing initiative to increase visitation from French visitors, who tend to stay longer and spend more than domestic travelers.

Convention and Visitors Bureau - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	1,394,542	1,151,695	1,159,829	8,134
Resort Programs & Special Events	1,249	0	0	0
Tourism Marketing and Sales	440,496	462,139	477,253	15,114
Sports Marketing	257,880	276,129	252,937	(23,192)
Convention Marketing and Sales	941,818	980,402	901,673	(78,729)
Virginia Beach Convention Center	5,435,146	5,965,006	6,099,662	134,656
Total Expenditures	<u>8,471,131</u>	<u>8,835,371</u>	<u>8,891,354</u>	<u>55,983</u>
<u>Revenues</u>				
Fees	3,717,390	3,473,221	3,518,450	45,229
Total Revenues	<u>3,717,390</u>	<u>3,473,221</u>	<u>3,518,450</u>	<u>45,229</u>
General City Support	<u>4,753,741</u>	<u>5,362,150</u>	<u>5,372,904</u>	<u>10,754</u>
152 Tourism Investment Program Fund				
<u>Expenditures</u>				
TIP - Oceanfront Special Events	99,971	100,000	100,000	0
Debt Service	25,831,976	26,252,872	25,041,384	(1,211,488)
Transfer to Other Funds	4,162,124	4,326,391	4,349,015	22,624
Total Expenditures	<u>30,094,071</u>	<u>30,679,263</u>	<u>29,490,399</u>	<u>(1,188,864)</u>
<u>Revenues</u>				
Local Taxes	26,299,558	26,718,353	28,413,039	1,694,686
Fees	785,057	1,060,277	1,077,360	17,083
Transfers	3,379,087	250,000	0	(250,000)
Fund Balance	0	2,650,633	0	(2,650,633)
Total Revenues	<u>30,463,702</u>	<u>30,679,263</u>	<u>29,490,399</u>	<u>(1,188,864)</u>
General City Support	<u>(369,631)</u>	<u>0</u>	<u>0</u>	<u>0</u>
163 Tourism Advertising Program Special Revenue Fund				
<u>Expenditures</u>				
Visitor Information Center	893,474	1,179,549	1,218,776	39,227
Tourism and Convention Advertising	8,182,834	8,905,262	9,428,417	523,155
Reserve for Contingencies	0	0	11,331	11,331
Transfer to Other Funds	59,047	56,838	56,838	0
Total Expenditures	<u>9,135,355</u>	<u>10,141,649</u>	<u>10,715,362</u>	<u>573,713</u>
<u>Revenues</u>				
Local Taxes	9,752,362	9,848,749	10,530,022	681,273
Fees	148,474	292,900	185,340	(107,560)
Total Revenues	<u>9,900,836</u>	<u>10,141,649</u>	<u>10,715,362</u>	<u>573,713</u>
General City Support	<u>(765,481)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	47,700,557	49,656,283	49,097,115	(559,168)
Total Department Revenue	44,081,928	44,294,133	43,724,211	(569,922)
Total General City Support	<u>3,618,629</u>	<u>5,362,150</u>	<u>5,372,904</u>	<u>10,754</u>

Position Summary by Program

002 General Fund

Convention and Visitors Bureau - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
002 General Fund				
Director's Office	10.00	10.00	10.00	0.00
Tourism Marketing and Sales	6.00	6.00	6.00	0.00
Sports Marketing	3.00	3.00	3.00	0.00
Convention Marketing and Sales	12.00	12.00	11.00	-1.00
Virginia Beach Convention Center	72.13	72.13	69.13	-3.00
Total	103.13	103.13	99.13	-4.00
163 Tourism Advertising Program Special Revenue Fund				
Visitor Information Center	10.39	10.39	11.39	1.00
Total	10.39	10.39	11.39	1.00
Total Position Summary	113.52	113.52	110.52	-3.00

Resource Summary Notes

Funding in the Tourism Investment Program Fund for the local tourism advertising campaign remains at \$100,000 for FY 2013-14 compared with FY 2012-13.

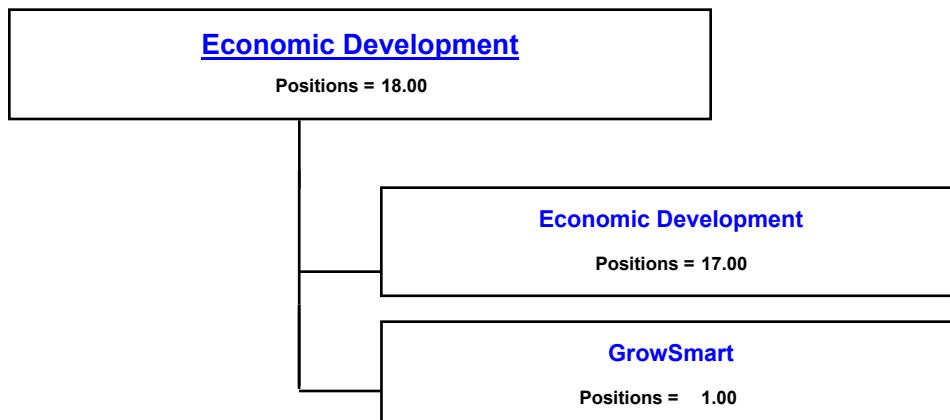
Expenditures for the Convention Center increased \$134,656 due to the net impact of increased risk management costs. Transfers to other funds from the Tourism Investment Program Fund increased \$22,624 due to the return of hotel taxes generated to the Sandbridge Special Services District for its share of hotel taxes generated in Sandbridge that are collected in the TIP Fund.

Local tax revenue increased in the Tourism Investment Program Fund allocated in the Convention and Visitors Bureau budget by a net of \$1,694,686 from the following sources of revenues: cigarette tax (-\$2,804), amusement tax (\$362,213), amusement tax – participatory sports (\$18,998), hotel tax TIP (\$748,587), and restaurant meal tax (\$567,692).

Local tax revenue increased in the Tourism Advertising Program Fund by \$681,273 from the following sources: hotel tax – flat rate (\$191,381), hotel tax (\$222,113), restaurant meal tax (\$267,779). Fees reimbursing costs from various events and cooperative regional programs are anticipated to decrease \$107,560.

In FY 2013-14 three full-time vacant custodial worker positions were eliminated and replaced with contracted manpower and one position was transferred to the TAP Fund.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Economic Development - Departmental Performance Report

Economic Development							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Create New Capital Investment							
Value of New Capital Investment (in millions)	\$	100	175	122	120	101	
Create New Employment Opportunities							
New Employment Opportunities Created	#	1,500.0	2,106.0	1,019.0	1,500.0	1,522.0	
Expand Existing Target Industries							
Company Prospects	#	125.0	150.0	135.0	150.0	127.0	
Existing Companies Expanded	#	40.0	46.0	32.0	39.0	41.0	
Locate New Target Industries							
New Companies Located	#	18.0	17.0	15.0	16.0	18.0	
New Company Prospects	#	125.0	150.0	115.0	150.0	127.0	
New Women and Minority Firms Located	#	6.0	9.0	9.0	5.0	6.0	
Promote School Readiness							
Children Entering Kindergarten Ready to Learn	%	92.0	90.0	92.0	92.0	92.0	
Parents Participating in Early Childhood Preparedness Programs	#	3,000.0	3,045.0	2,835.0	3,155.0	3,000.0	
Promote Viable Virginia Beach Child Care Centers							
Virginia Beach Child Care Centers receiving business training	#	6.0	6.0	7.0	6.0	6.0	
Providing Parenting Resources On-line							
Visitors to Vbparents website	#	12,000.0	12,784.0	13,598.0	12,000.0	12,000.0	
Learning & Growth							
Develop Technology Proficiency							
Hours of IT Training Per Employee	#	3.0	3.0	3.0	3.0	3.0	
Improve Professional Development							
Employees Completing Career Enhancing Opportunities	%	52.8	20.0	43.8	52.8	52.8	

Economic Development

Major Changes

The Economic Development Department's FY 2013-14 operating budget totals \$10,720,256, including all funds (General Fund, Central Business District (CBD) South Tax Increment Financing Fund (TIF), the Town Center Special Service District Fund (SSD), and the Capital Projects Internal Service Fund). Overall, the department's budget increased by 4.1% or \$424,045 compared with the amended FY 2012-13 operating budget mainly due to increased debt service costs related to Phases I, II and III for Town Center (e.g. 4 garages, Conference Center at the Westin Hotel, and pedestrian bridge), and the changes shown in the table below.

Change	Impact
Funding of \$100,000 for a Bio-Medical/Healthcare consultant	<ul style="list-style-type: none">This consultant will develop and manage the marketing for the Bio-medical and Healthcare sector, which is one of the target industry sectors identified in the department's 2012 Strategic Plan. This initiative is anticipated to increase capital investment by \$5.4 million from expansion of 3 existing companies, addition of 1 new company and creation of 82 full-time jobs in the City. Recent studies indicate the fastest growing industry sector in the U.S. is related to the Bio-medical and Healthcare sectors. The City of Virginia Beach and the Hampton Roads region offer numerous assets that encourage emerging new developments within these sectors, which are also receiving significantly greater support from State Economic Development officials. This program is funded through the proposed 5-cent increase in the cigarette tax.
Increased local grant match for the fourth year of the 5-year Early Learning Challenge Grant provided by Smart Beginnings of South Hampton Roads	<ul style="list-style-type: none">Of the total \$200,000 FY 2013-14 grant, the City's share will increase from \$100,000 in FY 2012-13 to \$140,000 in FY 2013-14. The \$40,000 increase will be used for the Quality Rating and Improvement System (QRIS) for childcare centers, teacher scholarships at Tidewater Community College, and the Small Business Development System program.
Elimination of \$6,600 in compensation for the Virginia Beach Development Authority	<ul style="list-style-type: none">City Council opted to not compensate the city's Investigation Review Panel; therefore, to be equitable, this budget has eliminated compensation for all city Boards and Commissions.

Departmental Overview

The department encourages and assists in the attraction of new businesses, retention and expansion of existing businesses and international trade opportunities. Specific outcomes of the Economic Development Program are: 1) a growing local economy, 2) economic opportunity and prosperity for residents, and 3) revenue growth to fund city services. About 26% of the department is funded by general city revenues, and 74% is supported funds dedicated to pay the debt service and operating and maintenance costs for the Town Center project, which are reflected in the CBD South Tax Increment Financing District and the Town Center Special Services District. Shown below are the main focus areas of the department.

- Staff Support to the Virginia Beach Development Authority (VBDA) - The VBDA was appointed by the City Council, with the goal of facilitating the expansion of the tax base through increased business investment. The VBDA facilitates business/industry location and retention by acquiring, developing and reselling land, and issuing Industrial Revenue Bonds. The VBDA also administers the Economic Development Investment Program (EDIP) that is funded through a capital project (project number 9-141) in the city's Capital Improvement Program. This program provides a dedicated funding stream (16 cents of the 70 cents cigarette tax, which includes the proposed 5-cent increase in cigarette tax) to pay the costs of offsite utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, site preparation, and other uses for projects that expand the tax base. To qualify for use of EDIP funds, a company must meet certain criteria, which enhance the economic development of the city.
- Minority Business Program - Virginia Beach is home to more than 30% of all women and minority-owned businesses in the area, a number that continues to grow. Established in 2007, the Minority Business Development program works to generate new capital investment and employment opportunities among small, women-owned, minority-owned, and service disabled veteran-owned businesses. The program helps existing businesses identify resources that will

stimulate entrepreneurial growth, create opportunities, and ensure success of local businesses. Small businesses are responsible for the creation of many jobs in Virginia Beach's economy, and most of the women owned and minority businesses are small businesses. Nurturing these businesses can help create jobs and expand the city's tax base. By providing some business development services such as referrals, "one stop" services, and incentives, minority owned businesses will be encouraged to develop in or relocate to Virginia Beach. As part of this program, the department provides gratis office space for SCORE (Service Corps of Retired Executives) counselors to offer free, confidential business counseling to entrepreneurs and small businesses. The department has a permanent Business Development Manager for this program.

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

Workforce Development also includes the Virginia Beach GrowSmart program, which is an early childhood development program that strives to promote and improve healthy development and school readiness for the prenatal to age-5 population in Virginia Beach, which will lead to a better educated workforce. GrowSmart and the Hampton Roads Chamber of Commerce Small Business Development Center have partnered to provide intensive, customized business training and one-on-one mentorship to up to seven local child care centers and preschools per year. The GrowSmart program is partially funded by a five-year \$500,000 Early Learning Challenge grant (from FY 2010-11 through FY 2014-15) from Smart Beginnings South Hampton Roads, which requires equal matching funds from the city and/or private funding sources.

- **Central Business District-South Tax Increment Financing (TIF) Fund** - This funding mechanism was established by City Council on November 23, 1999, to fund all or part of public facilities and infrastructure, and to promote development in the Pembroke area of the city. With a TIF, real estate revenues above a base amount can be used to fund improvements within the TIF area.
- **Town Center Special Service District (SSD) Fund** - The Town Center Special Service District (SSD) was established by City Council on May 14, 2002 in accordance with the Town Center Development Agreement. Currently, 9 of the 17 blocks (3, 4, 5, 6, 7, 8, 10, 11, and 12) of the Town Center core area are in the special district, and the district will expand as other blocks are developed. Property owners living within the SSD pay additional real estate taxes to cover the costs associated with garage maintenance and enhanced services (e.g., security, street sweeping, pressure washing sidewalks, landscaping, and refuse collection at public waste receptacles within the Town Center core area), while building a long-term maintenance reserve. The real estate tax surcharge was adopted by Council totaling 57 cents annually based on estimated operations and maintenance costs. Over time, this rate has changed as other projects were completed and based on the level of maintenance desired by the property owners. In FY 2007-08, the rate was lowered to 50 cents. The FY 2008-09 Operating Budget lowered the rate to 45 cents. Rates will continue to be adjusted based on costs and current funding capacity.

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

- Learning Community (e.g. GrowSmart program), Diverse Community (e.g. minority business program), and Thriving Economy (e.g. strategic marketing to targeted industries, international marketing program).

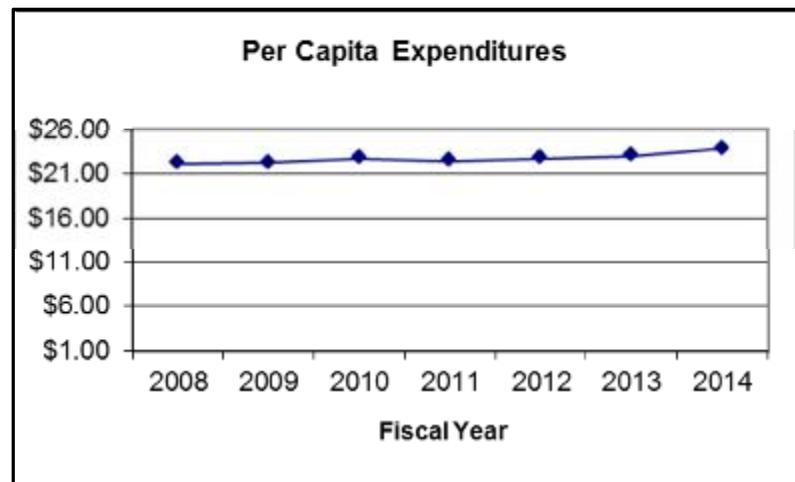
- Goal 5 - Top-quality, year-round destination for domestic and international visitors. Objective 5.5 - Pursue public-private partnerships that can broaden the array of facilities and attractions (e.g. Town Center, Phase V, proposed Dome site family entertainment center).
- Goal 6 - Quality life-long learning and educational opportunities. Objective 6.1- Increase the level of commitment and investment in early childhood education, beginning at birth (e.g. GrowSmart Program).
- Goal 7 - Skilled and educated workforce. Objective 7.2 - Expand the partnering of our public schools with technical/vocational training, higher learning institutions, and local businesses to coordinate our workforce skills with current and projected future job base (e.g. workforce development initiatives).
- Goal 8 - Support traditional sectors of our economy. Objective 8.3 - Coordinate and balance the needs of our Department of Defense partners with the civilian community. An example of this support is YesOceana, the city's award-winning Oceana Land Use Conformity Program, which was created to help reduce the incompatible land uses surrounding Naval Air Station Oceana, the Navy's East Coast Master Jet Base. To date, a total of 51 non-conforming commercial properties have been eliminated in Accident Potential Zone 1 (APZ-1) and the City has committed a total of \$1.7 million to 23 businesses to promote compatible uses within the Zone. Of that total, the Development Authority has awarded \$1.1 million in Economic Development Investment Program (EDIP) grants for projects under the YesOceana program, leveraging more than \$9.1 million in new private investment. Objective 8.5 - Promote existing businesses to expand as a world-leading economic marketplace. Examples include: existing Virginia Beach businesses and partners have free access to two classrooms at the Advanced Technology Center on the Virginia Beach Tidewater Community College campus for training and meeting purposes. The VBDA provides incentives to businesses to expand or relocate through the Economic Development Investment Program (EDIP) and Industrial Revenue Bonds. In FY 2012-13 the department will hire a consultant to serve as the international representative in Europe to increase international business presence in the city. Objective 8.6 - Expand beyond traditional business sectors by fostering opportunities for investment in alternative energy, marine sciences, and environmental research (e.g. funding of the Bio-Medical and HealthCare consultant to attract firms in this target sector, and inclusion of alternative energy businesses in its focus on attracting high-performance manufacturing industry).
- Goal 9 - Attract new businesses, entrepreneurs, and startups (e.g. Economic Gardening initiative administered by the department and funded by the VBDA offers specialized services to established, second-stage, high-growth-potential companies; the department's strategic marketing plan will focus on targeted industries; and the department will hire an international consultant to expand and attract international firms to Virginia Beach). Objective 9.1 Ensure the workforce has the skill set necessary for jobs of the future (e.g., workforce development program). Objective 9.4 - Attract quality employers, offering well-paid jobs, good health benefits, and following sustainable business practices, with favorable local government policies. The department is focusing its marketing efforts on primary target industry sectors including Professional, Scientific & Technical Services, Information Services, Company and Enterprise Management with support continuing for Defense/Security, Maritime & Retail sectors. Objective 9.5 - Attract green industry and jobs that benefit the environment or conserve natural resources (e.g. alternative energy businesses are part of the focus in the high-performance manufacturing target sector). Objective 9.7 - Attract entrepreneurs and support the successful development of business start-ups (e.g. Economic Gardening initiative administered by the department and funded by the VBDA, SCORE counselors for small and minority-owned businesses).
- Goal 24 - Work with our regional partners to promote our community resources that make Hampton Roads a great place to live and locate a business. Objective 24.2 - Work with our regional partners to promote Hampton Roads as a center of excellence in healthcare, technology, marine science, maritime industry, and agriculture/aquaculture. Examples of regional organizations the department is actively involved with include Hampton Roads Economic Development Alliance, Hampton Roads Partnership and the Hampton Roads Military and Federal Facilities Alliance.

Trends and Issues

- Economic Development is implementing a strategy to create a diversified, continually expanding, dynamic economy through the development of new, target businesses and the enhancement of existing businesses. In FY 2011-12, the

department was successful in locating and expanding 47 companies, creating an additional 1,019 new jobs and directly adding \$122 million in new capital investment to our tax base. Examples of recent initiatives include:

- AMSEC – involved a \$3 million headquarters relocation & expansion, leasing 65,000 square feet of office space, and adding 35 new jobs;
- IMS GEAR – involved a \$32 million manufacturing facility relocation & expansion, construction of a new 112,000 square foot manufacturing building, and creation of 80 new jobs;
- STIHL Inc. – involved a \$24.3 million manufacturing facility expansion, construction of a new 54,000 square foot building, acquisition of an existing 840,000 square foot building, and addition of 52 new jobs; and
- Whole Foods – involved construction of a new \$16 million specialty foods retail center and creation of 120 new jobs.
- City Council approved the term sheet on October 9, 2012, the development agreement on November 13, 2012, and amended development agreement on February 26, 2013 for Phase V of Town Center, a public-private partnership between the VBDA and Town Center Associates involving \$84.4 million of private investment and \$21 million of public investment through the CBD-South TIF and EDIP program. Construction is projected to be completed July 2014. It will be located east of the Cosmopolitan Apartments on Block 11 at Main Street and Town Center Drive and will encompass a 213,000 square foot 15-story office tower, 290 apartments, 21,400 square feet of retail, and approximately 950 parking spaces in a structured garage. Businesses expanding in or relocating to Town Center will include: expansion of Hampton University College of Virginia Beach from 16,551 square feet to 40,056 square feet offering 55 additional courses to an additional 200 students totaling 350 students, relocation of the headquarters of Clark Nexsen Architecture and Engineering from Norfolk occupying 80,000 square feet for 350 employees.
- The per capita expenditure for the department of Economic Development will increase 3.5% from \$23.01 in FY 2012-13 to \$23.81 in FY 2013-14 or by 2.0% annually from FY 2011 to FY 2014. The biggest cost driver in Economic Development's budget is the debt service cost related to Town Center, which comprises 54.7% or \$5.87 million of the department's overall budget, followed by support costs at 24.3% or \$2.6 million (of which \$1.5 million is related to Town Center SSD), personnel costs at 16.5% or \$1.77 million, and transfers to other agencies for services provided to the Town Center SSD at 4.5% or \$487,197 (e.g. street sweeping, police parking enforcement, landscape maintenance, plant material installation and litter removal).



Economic Development - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	2,116,453	2,324,163	2,493,871	169,708
GrowSmart	93,610	235,507	277,322	41,815
Total Expenditures	<u>2,210,063</u>	<u>2,559,670</u>	<u>2,771,193</u>	<u>211,523</u>
<u>Revenues</u>				
Fees	60,689	0	0	0
Total Revenues	<u>60,689</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>2,149,374</u>	<u>2,559,670</u>	<u>2,771,193</u>	<u>211,523</u>
169 Central Business District-South TIF (Twn Cntr) Fd				
<u>Expenditures</u>				
Debt Service	5,537,172	5,588,312	5,866,866	278,554
Transfer to Other Funds for Debt Service	150,000	150,000	150,000	0
Total Expenditures	<u>5,687,172</u>	<u>5,738,312</u>	<u>6,016,866</u>	<u>278,554</u>
<u>Revenues</u>				
Local Taxes	5,149,809	5,476,213	5,708,136	231,923
Fees	906	3,000	900	(2,100)
Fund Balance	0	259,099	307,830	48,731
Total Revenues	<u>5,150,715</u>	<u>5,738,312</u>	<u>6,016,866</u>	<u>278,554</u>
General City Support	<u>536,457</u>	<u>0</u>	<u>0</u>	<u>0</u>
174 Town Center Special Service District				
<u>Expenditures</u>				
Town Center Parking Operations	1,525,035	1,580,361	1,531,700	(48,661)
Transfer to Other Funds	313,564	337,197	337,197	0
Total Expenditures	<u>1,838,599</u>	<u>1,917,558</u>	<u>1,868,897</u>	<u>(48,661)</u>
<u>Revenues</u>				
Local Taxes	1,665,475	1,446,864	1,449,962	3,098
Fees	0	2,600	2,600	0
Transfers	150,000	150,000	150,000	0
Fund Balance	0	318,094	266,335	(51,759)
Total Revenues	<u>1,815,475</u>	<u>1,917,558</u>	<u>1,868,897</u>	<u>(48,661)</u>
General City Support	<u>23,124</u>	<u>0</u>	<u>0</u>	<u>0</u>
610 Capital Projects Internal Service Fund				
<u>Expenditures</u>				
Capital Projects - Economic Development	45,002	80,671	63,300	(17,371)
Total Expenditures	<u>45,002</u>	<u>80,671</u>	<u>63,300</u>	<u>(17,371)</u>
<u>Revenues</u>				
Fees	45,002	80,671	63,300	(17,371)
Total Revenues	<u>45,002</u>	<u>80,671</u>	<u>63,300</u>	<u>(17,371)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Economic Development - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
Total Department Expenditure	9,780,836	10,296,211	10,720,256	424,045
Total Department Revenue	7,071,881	7,736,541	7,949,063	212,522
Total General City Support	<u>2,708,955</u>	<u>2,559,670</u>	<u>2,771,193</u>	<u>211,523</u>

Position Summary by Program

002 General Fund

Director's Office	14.00	16.00	16.00	0.00
GrowSmart	1.00	1.00	1.00	0.00
Total	<u>15.00</u>	<u>17.00</u>	<u>17.00</u>	<u>0.00</u>

610 Capital Projects Internal Service Fund

Capital Projects - Economic Development	1.00	1.00	1.00	0.00
Total	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total Position Summary	<u><u>16.00</u></u>	<u><u>18.00</u></u>	<u><u>18.00</u></u>	<u><u>0.00</u></u>

Resource Summary Notes

The cost increase for the Director's Office is mainly from increased funding for an advertising campaign to market the city to businesses, and providing funding from the proposed 5-cent increase in the cigarette tax for a Bio-Medical/Healthcare industry consultant to attract businesses in this target area.

The cost increase for the GrowSmart program is due primarily to the increase from \$100,000 to \$140,000 in the local grant match required for Year 4 of the 5-year Smart Beginnings of South Hampton Roads Early Learning Challenge Grant.

The increase in costs for the CVB South TIF Fund is due to increased debt service costs related to Phases I, II and III for Town Center (e.g. 4 garages, Conference Center at the Westin Hotel, and pedestrian bridge) from \$5.59 million to \$5.87 million.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart

Housing and Neighborhood Preservation

Positions = 63.00

Administration

Positions = 7.57

Code Enforcement

Positions = 29.80

Housing and Neighborhood Grants

Positions = 0.28

Housing Development

Positions = 6.14

Section 8 Housing

Positions = 19.21

Housing and Neighborhood Preservation - Departmental Performance Report

Housing and Neighborhood Preservation						
The Department of Housing and Neighborhood Preservation's mission is to create quality solutions that expand housing opportunities and promote vibrant, well maintained neighborhoods.						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Customer						
Assist Homeowners with Rehabilitation and Emergency Repairs						
Homes Improved or Provided Rehab/Emergency Repair	#	40.0	40.0	38.0	42.0	37.0
Assist People to Obtain or Keep Affordable Housing						
HOPWA - Eligible Households Provided Assistance	#	400.0	462.0	507.0	395.0	395.0
Households Assisted with Security Deposits to Obtain Housing	#	25.0	5.0	7.0	15.0	15.0
Households in Unsafe Housing Assisted (Optional Relocation)	#	2.0	0.0	0.0	3.0	6.0
Households Receiving Emergency Assistance (HEP)	#	200.0	158.0	106.0	200.0	200.0
Households Receiving Transitional Housing (VBCDC THP)	#	125.0	123.0	151.0	125.0	125.0
Create New Affordable Housing Units						
Affordable Housing Units Created/Rehabbed	#	15.0	26.0	14.0	47.0	42.0
Insure Maintenance of Housing Quality						
Building Maintenance Code Violations Cited	#	16,000.0	12,387.0	11,708.0	12,000.0	12,500.0
Building Maintenance Violations Avg Time for Compliance in Days	#	75.0	75.0	75.0	75.0	75.0
Property Maintenance Code Violations Cited	#	16,000.0	13,876.0	15,511.0	15,000.0	16,000.0
Property Maintenance Violations Avg Time for Compliance in Days	#	20.0	21.0	21.0	21.0	21.0
Insure that Rental Housing is Safe and Code Compliant						
Dwelling Receiving Certificate of Compliance Inspections	%	15.0	15.0	17.0	11.0	16.0
Initial Certificate of Compliance Inspections	#	2,125.0	1,662.0	1,835.0	1,200.0	1,700.0
Provide Emergency Shelter						
Homeless Connect - Persons Served	#	13,000.0	364.0	11,360.0	14,000.0	14,000.0
Homeless Persons Provided with Day Services	#	475.0	482.0	436.0	475.0	475.0
Persons Assisted with Emergency Shelter	#	1,200.0	1,005.0	1,144.0	1,230.0	1,230.0
Provide Long Term Affordable Housing						
Households Served (HCV, VASH, SRO, TBRA)	#	1,950.0	1,968.0	2,006.0	1,978.0	1,971.0
Remove Blighting Influences from Neighborhoods						
Graffiti Cases Referred to City Contractor	#	150.0	130.0	72.0	80.0	80.0
Inoperable Vehicles Cited for Code Violations	#	4,500.0	2,726.0	4,866.0	4,500.0	4,500.0
Properties Referred for Graffiti Compliant within 14 Days	%	95.0	95.0	97.0	95.0	95.0

Housing and Neighborhood Preservation

Major Changes

In order to reduce costs, the department has reduced its full-time staffing by one FTE from 64 to 63. The department will use a portion of this savings to contract the operation of its homeowner rehabilitation program effective July 1, 2013. This is intended to improve service delivery, reduce costs, and gives the department flexibility if additional federal funding reductions take place while maintaining the program, which provides loans to income-qualified homeowners.

Departmental Overview

The FY 2013-14 budget for the Department of Housing and Neighborhood Preservation totals \$25,474,927. This represents an increase of \$237,009 or 0.9% from the adjusted FY 2012-13 budget. The department's expenditures are comprised of \$4.6 million (18.1%) in personnel costs, which funds 63 FTEs, and \$20.8 million (81.9%) in operating costs. Federal funding covers 84.1% of the cost of this department's services, with the city providing 10.7% and fees making up 4.7%. The remaining 0.5% comes from fund balance from prior year's federal funding. City funding covers a portion of the Code Enforcement division and administrative costs not eligible for funding by various Federal funds.

The core services provided by the Department of Housing and Neighborhood Preservation are divided into the following divisions:

- Code Enforcement - The 29.8 FTEs in this division are responsible for the enforcement of the Virginia Maintenance code and the city's property maintenance codes. Duties and responsibilities include: city-wide patrol inspections, citizen complaint response, systematic exterior inspections of entire communities, Certificate of Compliance Rental Inspections, monitoring of commercial trash collection in the resort area, inspections of all hotels and motels in the city, issuing citations for code violations such as the accumulation of trash/junk, overgrown grass/weeds, buildings and structures in disrepair, inoperable vehicles, unsafe natural gas and electrical appliances, graffiti, and illegally parked recreational equipment and commercial vehicles.
- Rental Housing - Includes various rental subsidy programs to provide affordable rental housing, mainly the Federal Section 8 Housing Choice Voucher Program, and includes Family Self Sufficiency, Portability, Project Based HUD vouchers, Home Funded Tenant-Based Rental Assistance, CDBG funded Optional Relocation, and special allocations for groups such as the disabled and homeless veterans. Property Inspections for the Section 8 Program are also conducted. Housing counseling services related to the Section 8 Program are provided to existing renters and those seeking rental housing. This division is comprised of 19.21 FTEs.
- Housing Development - The 6.42 FTEs in this division assist low and moderate-income homeowners with rehabilitation and emergency repair assistance. In addition, they coordinate work force housing planning, development and review, creation of the Neighborhood Pattern book and other activities related to the Neighborhood Preservation Plan, and assist in the provision of Federal funding to non-profit organizations for housing acquisition and rehabilitation to provide affordable housing for low and moderate-income households. Additionally, this division coordinates the community response to homelessness.
- Director's Office - The 7.57 FTE's in this office contract for key services, provide overall direction and resource development, and administrative and support functions for the department. This includes obtaining and administering multiple Federal grants that provide over 80% of the department's funding, finance, accounting, budgeting and reporting for one of the most complex finance systems in the city, obtaining information, performing analysis, and reporting in order to track trends in the community, contract administration and compliance review for over 15 different grantees, information technology support, and community outreach and communication with the public and multiple stakeholder groups. Included in the grant administration work is the administration of the Housing Opportunities for People with Aids grant which provides short and long-term housing assistance and support services to over 600 persons regionally.

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

- Connected Community - The Department is proactive in the enforcement of building and property maintenance codes, which will keep neighborhoods and business districts free of blight and aesthetically pleasing to the eye.
- Diverse Community - The Department provides opportunities for low income individuals to access affordable housing in the community. Homeless prevention and remediation programs also play a role in assisting those of the lowest socio-economic standing. By assisting those in housing crisis, a significant barrier to individual or family stability is removed. This can help citizens to reduce gaps in earning potential, unemployment, and overall economic vitality.

Trends and Issues

- Code Enforcement operations continue to be a valuable instrument for the preservation and enhancement of neighborhoods. The table below summarizes activities over the past five years. Without the property maintenance and building improvements that are undertaken due to Code Enforcement, our housing and neighborhoods would not be as well-maintained and attractive as they are.

Code Enforcement Activity Summary, FY 2007-08 through FY 2011-12

Violation/Inspection Criteria	Number
Citizen Complaints Investigated	63,152
Rental Dwelling Units Inspected	7,856
Incidents of Graffiti on Private Property	818
Overgrown Private Property Citations	29,557
Trash/Junk Accumulation Citations	31,443
Inoperable Vehicles Cited	15,380
Inoperable Vehicles Towed	810
Building Maintenance Code Violations Cited	55,258
Unsafe Mechanical and/or Electrical Violations Cited	2,015

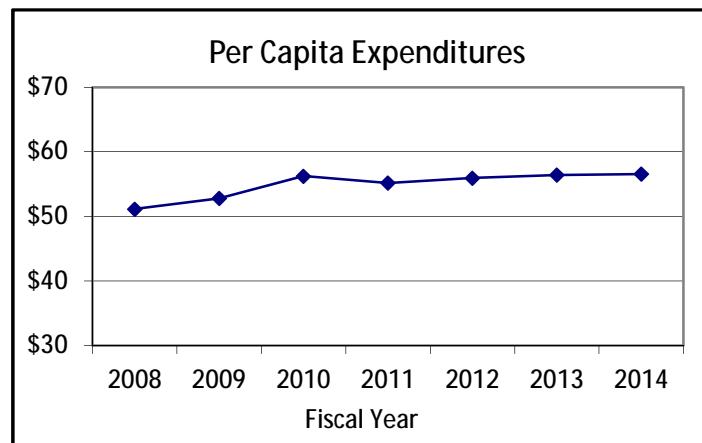
As the table shows, the largest number of citations issued was for building maintenance code violations. As Virginia Beach's housing stock ages and residential real estate development slows, the overall age of our housing stock continues to increase. According to the Real Estate Assessor's Annual report for FY 2013-14, over 60,000 housing units were built before 1979, and are a minimum of 34 years old. Housing of that age requires substantial reinvestment in its lifecycle to restore major systems and meet modern requirements. Given the current state of the economy and the difficulty of obtaining housing finance, it is likely that this activity may not be occurring at the rate necessary to ensure the full maintenance and update of housing stock. Continued effective and pro-active code enforcement, as well as review of the aging housing stock, should be considered in order to ensure that the development of blight is avoided in all areas of the city.

Of concern within the Code Enforcement program is a recent letter from the US Department of Housing and Urban Development (HUD) questioning the City's use of CDBG funds for code enforcement activities. The department of Housing and Neighborhood Preservation has responded to this letter and provided documentation outlining why the use of these funds, for this purpose, is in accordance with the CDBG guidelines. However, if a determination is made by HUD that this use is not permissible, the code enforcement program will have to be altered or an alternate funding strategy will need to be developed.

- Federal funding represents over 84% of the department's budget. Over the past four years, funding for programs that provide discretion in how they are used, primarily CDBG and HOME funds, has declined by \$1.6 million, or approximately 37% since FY 2008-09. With the Department's significant reliance on federal revenue, sequestration could have an adverse impact on the department's ability to provide certain federally supported programs.
- The next year will be a critical one for decisions regarding how the community addresses homelessness. A study of the system for addressing homelessness will be released in April 2013, while new Federal regulations take effect in the next 18 months. These require significant increases in record-keeping, compliance review and reporting from both the city

and non-profit organizations. Due to these two factors, changes in how funding is utilized and what services are provided may need to occur.

- After growing rapidly from FY 2007-08 to FY 2009-10, expenditures per capita (based on all funding sources) have leveled off over the past four years.



Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Code Enforcement	1,615,740	1,678,800	1,762,100	83,300
Homeless Initiative	27,406	0	0	0
Total Expenditures	<u>1,643,146</u>	<u>1,678,800</u>	<u>1,762,100</u>	<u>83,300</u>
<u>Revenues</u>				
Fees	320,962	85,800	85,800	0
Total Revenues	<u>320,962</u>	<u>85,800</u>	<u>85,800</u>	<u>0</u>
General City Support	<u>1,322,184</u>	<u>1,593,000</u>	<u>1,676,300</u>	<u>83,300</u>
147 Federal Section 8 Program Special Revenue Fund				
<u>Expenditures</u>				
Mainstream Vouchers	1,164,872	0	0	0
VASH Vouchers	372,871	162,483	521,588	359,105
Section 8 Operating	1,571,666	1,795,487	1,712,732	(82,755)
Cloverleaf SRO Vouchers	79,772	90,000	90,000	0
Portability Payments	714,153	800,000	800,000	0
Section 8 Vouchers - Housing Choice	14,650,804	15,739,694	15,552,540	(187,154)
Total Expenditures	<u>18,554,138</u>	<u>18,587,664</u>	<u>18,676,860</u>	<u>89,196</u>
<u>Revenues</u>				
Fees	816,592	377,600	877,600	500,000
Federal	17,358,738	17,776,999	17,448,950	(328,049)
Transfers	106,517	240,474	210,681	(29,793)
Fund Balance	0	192,591	139,629	(52,962)
Total Revenues	<u>18,281,847</u>	<u>18,587,664</u>	<u>18,676,860</u>	<u>89,196</u>
General City Support	<u>272,291</u>	<u>0</u>	<u>0</u>	<u>0</u>
180 Community Development Special Revenue Fund				
<u>Expenditures</u>				
Certificate of Compliance Program	704,719	730,333	701,655	(28,678)
Rehabilitation and Construction	649,433	509,379	442,025	(67,354)
Director's Office	883,266	815,530	797,589	(17,941)
Strategy, Policy and Resource Division	44,041	0	0	0
Transfer to Other Funds	394,125	128,858	128,858	0
Total Expenditures	<u>2,675,584</u>	<u>2,184,100</u>	<u>2,070,127</u>	<u>(113,973)</u>
<u>Revenues</u>				
Fees	81,850	70,000	70,000	0
Federal	689,482	1,405,417	1,291,730	(113,687)
Transfers	714,138	708,683	708,397	(286)
Total Revenues	<u>1,485,470</u>	<u>2,184,100</u>	<u>2,070,127</u>	<u>(113,973)</u>
General City Support	<u>1,190,114</u>	<u>0</u>	<u>0</u>	<u>0</u>

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>181 CD Loan and Grant Fund</u>				
<u>Expenditures</u>				
Loan and Grants	857,681	595,488	699,104	103,616
Total Expenditures	<u>857,681</u>	<u>595,488</u>	<u>699,104</u>	<u>103,616</u>
<u>Revenues</u>				
Fees	154,087	100,000	100,000	0
Federal	1,463,813	370,488	484,175	113,687
Transfers	269,008	125,000	114,929	(10,071)
Total Revenues	<u>1,886,908</u>	<u>595,488</u>	<u>699,104</u>	<u>103,616</u>
General City Support	<u>(1,029,227)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
<u>182 Federal Housing Assistance Grant Fund</u>				
<u>Expenditures</u>				
Federal HOME Grants	690,157	900,639	900,639	0
Total Expenditures	<u>690,157</u>	<u>900,639</u>	<u>900,639</u>	<u>0</u>
<u>Revenues</u>				
Fees	81,486	70,000	70,000	0
Federal	977,184	830,639	830,639	0
Total Revenues	<u>1,058,670</u>	<u>900,639</u>	<u>900,639</u>	<u>0</u>
General City Support	<u>(368,513)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Housing Grants	1,009,651	1,090,582	1,089,336	(1,246)
Housing Grants - ESG	98,283	190,645	190,130	(515)
COC Permanent Housing Bonus	0	0	76,631	76,631
Total Expenditures	<u>1,107,934</u>	<u>1,281,227</u>	<u>1,356,097</u>	<u>74,870</u>
<u>Revenues</u>				
Federal	1,004,647	1,279,466	1,356,097	76,631
Transfers	792	1,761	0	(1,761)
Total Revenues	<u>1,005,439</u>	<u>1,281,227</u>	<u>1,356,097</u>	<u>74,870</u>
General City Support	<u>102,495</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
<u>910 Parking Meters - Homeless Donation Fund</u>				
<u>Expenditures</u>				
Parking Meter Donations	2,100	10,000	10,000	0
Total Expenditures	<u>2,100</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	4,060	10,000	10,000	0
Total Revenues	<u>4,060</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
General City Support	<u>(1,960)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Total Department Expenditure	25,530,740	25,237,918	25,474,927	237,009
Total Department Revenue	24,043,356	23,644,918	23,798,627	153,709
Total General City Support	<u>1,487,384</u>	<u>1,593,000</u>	<u>1,676,300</u>	<u>83,300</u>

Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Position Summary by Program</u>				
002 General Fund				
Code Enforcement	20.22	19.98	21.32	1.34
Total	<u>20.22</u>	<u>19.98</u>	<u>21.32</u>	<u>1.34</u>
<u>147 Federal Section 8 Program Special Revenue Fund</u>				
Section 8 Operating	18.35	20.32	19.21	-1.11
Total	<u>18.35</u>	<u>20.32</u>	<u>19.21</u>	<u>-1.11</u>
<u>180 Community Development Special Revenue Fund</u>				
Certificate of Compliance Program	8.58	9.02	8.48	-0.54
Rehabilitation and Construction	7.03	5.48	5.02	-0.46
Director's Office	9.24	7.61	7.03	-0.58
Total	<u>24.85</u>	<u>22.11</u>	<u>20.53</u>	<u>-1.58</u>
<u>182 Federal Housing Assistance Grant Fund</u>				
Federal HOME Grants	2.17	1.03	1.12	0.09
Total	<u>2.17</u>	<u>1.03</u>	<u>1.12</u>	<u>0.09</u>
<u>183 Grants Consolidated Fund</u>				
Housing Grants	0.35	0.36	0.33	-0.03
Housing Grants - ESG	0.06	0.20	0.21	0.01
COC Permanent Housing Bonus	0.00	0.00	0.28	0.28
Total	<u>0.41</u>	<u>0.56</u>	<u>0.82</u>	<u>0.26</u>
Total Position Summary	<u><u>66.00</u></u>	<u><u>64.00</u></u>	<u><u>63.00</u></u>	<u><u>-1.00</u></u>

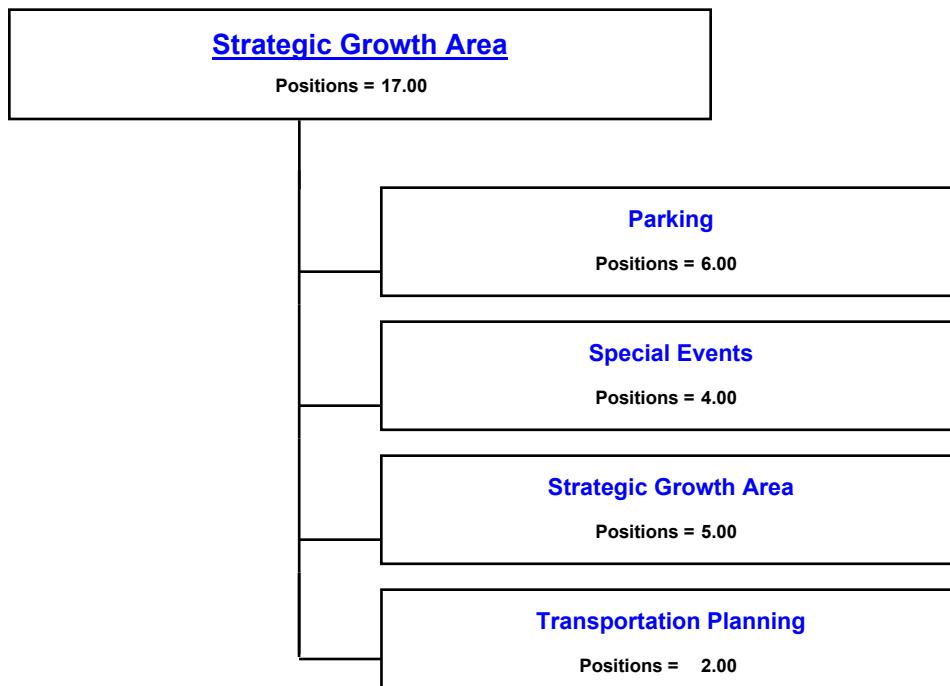
Resource Summary Notes

The allocation of FTE's within the Housing and Neighborhood Preservation is dependent on federal funding available for each program. It is reviewed annually and modified as needed in order to maximize utilization.

Code enforcement activities are funded in the General Fund (002) and the Community Development Special Revenue Fund (180). In the Community Development Special Revenue Fund, it is listed as the "Certificate of Compliance Program". Between these two funds, funding for code enforcement for FY 2013-14 totals \$2,448,755.

The \$272,291 in "General City Support" shown in the Federal Section 8 Program Special Revenue Fund (147) for FY 2011-12 is a use fund balance.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Strategic Growth Area - Departmental Performance Report

Strategic Growth Area						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
		Customer				
Collect Special Events Permit and Late Fee Revenue (NEW)						
15 Day Processing Application Rate	%	100.0	0.0	0.0	0.0	90.0
Collection Rate	%	100.0	0.0	0.0	0.0	90.0
Submission by 5th Business Day Each Month	%	100.0	0.0	0.0	0.0	90.0
Enforce Violations for On-Street Parking Spaces						
Enforcement Hours	#	16,500.0	16,670.0	16,700.0	16,700.0	16,500.0
Parking Violations Issued	#	21,000.0	26,579.0	23,748.0	22,000.0	21,000.0
Violations Issued per Hours	#	1.1	1.6	1.4	1.3	1.3
Manage Off-Street Parking in Garages						
Parking Space Turnover Rate	#	0.7	0.6	0.6	0.6	0.7
Revenue per Day	\$	3,500	4,017	4,003	4,000	4,000
Vehicles per Day	#	750.0	713.0	720.0	735.0	750.0
Manage Off-Street Parking on Surface Lots						
Parking Space Turnover Rate	#	1.1	0.8	1.1	0.9	1.0
Revenue per Day	\$	7,200	7,237	7,270	7,200	7,200
Vehicles per Day	#	1,600.0	1,385.0	1,445.0	1,510.0	1,600.0

Strategic Growth Area

Major Changes

In total, the Strategic Growth Area's budget is \$14,395,938. This represents an overall increase of \$1,580,136, or 12% when compared to the FY 2012-13 budget. The increase is primarily the result of increased mass transit operations costs in FY 2013-14.

Change	Impact
Transfer of Mass Transit Operations from Planning to SGA department	<ul style="list-style-type: none"> • Mass Transit Operations was transferred from Planning to Strategic Growth Area (SGA) department mid-year in FY 2012-13. • Mass Transit Operations provides oversight and fiscal management related to the City of Virginia Beach's contribution to Hampton Roads Transit (HRT). • Mass Transit Operations handles budget negotiations with Hampton Roads Transit (HRT) each Fiscal Year. While the Hampton Roads Transit (HRT) annual operating budget is formulated after City of Virginia Beach's annual operating budget (FY 2013-14), early collaborative meetings have indicated increased expenditures for existing services. The estimated net change between FY 2012-13 and FY 2013-14 is \$773,590. This increase is primarily due to decreased federal revenue (-25.3%), increased state revenue (+27.8%) and increased HRT operational costs (+4.9%). • TIP Fund supported mass transit expenditures for the Oceanfront Trolley have increased by \$169,355 from the FY 2012-13 funding level. Preliminary HRT budget estimates indicate increased expenditures for existing services. If additional funding cannot be generated, existing services may be modified.
Parking Enterprise Fund	<ul style="list-style-type: none"> • The self-supporting Parking Enterprise Fund budget has increased by \$624,369. The change is primarily due to an \$800,000 transfer (increase of \$500,000 from FY 2012-13) to a capital project to replace older meters with more customer service enabling meter technology. • Transferred costs for 1.0 Office Assistant FTE from its general fund to Parking Enterprise Fund since this FTE supports two budget units. Total costs are \$39,299.

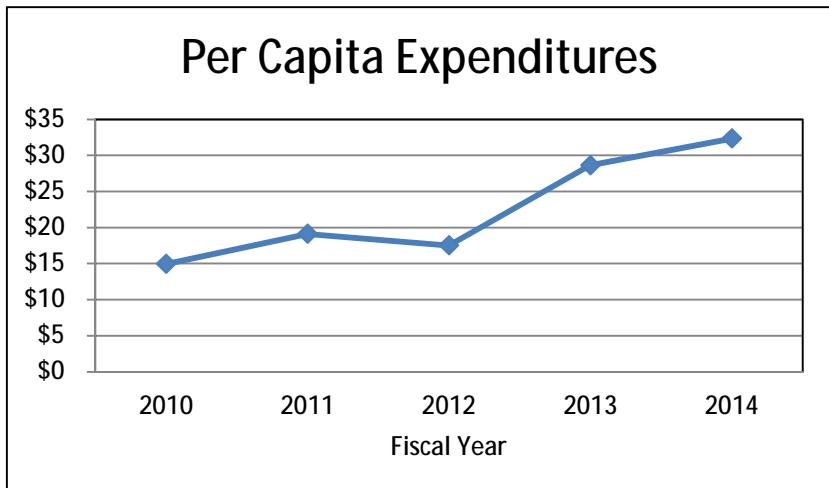
Departmental Overview

- Strategic Growth Area - In coordination with the city's comprehensive plan, develops transit-oriented plans, negotiates public-private partnerships, formulates SGA implementation strategies, and coordinates SGA implementation activities. Implementation involves redevelopment initiatives, increased densification, alternative transportation options, walkable communities, environmental sustainability, SGA zoning plan compliance, and increased economic development.
- Resort Programs and Special Events - Schedules and coordinates special events at the oceanfront and resort area and plans and programs the entertainment events. It serves as the primary liaison between the special events organizer and the appropriate city operating department(s). This office facilitates the development of resort business opportunities, supports the Resort Advisory Commission's (RAC) initiatives, and coordinates capital improvement projects in the resort area. In addition, this office interacts with citizen advisory groups, administers contracts, collects revenue, ensures city code compliance, and manages oceanfront franchise agreements (including Open Air Cafe's, Boardwalk Vendors, Beach Equipment Rentals and Beach Photography) and film production. Interacts with many operating departments to facilitate service delivery related to special events and routine services performed in the resort area including Building Maintenance, Landscape Services, Beach Operations, Traffic Operations Civil Inspections, Code Enforcement, Zoning Office, and the Police department.
- Parking Enterprise Fund - Most of the City parking garages and lots require year round operations; moreover during the tourism season, parking demand escalates. Parking management has three main goals: 1) the provision of managed parking in municipal owned parking facilities and on-street parking spaces, 2) the enforcement of the Residential

Parking Permit Program, and 3) shuttle bus and satellite parking operations for major holiday weekends and special events at the Oceanfront. Operationally, the department administers service contracts to provide managed parking at nine parking lots at the Oceanfront, Croatan, Sandbridge, and six parking garages (two at the Oceanfront and four at Town Center).

Trends and Issues

- As the per capita graph indicates, the Strategic Growth Area (SGA) department was created in FY 2009-10 through transfers of staff from other departments. The sharp increase between Fiscal Years 2011-12 and 2013-14 is mainly attributable to the transfer of Mass Transit Operations and Transportation Planning from Planning to SGA department.
- The Strategic Growth Area (SGA) department is currently in various stages of planning, developing and implementing the following areas of the city, identified as Strategic Growth Areas: Newtown, Burton Station, Centerville-Regent, Pembroke, Rosemont, Lynnhaven, and Hilltop.
- The Strategic Growth Area (SGA) department supports City Council's economic vitality goals by implementing the Comprehensive Plan, encouraging workforce housing, fostering energy efficient sustainable developments, bolstering public understanding and creating multiple development area improvements; moreover SGA activities enhance adjacent areas and neighborhoods.



Strategic Growth Area - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Mass Transit Operations	3,529,306	4,472,679	5,246,269	773,590
Strategic Growth Area	521,740	562,329	593,339	31,010
Resort Programs and Special Events	484,401	388,706	372,464	(16,242)
Transportation Planning	219,464	206,919	175,310	(31,609)
	Total Expenditures	4,754,911	5,630,633	6,387,382
				756,749
<u>Revenues</u>				
Fees	68,935	66,363	365,759	299,396
	Total Revenues	68,935	66,363	365,759
				299,396
General City Support	4,685,976	5,564,270	6,021,623	457,353
152 Tourism Investment Program Fund				
<u>Expenditures</u>				
TIP - Mass Transit Operations	590,000	590,000	759,355	169,355
TIP Special Events	3,351,306	3,522,454	3,552,117	29,663
	Total Expenditures	3,941,306	4,112,454	4,311,472
				199,018
<u>Revenues</u>				
Local Taxes	3,490,686	3,713,454	3,889,472	176,018
Fees	753,486	399,000	422,000	23,000
	Total Revenues	4,244,172	4,112,454	4,311,472
				199,018
General City Support	(302,866)	0	0	0
253 Parking Enterprise Fund				
<u>Expenditures</u>				
Parking Enterprise Fund	1,339,438	1,631,798	1,786,721	154,923
Debt Service	695,545	725,012	692,863	(32,149)
Reserve for Contingencies	0	282,477	284,072	1,595
Transfer to Other Funds	914,644	433,428	933,428	500,000
	Total Expenditures	2,949,627	3,072,715	3,697,084
				624,369
<u>Revenues</u>				
Fees	2,868,842	3,072,715	3,697,084	624,369
	Total Revenues	2,868,842	3,072,715	3,697,084
				624,369
General City Support	80,785	0	0	0
Total Department Expenditure	11,645,844	12,815,802	14,395,938	1,580,136
Total Department Revenue	7,181,949	7,251,532	8,374,315	1,122,783
Total General City Support	4,463,895	5,564,270	6,021,623	457,353

Position Summary by Program

002 General Fund

Strategic Growth Area	5.00	5.00	5.00	0.00
Resort Programs and Special Events	5.00	5.00	4.00	-1.00
Transportation Planning	2.00	2.00	2.00	0.00
	Total	12.00	12.00	11.00
				-1.00

Strategic Growth Area - Departmental Resource Summary

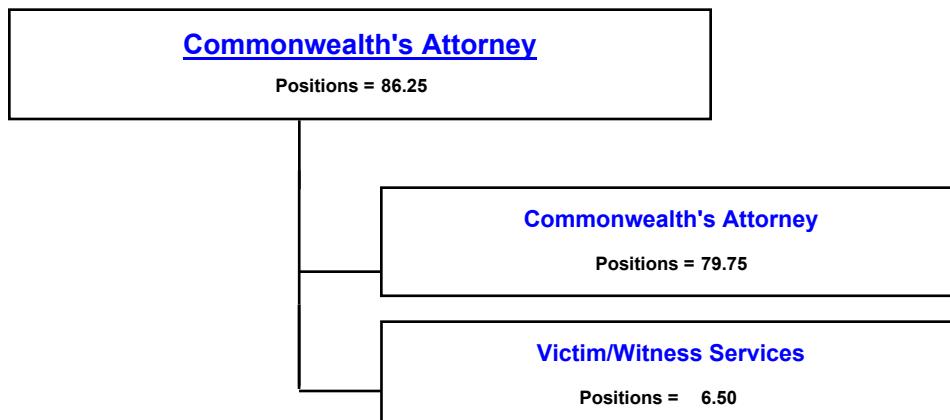
	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
253 Parking Enterprise Fund				
Parking Enterprise Fund	5.00	5.00	6.00	1.00
Total	5.00	5.00	6.00	1.00
Total Position Summary	17.00	17.00	17.00	0.00

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City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Commonwealth's Attorney - Departmental Performance Report

Commonwealth's Attorney							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Conviction Rate - Domestic Violence							
Conviction Rate for Domestic Violence Defendants	%	75.0	87.0	89.0	89.0	89.0	
Number of Domestic Violence Defendants Prosecuted	#	2,200.0	2,119.0	1,827.0	1,827.0	1,827.0	
Percent of Opened Domestic Violence Cases Closed	%	79.0	88.0	79.0	79.0	79.0	
Conviction Rate - Property Crime							
Conviction Rate for Property Crimes	%	97.0	98.0	94.0	94.0	94.0	
Number of Property Crime Defendants Prosecuted	#	1,500.0	1,560.0	1,666.0	1,666.0	1,666.0	
Percent of Opened Property Crime Cases that were Closed	%	79.0	92.0	74.0	74.0	74.0	
Conviction Rate - Serious Narcotics Violations							
Conviction Rate for Serious Narcotics Violations	%	98.0	99.0	95.0	95.0	95.0	
Number of Drug Defendants Prosecuted	#	600.0	552.0	635.0	635.0	635.0	
Percent of Opened Drug Cases that Were Closed	%	54.0	92.0	50.0	50.0	50.0	
Conviction Rate - Violent Felonies							
Conviction Rate for Violent Felony Defendants	%	94.0	96.0	94.0	94.0	94.0	
Number of Violent Felony Defendants Prosecuted	#	625.0	621.0	636.0	636.0	636.0	
Percent of Opened Violent Felony Cases Closed	%	67.0	89.0	62.0	62.0	62.0	
Provide Information on the Prosecutorial Process							
Hours Spent on Responses to Victim and Witness Inquiries	#	8,580.0	8,840.0	8,986.0	8,986.0	8,986.0	
Number of Responses to Victim and Witness Supported	#	15,000.0	13,404.0	17,827.0	17,827.0	17,827.0	
Percent of Victim and Witness Inquiries within 3 days	%	100.0	100.0	100.0	100.0	100.0	
Successful Prosecution of District Court Misdemeanors							
Conviction Rate of District Court Misdemeanors	%	75.0	90.0	95.0	95.0	95.0	
Number of District Court Misdemeanors prosecutions	#	650.0	648.0	725.0	725.0	725.0	
Open District Court Misdemeanor cases closed	%	79.0	88.0	79.0	79.0	79.0	
Successful Prosecution of Misdemeanor Appeals							
Conviction Rate for Defendants Misdemeanor Appeals	%	75.0	81.0	74.0	74.0	74.0	
Number of Misdemeanor Appeals Defendants Prosecuted	#	2,300.0	2,301.0	2,301.0	2,301.0	2,301.0	
Percentage of open Misdemeanor Appeals cases closed	%	79.0	99.0	93.0	93.0	93.0	
Support Felony and Domestic Violence Victims							
Number of Victims and Witnesses Supported	#	35,000.0	22,659.0	19,049.0	19,049.0	19,049.0	
Percent of all Victims and Witnesses Supported	%	100.0	99.0	99.0	99.0	99.0	

Commonwealth's Attorney

Major Changes

In total, the Commonwealth's Attorney's FY 2013-14 operating budget is \$8,226,165 and funds 86.25 FTEs. Overall, this is an increase of \$204,236 or 2.5% and an increase of 1.0 FTE when compared to the FY 2012-13 budget.

A summary of the major departmental impacts are listed below:

Change	Impact
Addition of a Clerk	<ul style="list-style-type: none">This additional FTE will be a receptionist and the first contact the public has with the office and as a full-time position will provide continuity at the front desk/switchboard. Other duties include handling date stamping and distribution of all office mail, case screening appointments with law enforcement and attorneys in our office, walk-in visitors (probation officers, police, defense attorneys and the public) and filing police case reports.This position is a city position, but the increases in State revenue allowed for its funding.

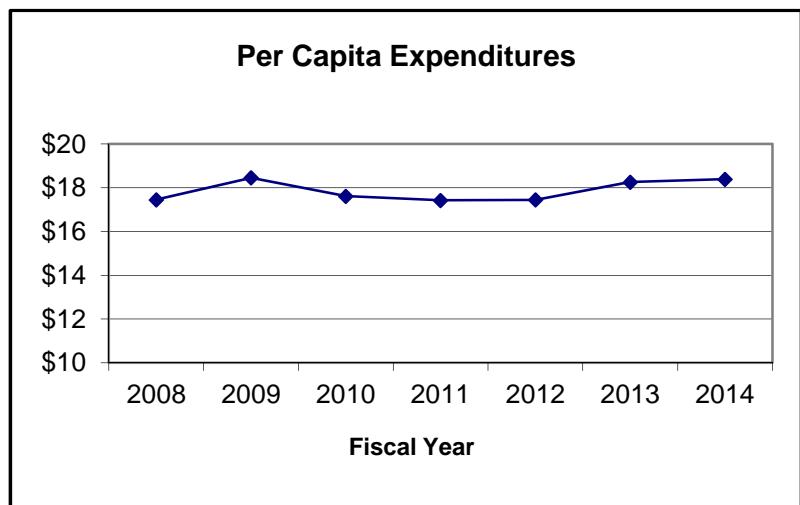
Departmental Overview

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

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

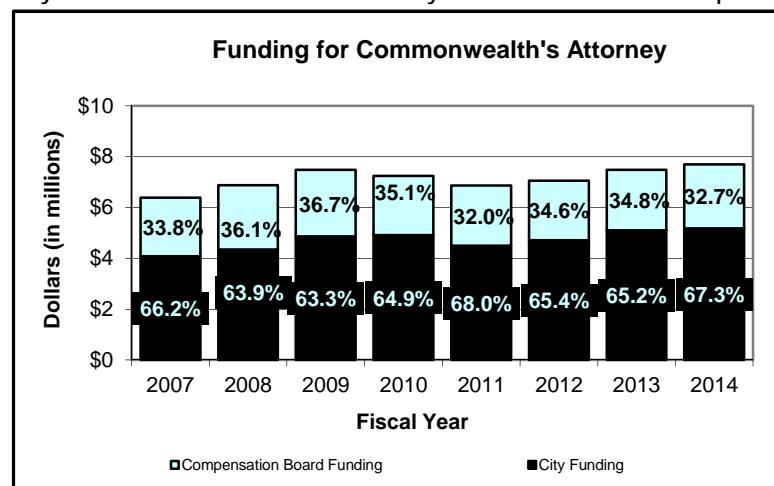
Trends and Issues

- The increase from FY 2007-08 to FY 2008-09 is primarily attributable to personnel cost increases, including eight additional positions granted by the Compensation Board. The decline in expenditures between FY 2008-09 to FY 2009-10 is attributable to the elimination of the Consumer Affairs Program and an overall reduction of 6.15 FTEs. The increase between FY 2011-12 and FY 2012-13 is attributable to compensation increases afforded to the department during the fiscal year and increased cost associated with Virginia Retirement System, life insurance and health insurance. The



expenditure increase between FY 2012-13 and FY 2013-14 is due to the addition of one FTE, both of which is offset by an increase in State revenue. Expenditures also increased as a result of increased health insurance costs.

- The percentage of funding provided by the City to the Commonwealth's Attorney's Office General Fund operating budget has steadily increased dating back to FY 2000-01. This increase is primarily a result of compensation increases provided by the city outpacing the growth in the Compensation Board reimbursement from the state. As shown in the funding graph, this trend has fluctuated over the past few years. The Compensation Board has provided annual salary increases closer to the increases provided by the city in recent years; however, this office continues to be funded by over 67% with local funds. In FY 2013-14, State revenues are estimated to increase \$138,901 when compared to FY 2012-13.



Commonwealth's Attorney - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Commonwealth's Attorney	6,935,523	7,488,249	7,692,485	204,236
Victim/Witness	121,932	0	0	0
Total Expenditures	<u>7,057,455</u>	<u>7,488,249</u>	<u>7,692,485</u>	<u>204,236</u>
<u>Revenues</u>				
State	2,341,413	2,380,078	2,518,979	138,901
Total Revenues	<u>2,341,413</u>	<u>2,380,078</u>	<u>2,518,979</u>	<u>138,901</u>
General City Support	<u>4,716,042</u>	<u>5,108,171</u>	<u>5,173,506</u>	<u>65,335</u>
142 DEA Seized Property Special Revenue Fund				
<u>Expenditures</u>				
DEA - Commonwealth's Attorney	24,062	200,000	200,000	0
Total Expenditures	<u>24,062</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	7,472	0	0	0
State	125,474	0	0	0
Federal	18,728	0	0	0
Fund Balance	0	200,000	200,000	0
Total Revenues	<u>151,674</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
General City Support	<u>(127,612)</u>	<u>0</u>	<u>0</u>	<u>0</u>
183 Grants Consolidated Fund				
<u>Expenditures</u>				
Commonwealth's Attorney - Grants	346,594	333,680	333,680	0
Total Expenditures	<u>346,594</u>	<u>333,680</u>	<u>333,680</u>	<u>0</u>
<u>Revenues</u>				
State	330,072	265,797	265,797	0
Federal	91,591	0	0	0
Transfers	59,546	67,883	67,883	0
Total Revenues	<u>481,209</u>	<u>333,680</u>	<u>333,680</u>	<u>0</u>
General City Support	<u>(134,615)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	7,428,111	8,021,929	8,226,165	204,236
Total Department Revenue	2,974,296	2,913,758	3,052,659	138,901
Total General City Support	<u>4,453,815</u>	<u>5,108,171</u>	<u>5,173,506</u>	<u>65,335</u>

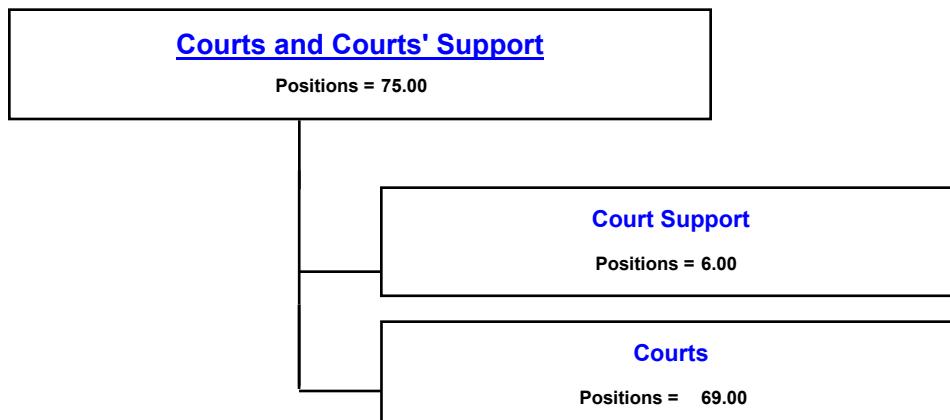
Position Summary by Program

002 General Fund				
Commonwealth's Attorney	76.75	78.75	79.75	1.00
Victim/Witness	2.00	0.00	0.00	0.00
Total	<u>78.75</u>	<u>78.75</u>	<u>79.75</u>	<u>1.00</u>
183 Grants Consolidated Fund				
Commonwealth's Attorney - Grants	6.50	6.50	6.50	0.00
Total	<u>6.50</u>	<u>6.50</u>	<u>6.50</u>	<u>0.00</u>

Commonwealth's Attorney - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
Total Position Summary	85.25	85.25	86.25	1.00

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Courts and Courts' Support - Departmental Performance Report

Courts and Courts' Support							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Community							
File Criminal and Civil Petitions							
Number of New Petitions Filed	#	12,426.0	10,919.0	11,665.0	11,000.0	10,155.0	
Petitions Filed Per Intake Officer	#	2,000.0	1,819.0	2,333.0	2,000.0	1,692.0	
Provide Diversion Services for Victims							
Number of Diversion Conferences	#	600.0	674.0	691.0	680.0	600.0	
Customer							
Conduct Bail Hearings							
Bail Actions Processed	#	39,000.0	39,111.0	39,000.0	39,000.0	39,000.0	
Process Real Estate Documents in a Timely Manner							
Customer Service Hours Per Week - Circuit Court Clerk	#	37.5	37.5	37.5	37.5	37.5	
Deeds Recorded	#	105,000.0	82,228.0	98,478.0	105,000.0	105,000.0	
Deeds Returned within Three (3) Days	%	100.0	100.0	100.0	100.0	100.0	
Total Documents Recorded	#	150,000.0	133,630.0	147,730.0	150,000.0	150,000.0	
Receive, Index and Docket all New Adult and Juvenile Cases							
New Cases Filed in Juvenile and Domestic Relations Court	#	30,000.0	30,954.0	29,573.0	30,000.0	30,000.0	
Try Criminal, Traffic, and Civil Cases							
Cases Tried per Judge - Circuit Court	#	1,900.0	1,908.0	1,946.0	1,856.0	1,904.0	
Cases Tried per Judge - General District Court	#	31,250.0	31,367.0	31,292.0	31,217.0	31,217.0	
New Cases Commenced - Circuit Court	#	15,250.0	15,266.0	15,569.0	14,850.0	15,228.0	
New Cases Filed in General District Court	#	187,500.0	188,206.0	187,754.0	187,302.0	187,302.0	

Courts and Courts' Support

City Council Amendment

On May 14, 2013, City Council voted to increase estimated state revenue for the Clerk of the Circuit Court by \$20,635 based on additional pay raise funding included in the State budget.

Major Changes

The proposed budget for Courts and Courts' Support for FY 2013-14 totals \$6,172,917, a decrease of \$265,740 or 4.1% from the previous fiscal year. This decrease reflects shifting a \$336,318 payment for the Pendleton Child Service Center from the Juvenile Probation Office's budget to the Department of Human Services, which will eliminate unnecessary accounting. This overall level of funding should maintain services for all court and courts' support operations.

Departmental Overview

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

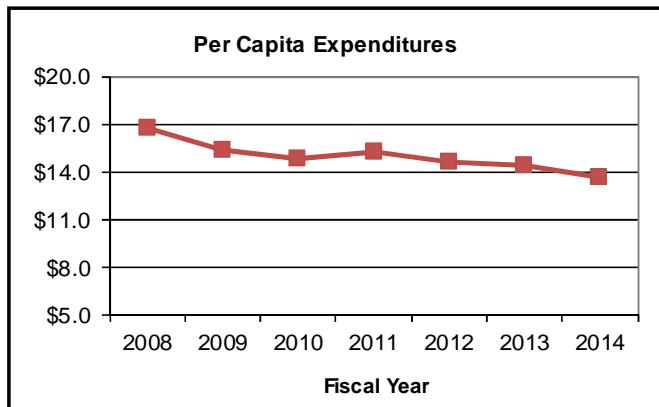
- Virginia Beach Circuit Court - Is the trial court of record in the city. This court hears cases such as felonies and misdemeanors originating from grand jury indictments; appeals of felonies and misdemeanors committed by juveniles; cases involving juveniles 14 or older that have been certified to the Circuit Court by the Juvenile and Domestic Relations District Court; civil cases (exclusive for almost all claims exceeding \$25,000 and concurrent jurisdiction with the General District Court for claims from \$4,500 to \$25,000); equity suits; adoptions; name changes; appeals from General District Court; appeals from Juvenile and Domestic Relations District Court; and writs of mandamus, prohibition, and certiorari involving proceedings arising from actions of the local governing body.
- General District Court - Hears cases such as traffic violations; civil cases (exclusive original jurisdiction for almost all claims not exceeding \$4,500) and concurrent jurisdiction with the Circuit Court claims from \$4,500 to \$25,000; criminal misdemeanors; preliminary hearings for criminal felonies; bond hearings and arraignments. This court also conducts preliminary hearings in adult felony cases, all traffic infractions involving adults, and conducts mental commitment hearings.
- Juvenile and Domestic Relations District Court - Hears such cases as delinquents; juveniles accused of traffic violations; children in need of services; children in need of supervision; children who have been subjected to abuse or neglect; family or household members who have been subjected to abuse; adults accused of child abuse, neglect or offenses against members of their own family (juvenile or adult); adults involved in disputes concerning the support, visitation, parentage, or custody of a child; adults involved in criminal matters where children or family/household members are named victims; abandonment of children; foster care and entrustment agreements; court ordered rehabilitation services; and court consent for certain medical treatments and custody, visitation, and support hearings. The judges also present operator's licenses to approximately 100 juveniles on each Wednesday in the month.
- Clerk of the Circuit Court - Is the keeper of vital documents recorded in the locality, some of which are deeds, deeds of trust, plats, powers of attorney, Certificate of Release or Discharge from Active Duty (DD-214s), financing statements, judgments, notary applications, and business names. The Clerk's Office is charged with the custody, safekeeping, and proper indexing of these legal and quasi-legal papers. They are also responsible for issuing marriage licenses, hunting and fishing licenses, and the probating of wills and estates. The Clerk is assigned 800 duties mandated by the State Code of Virginia. The Clerk of Circuit Court also oversees 9 Judges, with dockets that consist of name changes, adoption, divorce, civil suits, and the complex criminal matters, and all of the appeals from the District Courts.
- The Magistrate - Conducts hearings as a neutral, independent judicial officer with federal, state, and local law enforcement officers and citizen complainants to determine if probable cause exists for criminal charges and issues arrest warrants or summonses as appropriate. By law, a defendant must be brought before a magistrate following a warrantless arrest or execution of a previously-issued arrest warrant. Following a warrantless arrest, the magistrate

conducts a hearing to determine if probable cause exists for criminal charges. The magistrate also determines if the person will be held in custody or released on bail pending trial. The magistrate considers affidavits from law enforcement officers to determine if probable cause exists for issuance of a search warrant. A magistrate issues emergency protective orders to protect the health and safety of victims in cases of family abuse or other acts of force, threat, or violence. A magistrate also issues emergency custody orders and temporary detention orders to provide for evaluation and hospitalization of persons suffering from mental illness who may pose a danger to self or others. A magistrate may also issue medical emergency custody orders and medical temporary detention orders to provide for emergency medical evaluation and treatment. A magistrate may take other actions as authorized by law, including accepting prepayments for traffic infractions and non-jailable misdemeanor offenses and issuing various civil warrants. A magistrate may conduct hearings in person or by video. The Virginia Beach Magistrate Office is open 24 hours per day, 7 days per week, including holidays.

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

Trends and Issues

- Over the last two previous fiscal years, the City has provided funding for the Circuit Court Clerk's office maintenance of the Land Records System, which is used by the public and many city departments. To fulfill the state mandate of making land records accessible to the public, the Clerk developed a land records system, funded by a \$5 document charge. Originally, the City retained \$4, and \$1 was remitted to the state. Now, the state retains the entire amount, and no longer distributes technology funds to localities. To allow continuation of the system, which benefits the public and many city departments, the City has supplanted \$225,000 in the Clerk's budget for annual system maintenance of land records system.
- As the graph shows, funding for the courts and their support functions continues to decline; however, the FY 2014 decline reflects the transferring of a payment to Human Services for the Pendleton Child Service Center, which will eliminate unnecessary accounting..
- Pre-dispositional services in Juvenile Probation provide shelter care and alternative options to juveniles before their sentences are determined by a judge. These services account for the largest portion of the Court Services Unit and total \$833,919 in FY 2013-14. Costs have been declining because juvenile complaints have decreased 8% over the last three years, and Court Services unit has implemented a 30 day review of all cases. This review ensures juveniles receive the needed level of supervision, often resulting in a step-down in care that lowers costs. In October 2011, probation officers were trained in Effective Practices in Community Supervision (EPICS), model to assist in the reduction of recidivism by targeting factors that promote criminality such as anti-social thinking, poor problem solving skills, and aggression. The University of Cincinnati Corrections Institute (UCCI) is currently (January 2013) conducting an evaluation of the Court Service Unit to determine if its policies and practices are consistent with those research has determined are effective in reducing recidivism. A final report will be submitted in June 2013.



- Court Benchmark Comparisons: The benchmark data (2011 represents the most recent year for which data were published) in the following table suggests Virginia Beach places roughly in the middle for Circuit and Juvenile Courts and on top for General District of the benchmark localities selected (except for Norfolk, large suburban communities with similar socio-economic-demographics). A caveat is in order regarding these comparisons. All cases are not equal; some are more complex and time consuming than others, yet in this simple ranking of cases per judge, all cases are treated equally.

Cases Per Judge for Selected Courts (ranking is among 31 Courts in Virginia)			
	Circuit Court	General District	Juvenile & Domestic Relations Court
Virginia Beach	17	3	21
Chesapeake	26	17	8
Norfolk	19	15	16
Chesterfield	9	20	29
Henrico	14	4	1
Prince William	22	7	23

Source: 2011 Virginia State of the Judiciary Report; Virginia's Judicial System

Courts and Courts' Support - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Circuit Court	1,015,764	1,032,262	1,085,522	53,260
General District Court	365,108	355,437	354,118	(1,319)
Juvenile and Domestic Relations District Court	141,598	134,223	134,689	466
Clerk of the Circuit Court	2,999,600	3,039,771	3,058,205	18,434
Magistrates	96,248	95,325	95,514	189
Juvenile Probation	1,648,167	1,477,155	1,151,627	(325,528)
Juvenile Probation CHINS Unit	257,724	304,484	293,242	(11,242)
Total Expenditures	<u>6,524,209</u>	<u>6,438,657</u>	<u>6,172,917</u>	<u>(265,740)</u>
<u>Revenues</u>				
Fees	314,804	116,059	121,811	5,752
State	1,793,439	1,870,824	1,891,459	20,635
Total Revenues	<u>2,108,243</u>	<u>1,986,883</u>	<u>2,013,270</u>	<u>26,387</u>
General City Support	<u>4,415,966</u>	<u>4,451,774</u>	<u>4,159,647</u>	<u>(292,127)</u>
183 Grants Consolidated Fund				
<u>Expenditures</u>				
Court - Grants	26,354	0	0	0
Juvenile Probation - Grants	63,373	0	0	0
Total Expenditures	<u>89,727</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Federal	5,368	0	0	0
Transfers	4,869	0	0	0
Total Revenues	<u>10,237</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>79,490</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	<u>6,613,936</u>	<u>6,438,657</u>	<u>6,172,917</u>	<u>(265,740)</u>
Total Department Revenue	<u>2,118,480</u>	<u>1,986,883</u>	<u>2,013,270</u>	<u>26,387</u>
Total General City Support	<u>4,495,456</u>	<u>4,451,774</u>	<u>4,159,647</u>	<u>(292,127)</u>

Position Summary by Program

002 General Fund				
Circuit Court	12.00	12.00	12.00	0.00
Clerk of the Circuit Court	57.00	57.00	57.00	0.00
Juvenile Probation	1.00	1.00	1.00	0.00
Juvenile Probation CHINS Unit	5.00	5.00	5.00	0.00
Total	<u>75.00</u>	<u>75.00</u>	<u>75.00</u>	<u>0.00</u>
Total Position Summary	<u>75.00</u>	<u>75.00</u>	<u>75.00</u>	<u>0.00</u>

Resource Summary Notes

The decrease in budget Court and Courts' Support reflects the transfer of a \$336,318 payment for the Pendleton Child Service from the Juvenile Probation Office's budget to the Department of Human Services, which will eliminate unnecessary accounting.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart

Emergency Communications and Citizen Services

Positions = 127.75

Administration

Positions = 6.75

Citizen Services

Positions = 14.00

Emergency Communications

Positions = 107.00

Emergency Communications and Citizen Services - Departmental Performance Report

Emergency Communications and Citizen Services						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
		Customer				
Complete Service Requests for City Agencies						
3-1-1 Average Wait Time - In Seconds	#	20.0	12.4	13.0	20.0	20.0
Calls Handled without Transfer	%	65.0	74.0	63.0	65.0	65.0
Service Requests Handled for City Agencies	#	33,000.0	28,010.0	21,520.0	33,000.0	33,000.0
Increase the Use of Online Requests for Information						
3-1-1 Online Inquiries	#	30,000.0	21,512.0	25,814.0	30,000.0	30,000.0
Time Staff Available to Handle 3-1-1 Online Requests	%	97.0	98.0	98.0	97.0	97.0
Process Emergency Calls in a Timely Manner						
9-1-1 Average Wait Time - In Seconds	#	10.0	11.0	12.0	10.0	11.0
9-1-1 Calls Received	#	240,000.0	230,300.0	240,558.0	240,000.0	240,000.0
EMS Calls Received and Processed	#	42,000.0	38,917.0	39,666.0	42,000.0	44,000.0
Priority 1 EMS Calls Dispatched within 90 Seconds	%	90.0	91.5	91.3	91.0	91.0
Priority 1 EMS Calls Processed in Under 2 Minutes	%	90.0	86.4	83.2	83.0	83.0
Public Safety Calls Received, Entered and Dispatched	#	460,000.0	464,238.0	462,348.0	460,000.0	457,000.0
Total Incoming Calls to 9-1-1	#	539,000.0	488,925.0	503,762.0	539,000.0	566,000.0
Wireless 9-1-1 Hang Up calls processed	#	63,000.0	52,385.0	60,163.0	63,000.0	66,000.0
Provide Accurate Location Information to Emergency Personnel						
Telephone QA- Address Verification	%	100.0	72.0	83.0	94.0	95.0
Internal Process						
Recruit, Hire and Retain 9-1-1 Operations Employees						
Public Safety Emergency Telecom I Hires Retained for 3 Years	%	70.0	32.0	33.3	45.0	45.0
Public Safety Emergency Telecom Retained through Probation	%	75.0	100.0	60.0	77.0	77.0

Emergency Communications and Citizen Services

Major Changes

In total, the Emergency Communications and Citizen Services (ECCS) department operating budget for FY 2013-14 is \$10,525,863. Overall, the department's operating budget has a net increase of \$76,023 or 1% and an increase of 5 FTEs when compared to the FY 2012-13 operating budget.

Wireless E-911 Revenue from the State is used to support ECCS's operating budget. This revenue is collected by the State and redistributed to localities via a funding formula. This formula takes into account size, population, call volume and other similar variables attributable to each locality. This has been a declining source of revenue in recent years; however, ECCS is estimated to receive \$1,716,354 in Wireless E-911 Revenue in FY 2013-14 which is an increase of \$101,935 when compared to FY 2012-13.

A summary of the major departmental impacts are listed below:

Change	Impact
Addition of one 911-Senior Operations Supervisor	<ul style="list-style-type: none">Without funding this additional FTE, the department would continue operating with the three existing positions. This puts oversight of the operations floor on one Senior Operations Supervisor per 8 hour shift in a 24 hour operation, with the day shift Senior Operations Supervisor performing additional administrative functions. Administration responsibilities of these positions require individuals to leave the floor reducing the amount of operation oversight.This additional position will allow the completion of administrative tasks/responsibilities associated with these positions within the employees designated shift potentially reducing the need for overtime; and allowing the positions in the call center greater oversight of operations.This position was funded through the reallocation of existing resources within ECCS's operating budget. Funding this position will result in ECCS relying less on contracted manpower in FY 2013-14.
Addition of one 911-Operations Supervisor	<ul style="list-style-type: none">This position oversees call takers on the call center floor. The addition of this supervisor will provide an additional level of observation that is beneficial in reducing the potential of call taking errors, monitoring staff allocations, and call queues.Due to workforce demands, existing Operation Supervisors have mandatory overtime built into their work schedule. The addition of this position eases the burden on other operation supervisors and ECCS's overtime budget.
Addition of three Public Safety Emergency Telecommunicators (PSET)	<ul style="list-style-type: none">Included in ECCS's operating budget is funding for three additional PSETs (911 Call Takers) to be hired for the March 2014 training academy.The addition of these three positions is expected to increase the department PSET retention rate. Due to the high turnover and vacancy rate, existing employees are required to work mandatory overtime per 28 day shift cycle. In addition to the mandatory overtime, employees are asked to sign up for an additional 16 hours of "hold over" overtime. Employees are asked to work "hold over" overtime in cases of emergencies or when gaps arise in coverage due to employee absences.

Departmental Overview

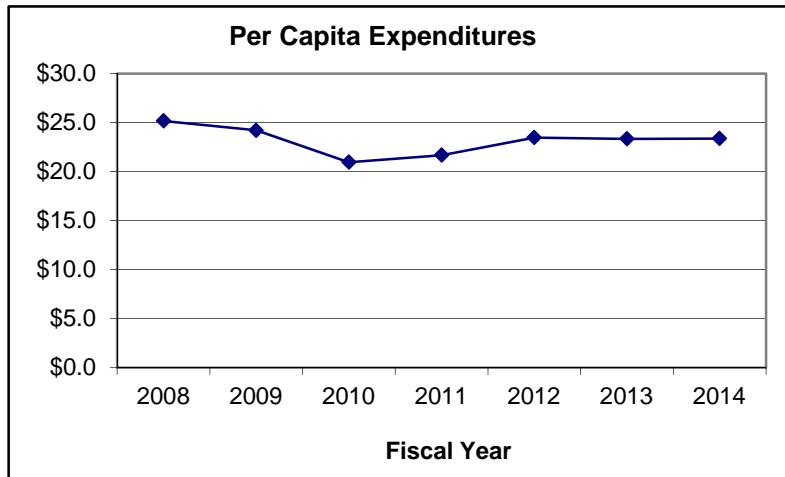
A majority of ECCS revenue comes from general city support, although 18% of the department's revenue comes via the state from a portion of the telecommunications tax levied on every wireless telephone throughout the state. The department is comprised of six programs:

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

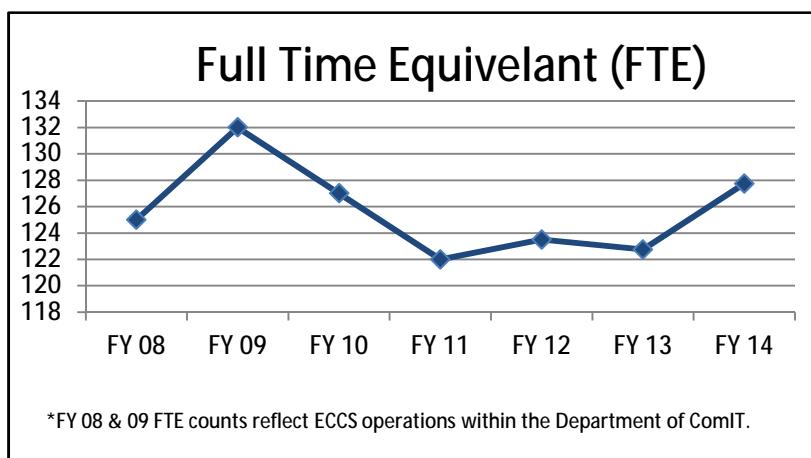
- 3-1-1 Citizen Services - 3-1-1 processes general government information and services via multiple communication channels such as telephone, online assistance, email, walk-in's, print, radio dispatching and emergency notifications. 3-1-1 assists various city agencies such as Real Estate Assessor, Public Safety (Police, Fire & EMS), "after hour" Public Utilities, Public Works, Landscape Services and Telecommunications with their information/service requests.
- Director's Office - This program consists of the Director of ECCS and a part-time Public Safety Analyst. This program provides oversight, leadership and executive level assistance for ECCS.
- Administration - This program supports the day-to-day business affairs for ECCS. This includes payroll, accounts payable/receivable, human resources, inventory, and business applications.
- Training - This program includes training and policy development for all ECCS employees, learning and development tracking, professional development, conferences and the travel connected with training; CALEA accreditation (continuous reaccreditation) is part of this program to include the tri-annual renewal and mandatory training conferences.
- Technology and Support - This program consists of the systems, applications and services used to ensure the most efficient and effective delivery of services for ECCS. This program includes the support, maintenance and reoccurring costs associated with the systems and services to ensure they continue optimal operation.

Trends and Issues

- After decreasing from FY 2007-08 to FY 2009-10 (Figures for FY 2007-08 to FY 2008-09 are historic data from when ECCS was a division of the ComIT department), budgeted expenditures per capita have increased each year primarily as a result of operational impacts associated with CIP projects. Reductions made as a result of state revenue loss, in FY 2012-13, were offset by increased cost associated with health insurance, life insurance and the Virginia Retirement System (VRS). Expenditures in FY 2013-14 have remained relatively flat despite the addition of five FTEs. One of the five positions is funded through the reallocation of existing resources and three of the positions are budgeted to start just before the March 2014 PSET Training Academy.
- ECCS relies heavily on technology and systems to operate their 3-1-1 and 9-1-1 call centers. Over the past several years, the costs for new or upgraded technology and systems have increased more dramatically than other operating expenditures. For this reason, many of these increased costs, coupled with the reduced revenue city wide, have impacted staffing for this department. In FY 2010-11, the City's 3-1-1 call center had its hours of operation reduced from 24/7 to 16.5 hours per day. Maintaining the integrity of and enhancing emergency operations is the department's top objective for keeping the community safe. The need to enhance 9-1-1 emergency call center with the Automatic Location Identification (ALI) database in FY 2013-14 remains a top priority for the department.



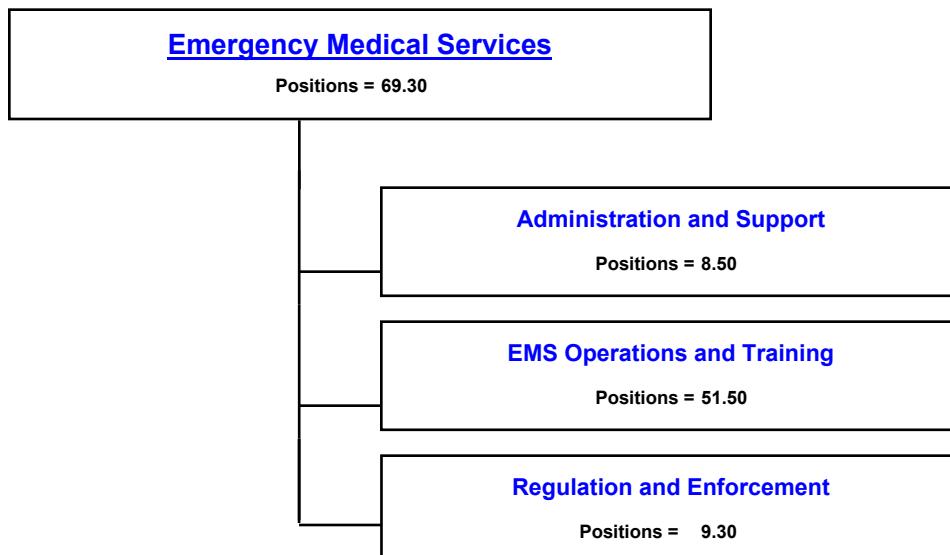
- Since FY 2008-09, the department of ECCS has continually lost FTEs as a result of budget reductions. This trend briefly changed when in midyear FY 2010-11 ECCS received additional state wireless revenue and increased their overall FTE count by 3; however, as a result of declining local revenue sources and budget cuts, the department lost 1.5 FTEs with the adoption of the FY 2011-12 budget. This resulted in a net increase of 1.5 FTEs between FY 2010-11 and FY 2011-12. In FY 2012-13, ECCS lost a net of .75 FTEs. For the first time in several years, ECCS is received additional FTEs during the budget process.



Emergency Communications and Citizen Services - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	236,414	211,254	223,412	12,158
Administration	245,644	397,244	365,795	(31,449)
Training	35,161	46,896	46,896	0
Emergency Communications	7,088,253	7,883,391	8,051,360	167,969
Citizen Services	875,547	885,099	793,560	(91,539)
Technology and Support	163,207	1,025,956	1,044,840	18,884
Total Expenditures	<u>8,644,226</u>	<u>10,449,840</u>	<u>10,525,863</u>	<u>76,023</u>
<u>Revenues</u>				
State	1,698,634	1,614,419	1,716,354	101,935
Transfers	141,396	141,396	141,396	0
Total Revenues	<u>1,840,030</u>	<u>1,755,815</u>	<u>1,857,750</u>	<u>101,935</u>
General City Support	<u>6,804,196</u>	<u>8,694,025</u>	<u>8,668,113</u>	<u>(25,912)</u>
Total Department Expenditure	<u>8,644,226</u>	<u>10,449,840</u>	<u>10,525,863</u>	<u>76,023</u>
Total Department Revenue	<u>1,840,030</u>	<u>1,755,815</u>	<u>1,857,750</u>	<u>101,935</u>
Total General City Support	<u>6,804,196</u>	<u>8,694,025</u>	<u>8,668,113</u>	<u>(25,912)</u>
<hr/>				
<u>Position Summary by Program</u>				
002 General Fund				
Director's Office	2.00	1.75	1.75	0.00
Administration	4.00	4.00	4.00	0.00
Emergency Communications	102.00	102.00	107.00	5.00
Citizen Services	15.50	14.00	14.00	0.00
Technology and Support	0.00	1.00	1.00	0.00
Total	<u>123.50</u>	<u>122.75</u>	<u>127.75</u>	<u>5.00</u>
Total Position Summary	<u>123.50</u>	<u>122.75</u>	<u>127.75</u>	<u>5.00</u>

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Emergency Medical Services - Departmental Performance Report

Emergency Medical Services						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
		Customer				
Percentage of Time that 9 Ambulances are Continuously Staffed						
Percentage of Time that 9 Ambulances are Continuously Staffed	%	100.0	91.0	100.0	100.0	100.0
Provide Rapid Basic Life Support (BLS) and Advanced Life Support (ALS)						
Advanced Life Support (ALS) Calls Treated & Transported	#	10,620.0	10,966.0	10,414.0	10,622.0	10,831.0
Ambulance Calls for Service	#	40,460.0	38,917.0	39,666.0	40,459.0	41,253.0
Basic Life Support (BLS) Calls Treated & Transported	#	17,600.0	16,150.0	17,266.0	17,611.0	17,957.0
Volunteer Speciality Team Response Program						
Helicopter Ambulance Calls Answered	#	10.0	8.0	10.0	10.0	10.0
Requests for Response of Marine Response Program	#	188.0	171.0	184.0	188.0	191.0
Requests for Response of EMS SWAT Team (includes some warrants)	#	4.0	4.0	0.0	4.0	4.0
Requests for Response of Search & Rescue Team	#	6.0	2.0	8.0	6.0	6.0
Financial						
Recruit and Retain Volunteers						
Applicants Registered for Orientation Program	#	1,980.0	1,214.0	1,597.0	1,980.0	2,363.0
EMS Volunteer Credentialed Personnel	#	350.0	351.0	317.0	350.0	350.0
EMS Volunteer Recognition Activities	#	61.0	12.0	18.0	61.0	64.0
EMS Volunteer Recruitment Events	#	20.0	63.0	58.0	20.0	22.0
Learning & Growth						
Emergency Medical Services Training Program						
ALS Continuing Education Students	#	1,050.0	1,067.0	1,040.0	1,050.0	1,060.0
American Heart Association CPR Students Taught	#	700.0	646.0	725.0	700.0	700.0
BLS Continuing Education Students	#	200.0	208.0	165.0	200.0	235.0
Cardiac & Pediatric ALS Re-certification Students	#	220.0	209.0	182.0	220.0	258.0
EMS Recruits Trained as Emergency Medical Technician-B	#	100.0	79.0	81.0	100.0	119.0
Re-certification CPR Students Taught	#	1,450.0	1,008.0	1,629.0	1,450.0	1,450.0

Emergency Medical Services

Major Changes

The Department of Emergency Medical Services (EMS) FY 2013-14 operating budget totals \$8,925,938 including the State Four for Life annual allocation estimated at the FY 2012-13 amount of \$375,000. Overall, EMS' budget increased by 10.2% or \$827,957 mainly due to the addition of four full-time positions as shown below, a 1% increase in personnel costs for fringe benefits including health insurance, retirement and life insurance (\$160,520), and net impact of increased city garage and fuel costs (\$448,847). To maintain its emergency response capability, retain full career staffing, support costs for operations and the Volunteer Rescue Squads, costs were reallocated where possible due to personnel turnover or realignment of certain accounts based on past spending levels.

Change	Impact
Addition of two full-time paramedics and support costs	<ul style="list-style-type: none">This change increased EMS' budget by \$126,455, and was needed to augment the Volunteer Rescue Squads at the new Town Center Fire and Rescue Station to open July 2013, which is in a high service demand area of the City. Eight paramedics are needed at minimum to provide adequate 24 hour/7day a week staffing coverage.
Addition of one Business Application Specialist	<ul style="list-style-type: none">This change increased EMS' budget by \$56,294, and was required to manage and keep up to date the Electronic Medical Records (EMR) system comprised of the pre-hospital patient care reports filled out by paramedics. This addresses an unfunded mandate to meet State Department of Health and Federal health care legislation requirements for EMR reporting.
Addition of one Payroll Technician and associated fee increase for copies of pre-hospital patient care reports	<ul style="list-style-type: none">EMS funded a new Payroll Technician position totaling \$39,841 to prepare the department payroll, perform duties previously performed by contracted manpower, and assist with the growing informational demands from the public and lawyers for copies of pre-hospital patient care reports. EMS funded this position by reallocation of costs from contracted manpower, which was becoming unreliable and not meeting the needs of the department, as well as a fee increase from \$10 to \$25 to provide copies of pre-hospital patient care reports.

Departmental Overview

The department's expenditures are comprised mainly of personnel costs for 69.3 FTEs (60% totaling \$5.3 million), including the 39 career medics (\$3.3 million). About 16% of EMS' operating budget supports the resort lifeguard contract (\$1.4 million) while 2.4% of the budget supports EMS Lifeguard Services provided at Sandbridge Beach (\$212,741). Only 22% (\$1.9 million) of EMS' budget is for operating support costs for the volunteer rescue squads and career medics, such as training, fuel, vehicle radios and other equipment maintenance and repair, utilities for Volunteer Rescue Squad owned stations, risk management costs, etc.

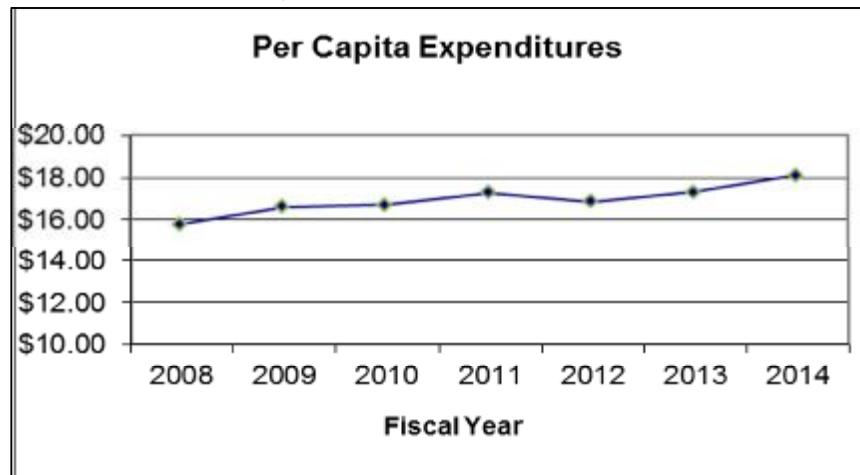
The core services of the Emergency Medical Services department fall into five areas:

- Administration - Provides for leadership, direction and support through the provision of manpower (retention and recruitment, human resources), development of policies, management of departmental budgets and finances, performance of liaison activities with related state, local and federal agencies; processing of public inquiries, provision of logistics support, gathering and analysis of data and research, and development of programs.
- Operations and Emergency Response - Provides for the rapid response to and proper provision of basic and advanced patient care pre-hospital and inter-facility care services, as well as specialized services to the general public to reduce patient morbidity and mortality. This involves oversight of ten independent Volunteer Rescue Squads comprised of 634 highly trained and certified volunteer medics distributed throughout the 15 EMS stations, and 38 career paramedics and supervisors that augment volunteers to ensure staffing of a minimum of 9 ambulances daily with the goal of 1 ambulance per 3,000 calls for service (totaling 13 ambulances). In addition, provides specialized rescue teams (marine rescue, bike medics, SWAT tactical medical and rescue, squad truck technical rescue, and air medical unit), anti-terrorism incident response, mass casualty operations, and disaster preparedness and response.

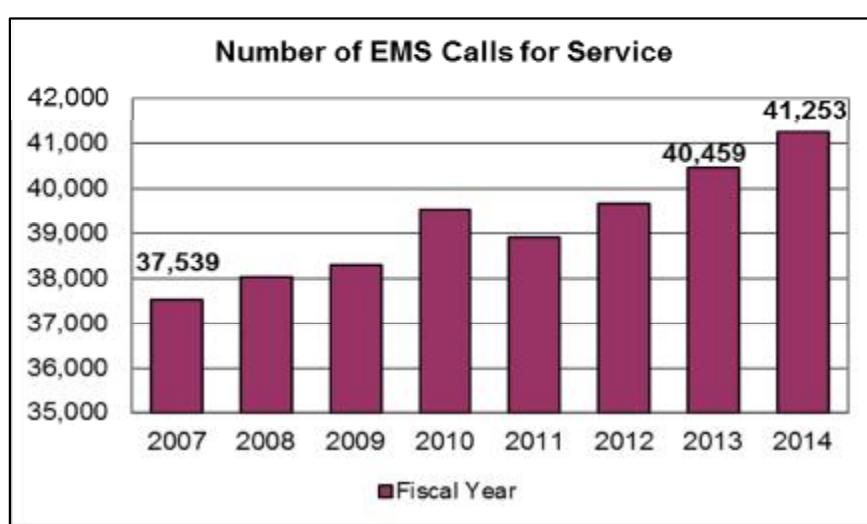
- Regulation and Enforcement - Provides the oversight of medical control to ensure medical protocols are followed; conducts quality assurance assessments; inspects commercial EMS ambulance agencies operating in the city; and provides oversight for infection control as well as mandates promulgated by the federal and state governments.
- Training - Provides basic life support, advanced life support and specialized training for EMS volunteers, career medics and specialty team members, Fire, Police, emergency dispatchers, and hospital personnel. Keeps personnel certified, in compliance with state requirements, to work on ambulances and perform medical duties.
- EMS Lifeguard Services - Provides in-house lifeguard services to Sandbridge Beach, from Memorial Day weekend to Labor Day weekend 9:30 a.m. to 6:00 p.m. This service will consist of 14 lifeguard stands (8 at Little Island, 3 south of Little Island, and 3 at the Market area) staffed with part-time lifeguards and lifeguard supervisors. Staffing and placement of these stands may vary to address weather, volume of visitors on the beach and condition of the surf. Also, manages the lifeguard contract serving the resort area beaches from 2nd Street to 42nd Street including 57th Street, from the middle of May until the end of September.

Trends and Issues

- The department's per capita expenditures are increasing 9.6% or by about \$1.73 per capita from \$18.10 per capita in FY 2012-13 to \$19.83 per capita in FY 2013-14 due to four additional personnel and increasing city garage and fuel costs previously mentioned. A key driver in keeping costs extremely low despite increasing calls for services is the extensive use of 634 certified volunteers that staff 96% of the ambulances, as well as 374 certified volunteers that assist in other areas of the department, such as administrative support, Marine Rescue, Search and Rescue teams, etc. According to the Virginia Auditor of Public Accounts, the per capita expenditures in other Hampton Roads localities for fire and rescue services in FY 2011-12 were significantly higher than Virginia Beach: Chesapeake \$200.52, Hampton \$229.51, Newport News \$190.70, Portsmouth \$278.47, Suffolk \$241.32, Virginia Beach \$120.21 (Norfolk did not report data to the State).

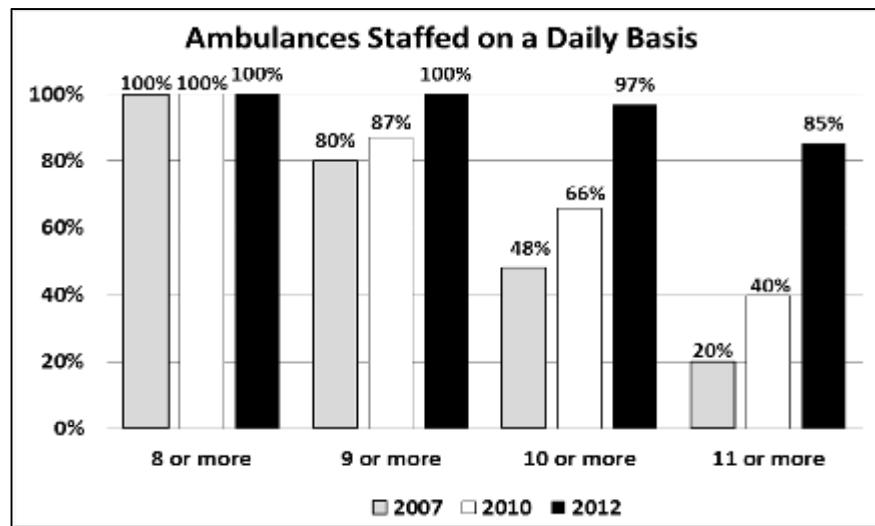


- The primary driver of EMS Department expenditures is the increase in citizen demand for services. Calls for service are anticipated to increase from 40,459 in FY 2012-13 to 41,253 in FY 2013-14. The average annual increase in the number of calls for service from FY 2006-07 through FY 2011-12 is 1.1%, with a difference in call volume from FY 2006-07 to FY 2011-12 of 5.7% or over 2,127 calls. By FY 2013-14, 28,788 or 69.8% of the total calls for service are anticipated to involve treatment and transport of patients to one of the area's hospitals. The percentage of calls involving transport has grown about 1.9% annually from 67.2% in FY 2006-07 to 69.8% by FY 2011-12 with 2,436 more transports



occurring in FY 2011-12 than in FY 2006-07. As the city's population ages, the nature of these calls and treatment required will increase in complexity, which will increase the need for additional staffed ambulances.

- Attracting additional volunteers to join the rescue squads continues to be a priority for EMS. For FY 2013-14, EMS anticipates 2,363 applicants to be registered for the department's orientation program, and plans on holding 22 recruitment events. With the continued recruitment campaign sponsored by the Virginia Beach Rescue Squad Foundation, EMS attracted 376 new volunteers to the city's emergency response system to address the increase in calls for service, while reducing our attrition rate. The result has been increased numbers of ambulances staffed on a daily basis since 2007, as shown in the graph, with the goal of reaching 1 ambulance per 3,000 calls or 13 ambulances. In FY 2011-12, an average of 12 ambulances was staffed daily. By comparison, the other cities in the region staffed on average: Norfolk 11, Chesapeake 10, Newport News 9, York County 6, Hampton and Portsmouth each at 5.



- EMS has worked with Sentara officials and state officials to address a gap in the continuum of care for mental health patients. Many times patients with mental health issues are treated in the field and transported to the local hospital emergency departments, only to remain for hours and/or days, waiting on a psychiatric bed. Through a series of discussions with top City and Sentara Officials, this issue was made a high priority issue to resolve. And, since this is a statewide issue Virginia Beach EMS involved the Tidewater EMS Board of Directors, the State EMS Advisory Board, the Commissioner and Deputy Commissioner of Health, the State Behavioral Health Director, the State Board of Health, and other key individuals, on raising this to a high profile patient care priority. EMS worked in support of Virginia Beach General Hospital's efforts to create a mental health section to relieve the Emergency Department from a backlog of cases and provide better care to our patients. Sentara devised a plan, which would convert space vacated by the obstetrics and gynecology section that was transferred to Sentara Princess Anne Hospital to a mental health section of 24 beds. It submitted a Certificate of Public Need to the Virginia Department of Health in late 2012 for this plan, which was approved in early 2013. This mental health bed resource, together with additional pre-hospital crisis response team-type training provided at no cost from the State Department of Health for EMS providers, will provide an additional level of care not seen anywhere in the region, and perhaps in the State. EMS believes this project could act as a template for additional changes and added resources throughout the Commonwealth.
- In August 2012, the Marine Rescue Team (MRT) received National Certification from the United States Lifesaving Association (USLA) as a National Aquatic Rescue Response Team. Obtaining this certification was the result of an extensive evaluation process of the MRT and a final review by the National Certification Committee. Especially noteworthy is that among all the marine response teams and Lifeguard agencies across the country, the Virginia Beach EMS MRT/Lifeguard Services is the second agency to pass the rigorous process and meet the USLA standards. This certification has brought tremendous recognition and status to the work of our EMS MRT and Lifeguard Services.
- EMS' operations support the Envision 2040 Plan as well as the Community Plan for a Sustainable Future, specifically on the following goals and objectives:
 - Goal 1 "We will have a strong sense of community spirit and involvement", and Objective 1.3 "Continue to build volunteer opportunities that are a way of life for our citizens".

- Goal 2 "All of our residents will have the opportunity to live healthy lives and meet their basic needs to survive and thrive", and Objective 2.1 "Continue to promote high-quality healthcare and to provide high-quality emergency services for all citizens".

Examples of EMS' alignment with these Plans include:

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

Emergency Medical Services - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Administration	616,484	550,168	672,465	122,297
Operations	1,401,010	1,715,845	2,274,652	558,807
Emergency Response System	2,946,596	3,081,349	3,313,468	232,119
Training	591,044	528,323	484,069	(44,254)
Regulation and Enforcement	1,414,548	194,795	170,643	(24,152)
EMS Lifeguard Services	212,436	1,652,501	1,635,641	(16,860)
Medical Shelters	42,107	0	0	0
Total Expenditures	<u>7,224,225</u>	<u>7,722,981</u>	<u>8,550,938</u>	<u>827,957</u>
<u>Revenues</u>				
Fees	12,608	2,500	11,250	8,750
Total Revenues	<u>12,608</u>	<u>2,500</u>	<u>11,250</u>	<u>8,750</u>
General City Support	<u>7,211,617</u>	<u>7,720,481</u>	<u>8,539,688</u>	<u>819,207</u>
183 Grants Consolidated Fund				
<u>Expenditures</u>				
Emergency Medical Services Grants	185,988	0	0	0
State Four-for-Life Grants	734,786	375,000	375,000	0
Total Expenditures	<u>920,774</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
<u>Revenues</u>				
State	424,925	375,000	375,000	0
Transfers	95,946	0	0	0
Total Revenues	<u>520,871</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
General City Support	<u>399,903</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	8,144,999	8,097,981	8,925,938	827,957
Total Department Revenue	533,479	377,500	386,250	8,750
Total General City Support	<u>7,611,520</u>	<u>7,720,481</u>	<u>8,539,688</u>	<u>819,207</u>

Position Summary by Program

	7.50	6.50	8.50	2.00
Administration	2.00	6.00	6.00	0.00
Operations	38.00	37.00	39.00	2.00
Emergency Response System	7.00	6.50	6.50	0.00
Training	3.00	2.00	2.00	0.00
Regulation and Enforcement	6.45	7.30	7.30	0.00
EMS Lifeguard Services	63.95	65.30	69.30	4.00
Total	<u>63.95</u>	<u>65.30</u>	<u>69.30</u>	<u>4.00</u>
Total Position Summary	<u>63.95</u>	<u>65.30</u>	<u>69.30</u>	<u>4.00</u>

Emergency Medical Services - Departmental Resource Summary

Resource Summary Notes

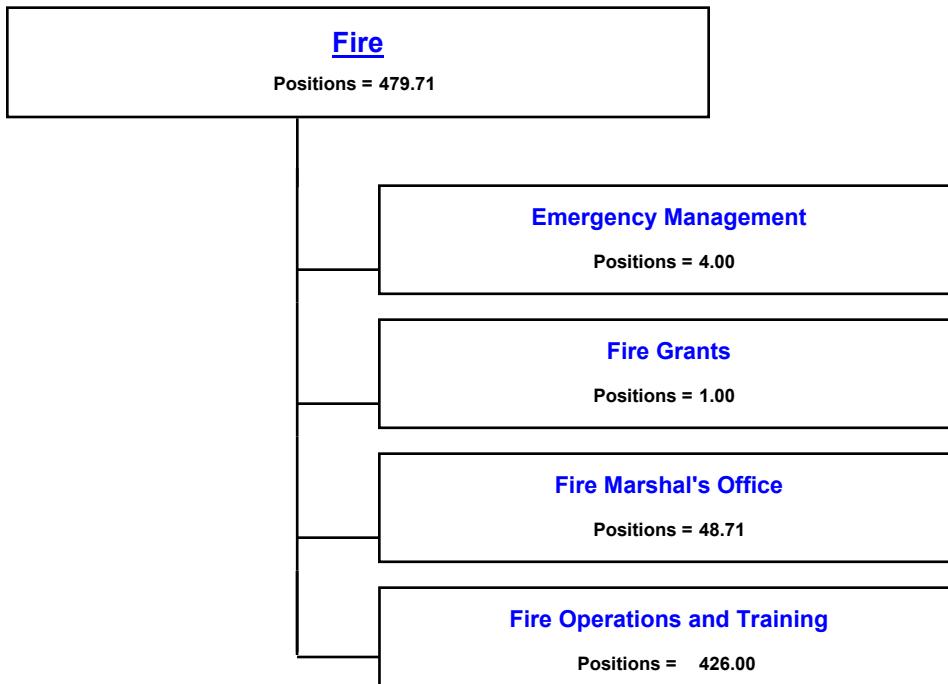
As previously mentioned, cost increases are mainly due to the addition of four full-time staff members, the 1% increase in overall compensation to offset employees' 1% increase in VRS costs, and increase in the City garage and fuel costs.

Despite containing a 2% annual cost escalator, the resort lifeguard contract cost decreased from \$1,445,000 in FY 2012-13 to \$1,422,900 in FY 2013-14 due to \$50,000 in one-time start-up costs in Year 1/FY 2012-13 of the contract.

Revenues from fees are anticipated to increase from \$2,500 to \$11,250 due to a fee increase from \$10 to \$25 for copies of pre-hospital patient care reports provided to the public. The fee increase will partially offset the cost of an additional clerk, who will prepare the department payroll, assist with lawyer and other inquires for copies of medical reports, and perform the duties previously performed by contracted manpower.

The number of full-time employees increased by 4 due to the addition of 2 full-time Paramedics, one Business Application Specialist and one Payroll Technician.

**City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart**



Fire - Departmental Performance Report

Fire							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Advanced Life Support Emergency Medical Services							
Advanced Life Support Fire Units - Average Daily	#	20.0	19.0	17.0	18.0	18.0	
Calls for Service - Emergency Medical Services	#	19,500.0	17,930.0	24,621.0	23,227.0	23,227.0	
Building and Property Saved/Lost							
Building and Property Saved	%	96.9	98.2	82.7	82.7	98.0	
Content Saved	%	92.9	92.8	97.0	97.0	92.0	
Preincident Building and Property Value (in millions)	\$	683	773	349	600	770	
Preincident Content Value (in millions)	\$	89	44	157	100	98	
Citizen Satisfaction							
Fire Department Rating - Citizen Satisfaction Bi-Annual Survey	%	99.0	98.7	98.7	99.0	99.0	
Fire Deaths and Injuries							
Fire Deaths - Virginia Beach	#	1.0	3.0	4.0	6.0	2.0	
Fire Injuries - Virginia Beach	#	35.0	44.0	64.0	35.0	35.0	
Fire Setter Counseling							
Fire Awareness Course for Teens (FACT) Program Attendees	#	40.0	34.0	27.0	35.0	35.0	
Jr Firesetter Program Attendees	#	40.0	44.0	43.0	40.0	40.0	
Reliability for Response							
Emergency Medical Services to Total Call Ratio	%	64.0	58.5	59.1	59.0	58.0	
Reliability of First Due Availability	%	90.0	90.8	92.3	90.0	92.0	
Response Time to Emergency Incidents							
Heavy Fire Apparatus staffed	#	34.0	34.0	34.0	34.0	34.0	
Travel Time to Emergencies in Suburban Area < or = 5 Minutes	%	70.0	71.9	74.5	74.0	74.0	
School Life Safety Education Program							
Life Safety Education Program Attendees	#	49,500.0	48,375.0	61,591.0	60,000.0	60,000.0	
Financial							
Volunteers							
Community Emergency Response Team Membership	#	825.0	827.0	892.0	950.0	950.0	
Volunteer Firefighter Membership	#	45.0	36.0	34.0	34.0	34.0	
Internal Process							
Clearance Rate for Arson Cases							
Arson Cases Cleared	%	40.0	37.0	40.0	40.0	40.0	
Initial Fire Inspections							
Fire Inspections Completed - All Types	#	8,800.0	9,562.0	7,701.0	7,800.0	7,800.0	

Major Changes

The City of Virginia Beach and the Federal Emergency Management Administration (FEMA) have an agreement, by which, the Virginia Beach Fire Department is the lead agency for Virginia Task Force Two. As part of this arrangement, a Battalion Chief position is funded by the federal government to oversee and coordinate FEMA Task Force Two. The grant cycle for the cooperative agreement runs 18 months. The grant, and all positions associated with it, is approved by City Council on this grant cycle. As part of this agreement, this position can only engage in activities related to the operations and administration of Virginia Task Force Two to receive federal funding. Due to the workload of this position, it has been determined that the City will fund 30% of this salary while federal funding will be used to cover the remaining 70%. Federal revenue included in the department's operating budget has been increased to reflect this change.

Departmental Overview

The Fire Department's operating budget for FY 2013-14 totals \$47,025,241, an increase of \$1,287,297 million or 2.8%. This increase is due to annualizing the salaries and benefits for the additional firefighters to staff the new ladder truck at the Thalia Fire Station, additional costs for employee health insurance, fuel, fleet maintenance charges, and overtime costs related to special events.

The department's expenditures are comprised mainly of personnel costs for its 479.71 FTEs totaling \$41.8 million or 88.9%, with \$5.2 million for operating support costs (11.1%), such as risk management costs, fuel and vehicle maintenance, uniforms and personal protective equipment, and general maintenance of equipment as well as funding for the Fire Training Center improvement capital project. About 96.4% of the department's costs are covered by the General Fund, with 0.8% generated through department generated fines (e.g. hazardous materials dumping, false alarms), fire permits and fire inspections fees, and 2.8% through grants from the state Department of Fire Programs and U.S. Department of Homeland Security Local Emergency Management Planning program. As required by the state, Fire Programs funds are used for enhancements, including protective apparel, equipment, training, and fire training center improvements.

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

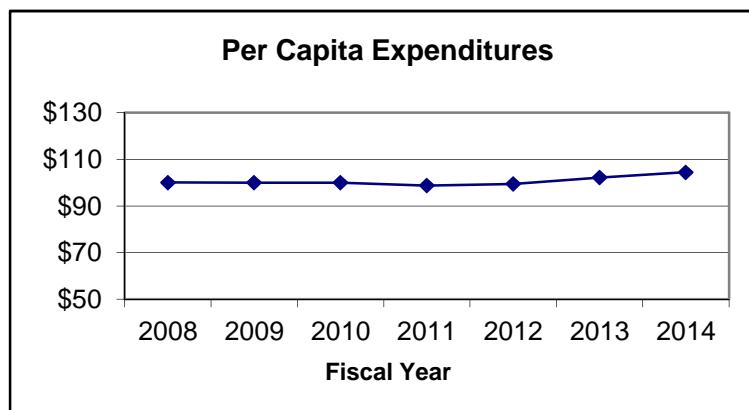
- Fire Administration - Comprised of 21 FTEs that provide various services, including executive direction and guidance as well as administrative support (payroll, budget and finance, grants management, procurement and inventory, etc.) for the department.
- Fire Marshal's Office - Comprised of 27.71 FTEs, who administer and enforce the statewide Fire Prevention Code, which includes: providing annual fire maintenance inspections and operational permits for commercial establishments that are considered to pose a higher risk of fire hazard; providing periodic inspections of businesses that pose a lower risk of fire hazard and are not mandated for inspection; providing other inspections as needed or requested; addressing complaints regarding code-related issues; and providing site plan review related to fire code issues. Another key activity is investigating criminal/arson and non-criminal fires as well as hazardous material dumping.
- Fire Operations - Comprised of 411 FTEs distributed among 17 city owned and 2 volunteer owned fire stations and fire and rescue stations throughout the city to deliver comprehensive emergency services through a seamless and integrated emergency response system. Examples of services include: fire suppression, salvage and overhaul, emergency medical services, search and rescue, technical support services, hazardous materials response, and mutual aid to neighboring localities. Apparatus staffed include 20 engine companies, 8 ladder companies, 2 tankers and 2 heavy squads. The Virginia Beach Fire Department has four specialized teams that serve the region and state: Tidewater Regional Technical Rescue Team, which is one of the seven Regional State Urban Search and Rescue Teams, Marine Firefighting (located at First Landing Fire Station #1), Hazardous Materials Response (located at London Bridge Fire Station #3), and Metro Medical Response System (located at Nimmo Fire Station # 21). It also has a Volunteer Support Technician Team.
- Emergency Management - This four person office coordinates citywide emergency planning including maintenance of the city's Emergency Operations Plan, maintenance and readiness of the city's Emergency Operations Center and Mobile Emergency Operations Center. It fosters community awareness of natural and manmade emergencies, oversees the Community Emergency Response Team project involving 827 volunteers, and coordinates the city's response to

emergencies. Annually, the department conducts four emergency management planning exercises in the city's Emergency Operations Center involving multiple city departments as well as members of the City Manager's executive staff.

- Fire Personnel and Development - With a staff of 16, this division provides human resource needs, mandated career development, and organizational enhancement training programs meeting nationally recognized standards in the following areas: fire, rescue, life safety, management, driver operator, and any specialty training for volunteer and career firefighters.

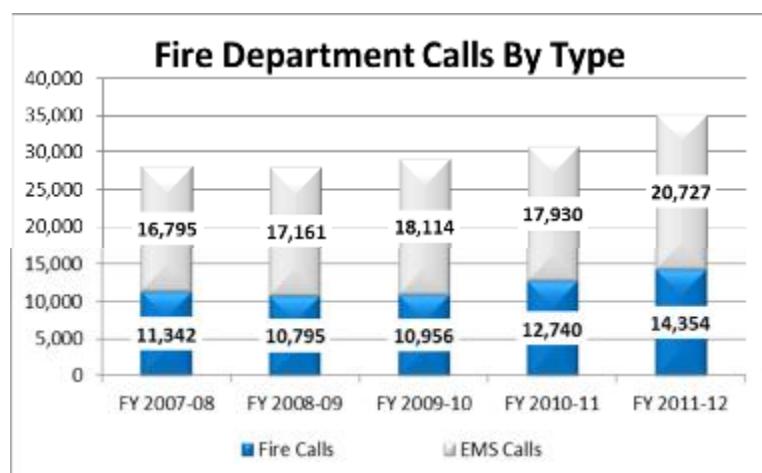
Trends and Issues

- After declining to \$98.76 in FY 2010-11, the department's expenditures per capita are increasing for the third straight year and are budgeted at \$104.45 for FY 2013-14. The increases in FY 2013-14 are due to increasing health care costs, additional overtime costs related to special events, and fuel and vehicle maintenance costs.
- An on-going funding stream with which to replace core capital equipment including thermal imaging cameras, self-contained breathing apparatus, electrocardiogram monitors extrication and hazardous materials response equipment has still not been identified. The department estimates \$300,000 would be needed on an annual basis to replace equipment on a 10-year cycle. Currently, the department must rely on state, federal and private grants, which are available on an infrequent basis and typically only allow for equipment enhancement and not replacement.
- One disturbing trend that is occurring is the prevalence of senior citizens dying in fires compared to their proportion of the total population. Over the past five calendar years, there have been 14 fire related fatalities in Virginia Beach. Of those 14 fatalities, nine (or 64%) were individuals who were age 55 or older (the Fire Service considers individuals of this age group to be "senior"). With seniors being the fastest growing population segment in Virginia Beach and in the nation as a whole, the Department is focusing resources to educate this group on fire prevention and fire safety.



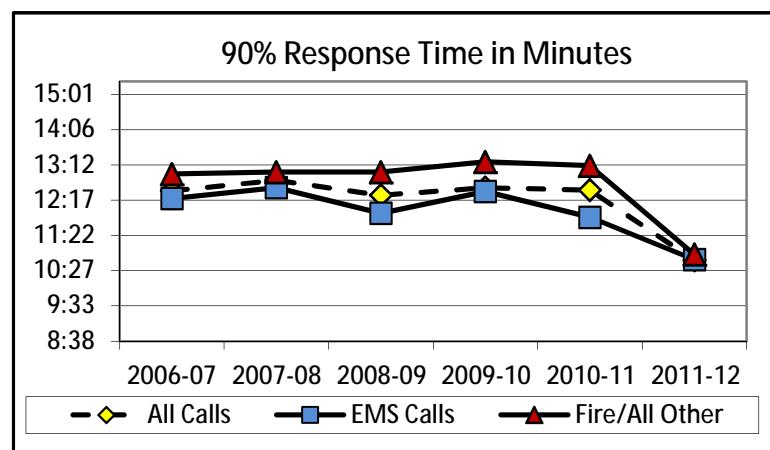
Most of the department's resources in terms of fire prevention education and fire safety are geared toward children and adolescents. Over the same five year period, no one under the age of 18 has died in a fire. In 2012, the Fire Marshal's office provided 1,119 life safety education programs to approximately 60,000 residents.

- Total calls for service increased from 30,670 in FY 2010-11 to 35,081 in FY 2011-12, an increase of 14.4%. The majority of this increase was for emergency medical calls which grew 15.6% over the same time period. Emergency medical calls make up the majority of the Fire Department's calls. Over the past five years, the average ratio of emergency medical calls to fire calls was 60.2% to 39.8%



- One of the department's goals is to arrive on the scene of all emergency medical incidents within five minutes of the time of dispatch, when the fire response is closer in time and distance than an EMS volunteer ambulance. In FY 2011-12, the department achieved this goal in 74.8% of its calls for service. Another goal is to arrive on the scene of all fire incidents within five minutes of the time of dispatch. In FY 2011-12, the department achieved this in 72.2% of its calls for service.

The graph to the right shows the Fire Department's response time to 90% of their calls (response time is calculated from the time a call is received in the Emergency Communications Center/"911 Center" until the first fire unit arrives on-scene) by call type. For example, in FY 2011-12, the department responded to 90% of all (fire and EMS combined) calls within 10 minutes and 44 seconds, fire calls within 10 minutes and 53 seconds, and EMS calls within 10 minutes and 45 seconds.



Emergency Medical Service (EMS) calls are medical incidents only, responded to by Fire department personnel. Fire/all other calls include all fires (structure, vehicle, brush, etc.), Hazmat, technical rescue incidents, miscellaneous, and non-emergency requests for assistance. As call volume increases, response times tend to be negatively impacted. During emergency medical calls, an apparatus may be taken out of service if the Fire Medic assigned to that apparatus is needed to remain with a patient during transport to an area hospital. In cases such as this, an apparatus from a station outside of the response zone is temporarily assigned to that zone, which increases response times.

When compared with FY 2010-11, response times improved dramatically. Response time reliability decreased one minute and 49 seconds for all calls, two minutes and 18 seconds for fire calls, and one minute and six seconds for emergency medical calls. A portion of the total response time is the turnout time by fire personnel. This is calculated from the time the dispatcher at the 9-1-1 Center sends the alert to the fire station that they have a call, to the time our fire personnel activates their enroute button. The Fire Department noticed that turnout time was ranging from two and a half to three minutes when it should be less than two minutes.

The Fire Department worked with Emergency Communications and Citizen Services (ECCS) and instituted a procedural change that resulted in quicker turnout times. The two departments continue to meet in an attempt to further improve call processing time, which is part of the Department's total response time.

- Over the past several years, the Fire Marshal's office has had to focus their fire inspections program on facilities that have the highest hazard potential. While the goal of the office is to inspect each eligible building or facility within the City annually, a lack of adequate staffing, given the current composition of the program, makes this unrealistic. Currently, only 60% of the eligible facilities are inspected each year, while practically all eligible facilities are inspected once every three years. Part of the issue hindering the Fire Marshal's Office from performing inspections of all of these facilities annually is the number of re-inspections that have to be performed when violations of the State Fire Code are found. In FY 2011-12, violations were found in 64% of initial inspections. For all of these facilities, a re-inspection is required. When property owners fail to correct these violations an additional re-inspection must be performed to check for compliance.
- The current fee structure charges property owners \$50 for the initial inspection and there is no additional charge for the next two re-inspections. This provides little "incentive" to property owners to correct potential problems. The prevalence of second and third re-inspections is prohibiting the Fire Marshal's office from making the most efficient use of its time and resources. It is also eroding the ability of the program to recover an appropriate proportion of its actual cost as personnel and fuel costs have risen, but the inspection fee has remained flat since being instituted in 2008. Over the next year, the Fire Department will review the current fee structure to determine if modifications are needed.

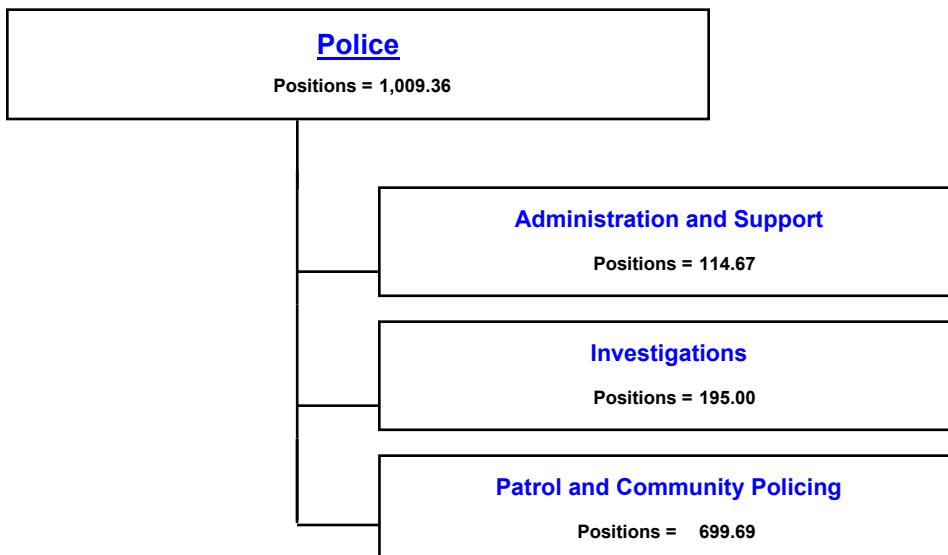
Fire - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Fire Administration	2,400,940	2,132,627	2,050,147	(82,480)
Emergency Management	317,779	350,257	360,845	10,588
Fire Marshal's Office	2,142,708	2,246,130	2,362,338	116,208
Fire Operations	37,177,282	38,446,295	39,521,858	1,075,563
Fire Personnel and Development	1,014,057	1,405,375	1,559,200	153,825
Total Expenditures	<u>43,052,766</u>	<u>44,580,684</u>	<u>45,854,388</u>	<u>1,273,704</u>
<u>Revenues</u>				
Fees	413,979	389,443	389,443	0
Federal	52,914	52,914	133,432	80,518
Total Revenues	<u>466,893</u>	<u>442,357</u>	<u>522,875</u>	<u>80,518</u>
General City Support	<u>42,585,873</u>	<u>44,138,327</u>	<u>45,331,513</u>	<u>1,193,186</u>
183 Grants Consolidated Fund				
<u>Expenditures</u>				
Fire Program Grants	460,823	757,260	770,853	13,593
Transfer to Other Fund (Fire Programs)	400,000	400,000	400,000	0
Total Expenditures	<u>860,823</u>	<u>1,157,260</u>	<u>1,170,853</u>	<u>13,593</u>
<u>Revenues</u>				
State	1,170,853	1,157,260	1,170,853	13,593
Transfers	3,335	0	0	0
Total Revenues	<u>1,174,188</u>	<u>1,157,260</u>	<u>1,170,853</u>	<u>13,593</u>
General City Support	<u>(313,365)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	43,913,589	45,737,944	47,025,241	1,287,297
Total Department Revenue	<u>1,641,081</u>	<u>1,599,617</u>	<u>1,693,728</u>	<u>94,111</u>
Total General City Support	<u>42,272,508</u>	<u>44,138,327</u>	<u>45,331,513</u>	<u>1,193,186</u>

Position Summary by Program

	27.00	22.00	21.00	-1.00
002 General Fund				
Fire Administration				
	4.00	4.00	4.00	0.00
	27.71	27.71	27.71	0.00
	398.00	411.00	411.00	0.00
	9.00	14.00	15.00	1.00
Total	<u>465.71</u>	<u>478.71</u>	<u>478.71</u>	<u>0.00</u>
183 Grants Consolidated Fund				
Fire Program Grants				
	1.00	1.00	1.00	0.00
Total	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total Position Summary	<u>466.71</u>	<u>479.71</u>	<u>479.71</u>	<u>0.00</u>

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Police - Departmental Performance Report

Police							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Community							
Assist Schools with Security/Enforcement of Laws							
Students Participating in Crime Prevention Programs	#	25,000.0	23,209.0	37,113.0	35,000.0	35,000.0	
Maintain Low Part I Property Crimes							
Part I Property Crime Clearance Rate	%	26.0	28.2	29.6	28.5	28.0	
Part I Property Crimes Rate (Per 1,000 Population)	#	29.5	27.7	26.4	28.0	29.0	
Maintain Low Part I Violent Crime Rate							
Part I Violent Crime Clearance Rate	%	60.0	62.8	65.2	63.0	63.0	
Part I Violent Crime Rate (Per 1,000 Population)	#	2.2	1.8	1.7	1.9	2.0	
Maintain the Safety of the City's Roadways							
School Zone Violations by Motor Officers	#	400.0	283.0	432.0	400.0	400.0	
Total DUI Arrests	#	2,400.0	2,533.0	2,369.0	2,500.0	2,500.0	
Total Fatality Crashes	#	17.0	26.0	14.0	20.0	20.0	
Traffic Safety Unit Violations Issued	#	8,500.0	8,324.0	5,918.0	6,000.0	6,000.0	
Maintain Timely Response for Emergency Calls							
Average Police Response Time to Emergency Calls (minutes)	#	6.3	6.7	6.5	6.6	6.6	
Uniform Patrol Emergency Calls for Service	#	17,500.0	17,590.0	17,942.0	17,700.0	17,800.0	
Maintain Timely Response to Non Emergency Calls							
Average Police Response Time to Non-Emergency (Priority 3) Calls	#	15.6	16.2	16.2	16.2	16.2	
Uniform Patrol Non-Emergency Calls for Service	#	147,000.0	147,316.0	140,974.0	145,000.0	147,300.0	
Reduce Crime, the Fear of Crime, and Improve Safety							
Crowd Management Incidents Handled (Mounted Patrol)	#	500.0	700.0	700.0	750.0	700.0	
Felony & Misdemeanor Charges Issued (Mounted Patrol)	#	200.0	267.0	149.0	150.0	150.0	
Narcotics Cases Worked (Special Investigative Unit)	#	400.0	333.0	365.0	354.0	340.0	
Neighborhood is a Safe Place to Live	%	94.0	93.6	92.0	92.0	92.0	
Number of Neighborhood Watch Communities	#	230.0	233.0	230.0	230.0	230.0	
Prostitution & Vice Cases Worked (Special Investigative Unit)	#	95.0	91.0	62.0	60.0	60.0	
Traffic Violations Issed (Mounted Patrol)	#	500.0	394.0	623.0	550.0	550.0	
Virginia Beach is a Safe Place to Live	%	94.0	94.2	94.6	95.0	94.0	
Internal Process							
Reduce Sworn Officer Turnover Rate							
Percent of Sworn Positions Vacant	%	2.0	2.8	3.3	3.5	3.5	
Sworn Officer Turnover Rate	%	6.5	5.5	6.9	6.9	6.5	

Police

Major Changes

The Police Department's FY 2013-14 operating budget totals \$93,209,258. To maintain its emergency response capability, minimize loss of staff, and cover increased operating costs in various areas of its operations, the department reallocated costs where possible due to personnel turnover or realignment/reduction of certain accounts based on past spending levels. Overall, the department's budget increased by 1.2% or \$1,145,080 due in part to a 1% increase in personnel costs (\$874,005) because of promotions, reclassifications, additional staff being added, and overtime costs, and 2% increase (\$307,075) in operating costs due to city garage charges and fuel costs. Department generated revenues from fees is anticipated to decline 9.4% or -\$372,405 compared with the FY 2012-13 amended Operating Budget mainly due to decreased fees generated by the "PHOTOSafe" red light camera program because of increased compliance/decreased red light running by motorists. Three main changes in the FY 2013-14 Operating Budget for the department include:

Change	Impact
Addition of two part-time positions totaling \$26,960 to supplement the Animal Care and Adoption Center's full-time veterinary technician	<ul style="list-style-type: none"> With the addition of one veterinary technician (Exhibits Technician I \$14,807 0.5 FTE) and one veterinary assistant (Animal Caretaker \$12,153 0.5 FTE), cost will be reduced for overtime for the existing veterinary technician and contractual manpower costs. Also, improvements in the efficiency and quality of veterinary care will occur including: certain tasks performed by the full-time veterinary technician will be delegated to the assistants; animal sterilization could be performed prior to public adoption to eliminate the time delay between adoption and animal possession; and vaccination of animals will occur upon intake to reduce disease and increase immunity.
Addition of one full-time Public Safety Data Services Assistant totaling \$44,140 to address a substantial workload increase and meet State regulations related to VCIN (Virginia Criminal Information Network)/NCIC (National Crime Information Center)/warrant work including protective orders as well as concealed weapons permits	<ul style="list-style-type: none"> On July 1, 2011, a change in Virginia State Code significantly increased the number of offenses and relationships that are subject to the restrictions of a protective order. It is the Police Department's responsibility for service of the order (which expires within 72 hours), and to enter the order into the VCIN and the local records management system. State Police regulations also require a documented review by a second and third party to verify accuracy. The number of Emergency Protective Orders has increased by about 65% since July 2011. In 2003, there were 1,938 total VCIN entries compared to 7,020 in 2011 and an estimated 7,500 in 2012. In addition to increased VCIN related work, the number of concealed weapons permit applications processed increased from 2,561 in 2007 to 5,332 in 2012. Each application requires a criminal history check and review prior to forwarding to the Courts. The increased revenue from the City's \$35-share of the \$50-concealed weapon permit fee is estimated at \$50,000, which will offset the cost of this position.
Expansion of the false alarm enforcement program procedures to cover manually triggered false alarms with the exception of medically related alarms, which is permitted under the existing City Code	<ul style="list-style-type: none"> The False Alarm Reduction Program began in 2009. Businesses and residents may be charged a fee (\$150 residential and \$250 commercial) for the third and additional false alarms during a rolling 12 month period. From 2007 to 2012, the department experienced a 33% cumulative reduction in patrol calls to false alarms from 22,231 in 2007 to 14,952 in 2012. There are about 1,800 calls per year from manually triggered false alarms. Examples include residents or businesses in which a person enters the wrong code on a building alarm or mistakenly triggers a "duress" or "holdup" alarm. The department believes it could reduce these false alarm calls by about 40% or more over time to between 700 and 800 additional calls per year. This change in the program will standardize the way in which alarm calls are handled. This change in the program is estimated to generate revenues totaling \$46,710 based on the current collection rate of 80% for commercial and 55% for residential. About 85% of these types of alarms are generated by commercial establishments.

Departmental Overview

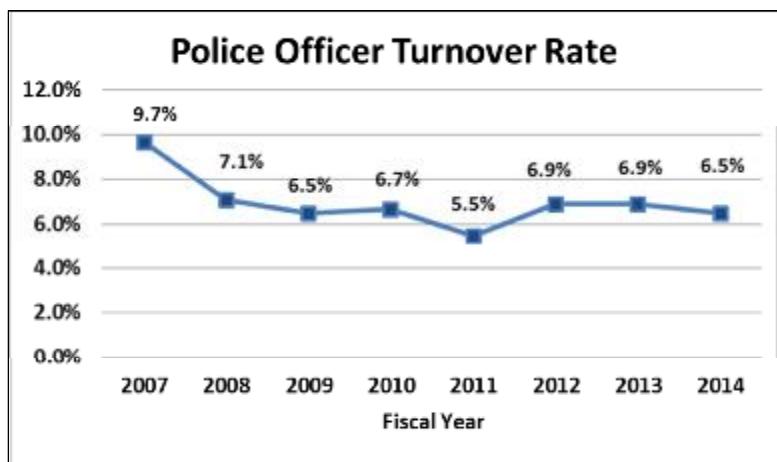
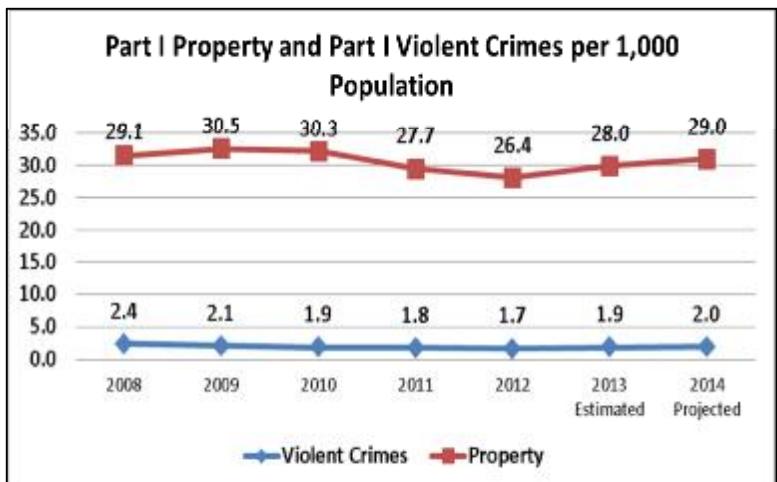
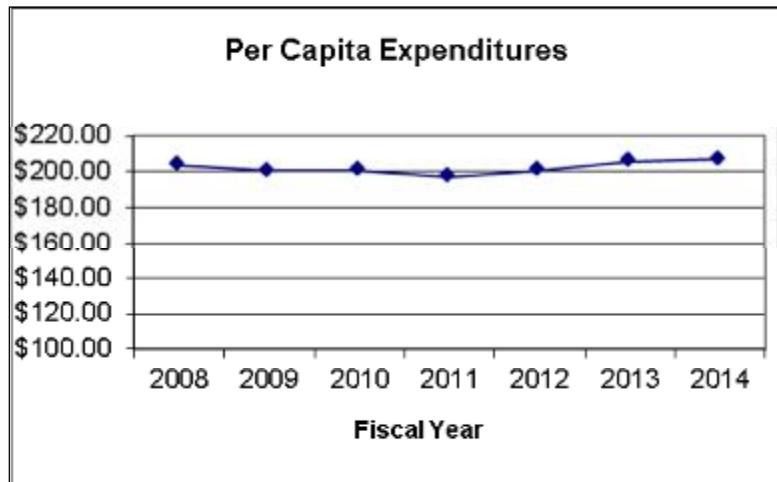
The department's expenditures are comprised mainly of personnel costs for 1,009.36 FTEs (84.6% totaling \$78.9 million), including 806.0 FTEs that are sworn personnel. Only 15.4% (\$14.3 million) of the department's budget is for operating support costs. Examples of these support costs include: risk management, training including lease costs for a firearms training facility, uniforms and supplies, personal protective apparel and equipment replacements (e.g., body armor and gas masks), ammunition, fuel, vehicle radios and other equipment maintenance and repair, various contracts with private firms for operations and billing for the "PHOTOSafe" red light camera program as well as various records management software applications used by the department, and etc.

The Police Department's core areas of operations are:

- Administration - Includes the Chief's Office, Professional Standards, Public Information Office, and volunteer Police Chaplains.
- Uniform Patrol - This bureau of the Operations Division includes basic patrol, initial response to criminal incidents, calls for service, traffic control and enforcement.
- Special Operations - This bureau of the Operations Division supports department wide operations with various highly trained specialty tactical units including: S.W.A.T., crisis negotiators, K-9 unit, helicopter unit, dive team, marine patrol, bomb squad, selective enforcement team, motorcycle unit, traffic safety unit, fatal crash team, hit and run team, mounted patrol, and motor carrier safety unit. Mounted Patrol includes officers on horseback, who patrol heavily crowded areas such as the summertime oceanfront patrol, Town Center, shopping center parking lots, high school football games, special events such as 4th of July and Neptune Festival. The Bureau of Animal Control includes enforcement and shelter management to provide holistic animal services to the community that balance health, safety and welfare needs of the people and animals in our city. Services include educating the public about responsible companion animal ownership, investigating animal cruelty cases, providing compassion and humane care for unwanted, stray, abused, and abandoned animals in our city, giving adoptable animals a second chance at a forever home, and etc.
- Crime Prevention - This bureau of the Operations Division provides for a safer city by preventing and/or reducing crime through various educational programs for the public and forming community partnerships. Examples of some crime prevention educational programs include Crime Prevention Through Environmental Design, Neighborhood Watch, Business Watch, Faith Based Watch training, College and High School Internships, Every 15 Minutes Youth Drunk Driving Education, Citizens/Youth/ Senior Citizens Police Academies, McGruff the Crime Dog, Self Defense workshops, July 4th/Pungo Strawberry Festival/Oceana Air show participation and display, Drive Smart Hampton Roads, Citizens' Corps, and Police Auxiliary Volunteers.
- Detective Bureau - This bureau of the Investigative Division investigates most crimes in the city, including homicides, rapes, robberies, assaults, domestic violence, burglaries, larcenies, auto thefts, identity theft and embezzlements, and other property crimes. It includes a Forensics Unit to provide various technical services needed for investigations.
- Special Investigations - This bureau of the Investigative Division has several units conducting investigations of various types of criminal activity including the Criminal Intelligence Unit (including gangs), Narcotics Unit, Vice Squad, Diversion Unit related to investigations involving pharmaceutical drugs, and Computer Crimes Unit.
- Support Division - This division is staffed by mostly civilians and is responsible for maintaining police records, property and evidence storage, uniform and supply issue, department payroll, entering data, such as protective orders and other warrants into local, state, and national systems, conducting criminal history checks, administering the "PHOTOSafe" red light camera and false alarm programs, coordinating departmental purchasing and budgeting, conducting statistical analysis, and special projects.

Trends and Issues

- The per capita expenditure for the Police Department will increase slightly by 0.6% from \$205.74 in FY 2012-13 to \$207.03 in FY 2013-14 or by 1.7% annually from FY 2011 to FY 2014. As mentioned previously, with 84.6% of the Police Department's budget being personnel costs, salary and fringe benefit increases have historically been the biggest cost driver in the Police Department's budget.
- The City of Virginia Beach continues to be considered one of the safest cities in the nation according to FBI statistics despite lower ratios of police officers per 1,000 population compared with most other cities in Hampton Roads: Chesapeake 1.7, Virginia Beach 1.8, Hampton 2.1, Newport News 2.4, Portsmouth 2.6, Norfolk 3.1.
- As shown in the graph, Part I Violent Crimes include homicide, rape, robbery and aggravated assault. Recently the number of violent crimes per 1,000 residents has been trending down from 2.4 in 2008 to 1.7 in 2012. While this has been a nationwide trend, Virginia Beach's violent crime rate has remained far below that of most comparable sized cities. Trends in violent crime during FY 2012-13 indicate to the Police Department that the rate of reported violent crime may slightly increase during the next fiscal year. However, the city's Part I Property Crime rate has fluctuated since 2008, with the number of Part I Property Crimes per 1,000 residents declining from 2010 through 2012, but is predicted to increase to 29.0 by 2014. Based on the latest available data, the Police Department has had significantly higher case clearance rates for Part I violent (62.8% 2011 and 65.2% 2012) and property (27.7% 2011 and 26.4% 2012) crimes than the national average for all cities with 250,000 population or more (40% for Part I Violent and 13.7% for Part I Property Crimes in 2011).



aimed to "improve retention to reduce employee turnover". These efforts have temporarily shown positive results as the Police Department has seen a declining percentage in its sworn officer turnover rate in the last four years as shown in the graph. However, the turnover rate increased to 6.9% in FY 2011-12 and is anticipated to be 6.9% in FY 2012-13 and 6.5% in FY 2013-14 due to anticipated service retirements, the likelihood that federal law enforcement agencies will resume hiring if the federal budget sequestration ends soon, and a recent increase in officers leaving to other local law enforcement agencies.

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

Police - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	1,691,946	1,776,791	1,902,211	125,420
False Alarms	50,988	67,217	61,079	(6,138)
Personnel and Training	3,818,602	4,269,432	4,353,335	83,903
Crime Prevention	733,014	889,302	820,037	(69,265)
Support	4,092,546	4,794,605	4,856,598	61,993
K-9 Unit	1,614,012	1,640,435	1,752,552	112,117
Helicopter Unit	1,506,049	1,447,677	1,085,870	(361,807)
Uniform Patrol	47,099,986	49,444,515	50,628,513	1,183,998
Red Light Camera Program	1,251,381	1,293,185	1,304,601	11,416
Mounted Patrol	1,203,370	1,455,409	1,462,738	7,329
Marine Patrol	893,040	953,400	1,019,504	66,104
School Resource Officer Program	2,457,562	2,604,683	2,478,019	(126,664)
Investigative Division	11,865,570	12,554,837	12,682,637	127,800
Special Investigative Unit	4,500,314	4,695,018	4,793,620	98,602
Commercial Extractions	394,859	413,184	418,184	5,000
Animal Control	2,797,718	3,688,622	3,531,649	(156,973)
Total Expenditures	<u>85,970,957</u>	<u>91,988,312</u>	<u>93,151,147</u>	<u>1,162,835</u>
<u>Revenues</u>				
Fees	3,492,800	3,511,435	3,153,735	(357,700)
State	353,466	371,950	375,000	3,050
Transfers	15,384	15,000	15,000	0
Total Revenues	<u>3,861,650</u>	<u>3,898,385</u>	<u>3,543,735</u>	<u>(354,650)</u>
General City Support	<u>82,109,307</u>	<u>88,089,927</u>	<u>89,607,412</u>	<u>1,517,485</u>
142 DEA Seized Property Special Revenue Fund				
<u>Expenditures</u>				
DEA - Uniform Patrol Grants	29,403	0	0	0
DEA - K-9	7,500	0	0	0
DEA - Uniform Patrol	43,606	0	0	0
DEA - Investigative	33,034	0	0	0
DEA - Special Investigative Unit	23,214	0	0	0
Transfer to Other Funds	941,898	0	0	0
Total Expenditures	<u>1,078,655</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Fees	5,452	0	0	0
State	360,044	0	0	0
Federal	582,345	0	0	0
Total Revenues	<u>947,841</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>130,814</u>	<u>0</u>	<u>0</u>	<u>0</u>

Police - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Police - Uniform Patrol Grants	1,086,834	75,866	58,111	(17,755)
Police - Grants	224,311	0	0	0
Total Expenditures	1,311,145	75,866	58,111	(17,755)
<u>Revenues</u>				
Federal	84,246	39,521	39,521	0
Transfers	37,619	36,345	18,590	(17,755)
Total Revenues	121,865	75,866	58,111	(17,755)
General City Support	1,189,280	0	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Department Expenditure	88,360,757	92,064,178	93,209,258	1,145,080
Total Department Revenue	4,931,356	3,974,251	3,601,846	(372,405)
Total General City Support	83,429,401	88,089,927	89,607,412	1,517,485
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Position Summary by Program

002 General Fund

Director's Office	16.80	16.80	16.80	0.00
False Alarms	1.75	1.75	1.75	0.00
Personnel and Training	32.72	32.72	32.72	0.00
Crime Prevention	8.00	8.00	8.00	0.00
Support	58.00	59.00	61.00	2.00
K-9 Unit	16.00	16.00	16.00	0.00
Helicopter Unit	8.00	8.00	8.00	0.00
Uniform Patrol	564.53	565.23	565.23	0.00
Red Light Camera Program	2.40	2.40	2.40	0.00
Mounted Patrol	16.00	16.00	16.00	0.00
Marine Patrol	10.46	10.46	10.46	0.00
School Resource Officer Program	30.00	30.00	30.00	0.00
Investigative Division	144.00	143.00	142.00	-1.00
Special Investigative Unit	52.00	52.00	52.00	0.00
Animal Control	45.00	45.00	46.00	1.00
Total	1,005.66	1,006.36	1,008.36	2.00

183 Grants Consolidated Fund

Police - Uniform Patrol Grants	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00
Total Position Summary	1,006.66	1,007.36	1,009.36	2.00

Resource Summary Notes

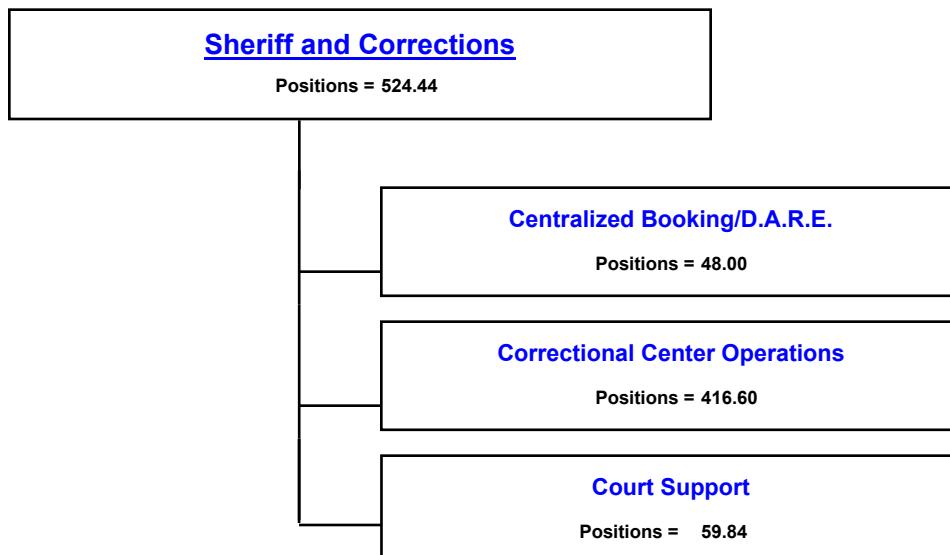
Increases in costs for the majority of program units (e.g. Director's Office, Personnel and Training, K-9 Unit, Uniform Patrol, Mounted Patrol, Investigative Division, Special Investigative Unit) are mainly due to increase salaries due to promotions, reclassifications, over-time, and the addition of staff. Also, increases in city garage and fuel costs impacted various program units (e.g. Uniform Patrol, K-9 Unit, Marine Patrol, Animal Control).

For Animal Control, some costs are anticipated to increase, such as city garage (increase by \$45,859), fuel (increase by \$10,000), medical supplies (increase by \$74,700); however overall costs are projected to decrease due to alignment of cost estimates with actual expenditures for FY 2011-12 and FY 2012-13 after one full-year of operation (e.g. outside veterinary services, heating services, custodial costs, and food costs due to a special agreement with the vendor).

Department generated revenue is anticipated to decrease mainly due to a reduction in fees generated by the PHOTOSafe red light camera program as increased compliance is achieved with less motorists running red lights.

As mentioned previously, total personnel will grow by 2.0 FTEs comprised of one full-time Public Safety Data Services Assistant to address the increased workload from warrants including protective orders and concealed weapons permits, and two part-time veterinary staff members including a Veterinary Technician/Exhibits Technician I and a Veterinary Assistant/Animal Caretaker to address the workload at the Animal Care and Adoption Center.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Sheriff and Corrections - Departmental Performance Report

Sheriff and Corrections							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Community							
Maintain professional and adequately trained workforce							
Mandated training hours completed at LETA	#	20,250.0	20,255.0	30,029.0	30,000.0	30,000.0	
New applicants tested by Human Resources	#	200.0	269.0	275.0	300.0	300.0	
Number of Inmate programs handled through Accounting	#	1.0	2.0	4.0	4.0	4.0	
Customer							
Maintain Incarceration Facilities to House Inmates							
Cost per Inmate per Day	\$	63	63	64	64	64	
Inmate Population	#	1,780.0	1,440.0	1,475.0	1,450.0	1,400.0	
Inmates over State Department of Corrections Certified Capacity	#	921.0	581.0	616.0	591.0	541.0	
Number of Arrestees Processed	#	30,648.0	31,261.0	28,504.0	28,000.0	28,000.0	
Serve Legal Documents							
Court Papers Served	#	125,000.0	175,198.0	160,051.0	165,000.0	165,000.0	
Services to Community through Inmate Labor							
Hours of Inmate Labor Utilized	#	928,427.0	943,160.0	955,000.0	1,000,000.0	1,000,000.0	
Learning & Growth							
Teach D.A.R.E. to Elementary Students in VBCPS							
Number of Schools Serviced by DARE	#	64.0	64.0	64.0	64.0	64.0	

Sheriff and Corrections

City Council Amendment

On May 14, 2013, City Council voted to amend the City Manager's Proposed FY 2013-14 Budget by providing an additional 1.66% pay raise. This pay raise is in addition to the 1.34% included in the City Manager's proposed operating budget to offset employee's 1% self-contribution into VRS. Estimated revenue from the State for the purpose of a pay raise is increased by \$147,657 and the transfer from the General Fund is increased by \$248,192. Overall, the Sheriff's Office operating budget increased \$431,849.

Major Changes

In total, the department of Sheriff and Corrections operating budget decreased by \$515,241 between FY 2012-13 and FY 2013-14. While the approved State budget includes additional State revenue for the purpose of a pay raise, the estimate of these revenues has yet to be determined by the State Compensation Board (SCB). Once known, the city will work with the Sheriff's office to include these revenues in the Sheriff's Office FY 2013-14 operating budget. Please note that these revenues will be insufficient to provide the full 3% salary increase to SCB recognized positions due to the City supplements. Additionally, these state funds do not include increases for 100% City positions in the Sheriff's Office. City positions within the Sheriff's Office receive City pay raises.

Change	Impact
Conversion from brown uniforms to blue	<ul style="list-style-type: none">The General Fund Transfer to the Sheriff's Special Revenue fund increased by \$300,000 to convert the Sheriff's Office uniforms from brown to blue. This amount is the estimated amount to complete the uniform conversion with the initial \$357,000 being funded through the use of Sheriff's Office fund balance in FY 2012-13.State Code changed allowing Sheriff's uniform color and styles to be selected at the discretion of the Sheriff.Several Sheriff Offices across the State are moving from brown to blue uniforms. As a result, suppliers are keeping less brown uniform materials on hand increasing the cost of brown uniforms.
Use of Fund Balance	<ul style="list-style-type: none">The Sheriff's Office FY 2013-14 Operating budget includes the use of \$1,314,990 in fund balance. Without the use of fund balance to support operations, the Sheriff's Office would be required to make substantial cuts in services that would likely reduce personnel. Using the City of Virginia Beach FY 2012-13 Comprehensive Annual Financial Report (CAFR) and taking into account the planned use of Sheriff Office Fund balance, the Sheriff's Office is anticipated to have a remaining balance of \$604,000.

Departmental Overview

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

The Community Services Division includes:

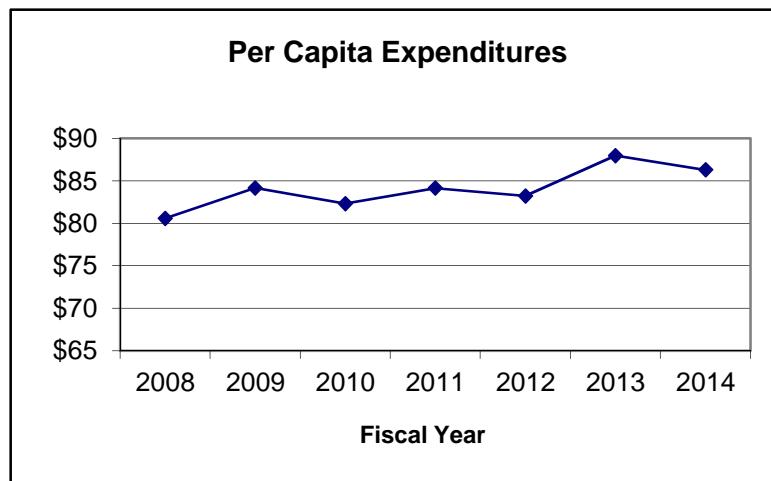
- Administration - Provides personnel, training and financial administration for the department as well as program development.
- Court Support - Provides security and order in the various Virginia Beach courts, and processes and serves civil documents.
- Work Force Services - Utilizes inmate labor to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

The Correctional Services Division includes:

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

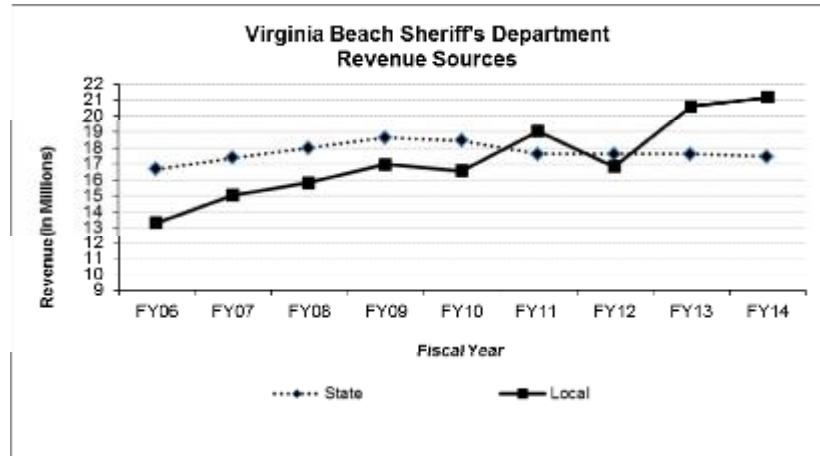
Trends and Issues

- When reviewing the historical per capita expenditures of the Sheriff's department, it would appear that the department has not been affected much by the downturn in the economy; however, the Sheriff's department operates through special revenue funds and has been afforded the unique opportunity to use departmental fund balance to soften reductions from both the city and state.



Although not a long term sustainable budgeting solution to shrinking revenues, the use of fund balance has allowed the Sheriff's department to manage state and local reductions in funding. For example, in FY 2010-11, the State Compensation Board eliminated 11 FTEs in the Sheriff department's budget. Using fund balance to temporarily fund these positions allowed for the Sheriff's department to manage the elimination of these positions through attrition as opposed to eliminating 11 filled FTEs. In FY 2012-13, department expenditures are increased primarily due to increase Virginia Retirement System, life insurance and health insurance cost. The city absorbed the full cost of these increases and increased the transfer from the General Fund to the Sheriff's Special Revenue Fund by \$1.5 million in FY 2012-13. In FY 2013-14, the Sheriff's overall expenditures are decreasing as a result of reductions made to operating accounts. These reductions are associated with an overall reduction in federal revenue. Last year the Sheriff's Office estimated a high level of federal revenue in anticipation of federal inmates and in doing so increased their expenditures associated with the care of these inmates. The projection of federal inmates is lower for FY 2013-14 and as a result the expenses of caring for these inmates were reduced.

- In recent years, state revenue supporting the Sheriff's department operations has continually declined. State revenue supports just under 45% of the department's budget. Between FY 2009-10 and FY 2010-11, the General Assembly reduced revenue from the state to the Sheriff's department by over \$2 million. A decreasing inmate population resulted in the inmate per diem reimbursements revenue estimates to decrease by \$150,721. Once the State Compensation Board provides revenue estimates, the Sheriff's Office FY 2013-14 State revenue estimates will increase; however, revenues will not return to their pre-recessionary level.



- Local revenue includes city supplements to entry level Sheriff Deputy salaries at two pay ranges below an entry level Police Officer, as well as providing funding for medical and food to inmates. The city also contracts with the Sheriff's department to operate the Central Booking Program and various inmate services for mowing and maintenance. Additionally, local revenue is used to support the operation of the DARE program within the Sheriff's department. Local revenue is 55% of the total revenue in FY 2013-14 for the Office (including fund balance usage). The Sheriff's Office collects over \$4 million in local revenue for fees generated through programs such as work force services, inmate telephone fees, court security, Caremart, Fresh Favorites and Inmate Canteen Fund.
- Inmate Canteen - This program has been in existence for years; however, FY 2011-12 was the first year that the Sheriff's department performed these functions without the use of an external contract. As a result of bringing this function in-house, the Sheriff's department will retain 100% of the revenue generated from canteen sales. Although this program is fully implemented, a full year of actual revenue has not yet been realized. The department has a revenue estimate of \$349,000 in FY 2013-14. Net revenue generated by this program allows the Sheriff's department to fund jail operations limiting the need of additional city funds.
- Caremart and Fresh Favorites - People can purchase items online through the Sheriff controlled "Caremart" and have items delivered to confined individuals. Or through the "Fresh Favorites" program, the public may order freshly cooked meals and have them delivered to incarcerated individuals. Because of delays in implementing these programs, a full year of actual revenue has not yet been realized. For this reason, the Sheriff's department reflects a revenue estimate of \$949,000 in FY 2013-14.
- Historically, Sheriff's department employees received comp time in lieu of pay for overtime worked. Since FY 2009-10, the Sheriff's Office lost funding from the Compensation Board for 18 Deputy Sheriff positions. The reduction of these positions resulted in a heavier reliance on overtime. To reduce the growing amount of compensation time, the Sheriff Office began paying for overtime. In FY 2012-13, City Council increased the General Fund transfer to the Sheriff's Office by \$800,000 to fund overtime pay.
- As a part of the FY 2013-14 State Budget, the State provided additional \$75,725 for the Master Deputy Program. Enrollment of additional employees into this program was restricted by the 2010 General Assembly. Deputies not funded in the program prior to January 1, 2010 were no longer recognized by the State for participation. The Sheriff's Office continues this program and funded new enrollments through the use of fund balance. Increased State funding will reduce the use of Sheriff's Office fund balance supporting this program.

Sheriff and Corrections - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
<u>149 Sheriff's Department Special Revenue Fund</u>				
<u>Expenditures</u>				
Sheriff's Office	2,047,919	2,330,685	2,110,581	(220,104)
Court Support Services	3,272,629	3,348,215	3,243,442	(104,773)
Correctional Operations	26,688,771	28,466,225	28,696,989	230,764
Centralized Booking	1,887,071	2,135,839	2,082,095	(53,744)
D.A.R.E. - Sheriff	693,810	761,419	747,240	(14,179)
Sheriff's Workforce	820,450	851,622	934,103	82,481
Inmate Services	1,098,715	(5,479)	25,500	30,979
Inmate Services	0	1,298,196	1,262,223	(35,973)
Law Enforcement Training	77,660	149,443	150,600	1,157
Transfer to Other Funds	146,147	24,551	24,551	0
Total Expenditures	<u>36,733,172</u>	<u>39,360,716</u>	<u>39,277,324</u>	<u>(83,392)</u>
<u>Revenues</u>				
Fees	4,495,895	4,450,011	4,919,758	469,747
State	17,175,183	17,608,339	17,605,275	(3,064)
Federal	578,762	1,149,750	229,950	(919,800)
Transfers	13,030,489	14,896,783	15,207,351	310,568
Fund Balance	0	1,255,833	1,314,990	59,157
Total Revenues	<u>35,280,329</u>	<u>39,360,716</u>	<u>39,277,324</u>	<u>(83,392)</u>
General City Support	<u>1,452,843</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	<u>36,733,172</u>	<u>39,360,716</u>	<u>39,277,324</u>	<u>(83,392)</u>
Total Department Revenue	<u>35,280,329</u>	<u>39,360,716</u>	<u>39,277,324</u>	<u>(83,392)</u>
Total General City Support	<u>1,452,843</u>	<u>0</u>	<u>0</u>	<u>0</u>
<hr/>				
<u>Position Summary by Program</u>				
<u>149 Sheriff's Department Special Revenue Fund</u>				
Sheriff's Office	24.43	25.43	22.43	-3.00
Court Support Services	60.84	61.84	59.84	-2.00
Correctional Operations	352.60	354.60	358.60	4.00
Centralized Booking	37.00	37.00	37.00	0.00
D.A.R.E. - Sheriff	11.00	11.00	11.00	0.00
Sheriff's Workforce	12.00	10.00	11.00	1.00
Inmate Services	20.74	0.00	0.00	0.00
Inmate Services	0.00	23.57	23.57	0.00
Law Enforcement Training	1.00	1.00	1.00	0.00
Total	<u>519.61</u>	<u>524.44</u>	<u>524.44</u>	<u>0.00</u>
Total Position Summary	<u>519.61</u>	<u>524.44</u>	<u>524.44</u>	<u>0.00</u>

Resource Summary Notes

\$1,452,843 of FY 2011-12 General City Support shows a use of fund balance.

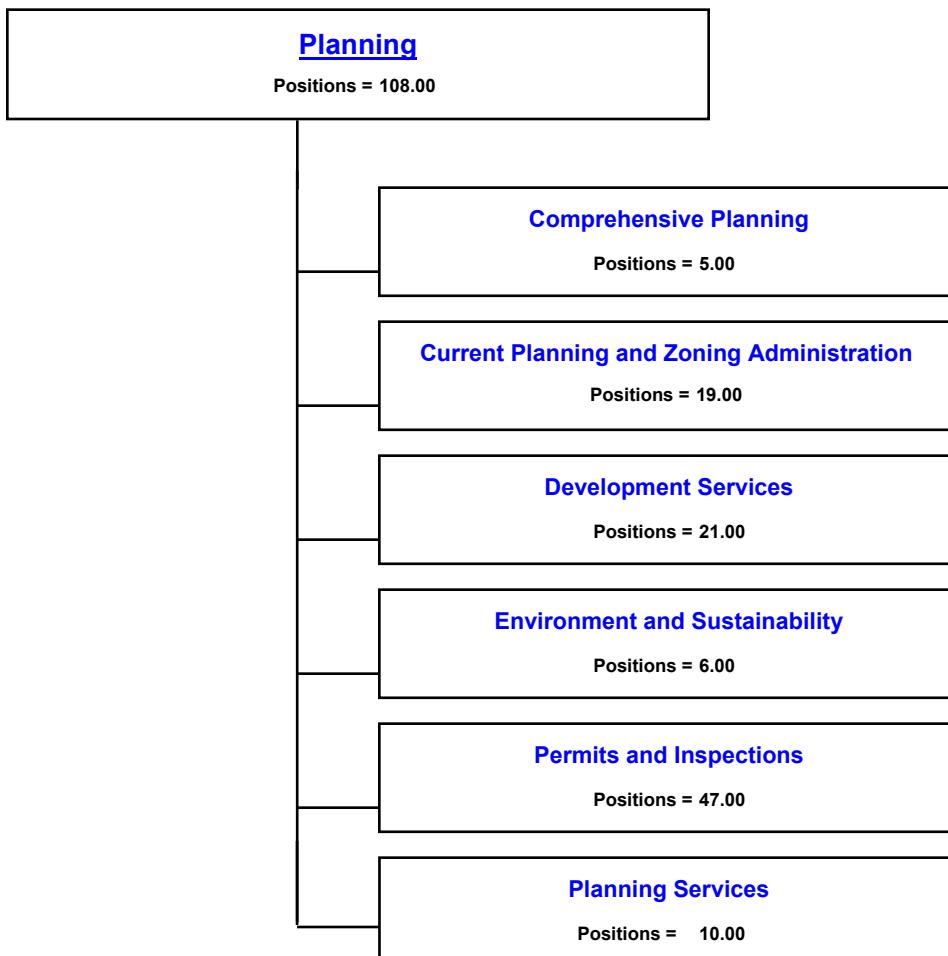
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SECTION FOUR

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City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Planning - Departmental Performance Report

Planning							
Objective/Performance Measure	Annual Unit	Actual 2011	Actual 2012	Actual 2013	Est. 2013	Proj. FY 2014	
Community							
Enforce and Administer City Building Code							
P & I Inspections	#	130,000.0	127,935.0	102,984.0	130,366.0	130,366.0	
P & I Permits Issued	#	26,500.0	28,680.0	26,410.0	26,584.0	26,584.0	
Enforce and Administer the Zoning Ordinance							
BZA Items Heard	#	200.0	155.0	172.0	163.0	213.0	
Zoning Inspections Issued	#	52,000.0	40,513.0	40,479.0	44,697.0	52,032.0	
Zoning Permits Issued	#	1,700.0	1,703.0	1,725.0	1,534.0	1,753.0	
Enforce Waterfront Plan Review Joint Permit Applications							
Joint Permit Applications	#	200.0	254.0	226.0	209.0	209.0	
Provide Support for Planning Commission/City Council Planning Items							
Planning Commission/City Council Applications Heard	#	235.0	189.0	182.0	238.0	238.0	
Review All Land Development in the City of Virginia Beach							
Plans Reviewed in DSC	#	2,200.0	1,874.0	2,144.0	2,294.0	2,294.0	
Review Requests for Wetlands Permits							
Wetlands Board Applications Heard	#	50.0	78.0	65.0	51.0	51.0	
Review Variance Requests to Chesapeake Bay Preservation Area Ordinance							
CBPA Items Heard	#	100.0	77.0	113.0	100.0	100.0	
Internal Process							
Prepare, Maintain, Coordinate, and Administer the Sustainability Plan							
Meetings Attended to Track Performance and Coordinate Activities	#	125.0	75.0	100.0	100.0	125.0	

Planning

Major Changes

In total, the Planning Department's budget of \$9,710,010 for FY 2013-14 is a reduction of \$38,987, or 0.4%, compared to the FY 2012-13 amended operating budget. Funding for Mass Transit operation and the Transportation Planning program (two positions) is not included in this comparison. In FY 2013-14 those expenses, historically budgeted within the Planning Department's operating budget, are moved to the Strategic Growth Area (SGA) Office. History was moved to facilitate comparisons.

Change	Impact
Additional funding for enhancements to the Accela System	<ul style="list-style-type: none">These enhancements will implement a management and tracking system for variances, plans, and applications; enable online payments; and enable electronic plan submittal and review.
New fees and fee increases	<ul style="list-style-type: none">New fees are implemented for residential plan review and fire plan review. Fee increases include use permits, rezoning requests, street closure requests, subdivision variances, nonconforming uses, and requests involving the Chesapeake Bay Preservation Board, the Wetlands Board, and the Board of Zoning Appeals. Ordinances to enact these fee changes are included in the ordinance section of this document.
Elimination of compensation for the Planning Commission, the Chesapeake Bay Preservation Board, the Wetlands Board, and the Board of Zoning Appeals	<ul style="list-style-type: none">City Council opted to not compensate the city's Investigation Review Panel; therefore, to be equitable, this budget has eliminated compensation for all city Boards and Commissions. For the last few years, the Wetlands Board has chosen to not accept compensation.

Departmental Overview

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

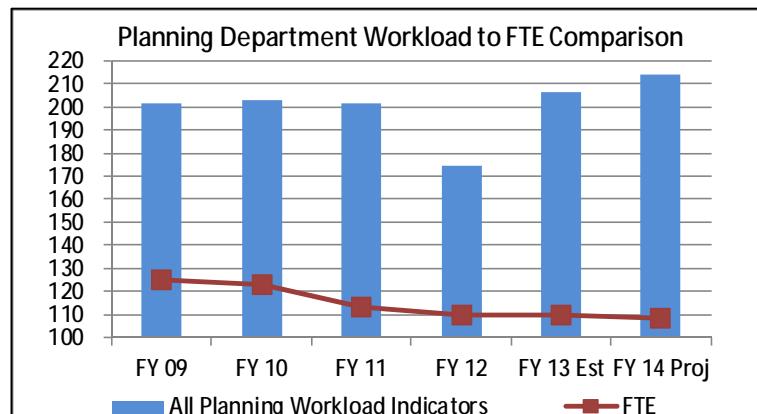
- Director's Office - Provides financial, technical and executive leadership of the Planning Department.
- Environment and Sustainability Office - Prepares and maintains the city's Environmental Sustainability Plan and advocates responsible stewardship of the city's natural resources. It provides staffing support for the Chesapeake Bay Preservation Area Board and the Wetlands Board. This office is responsible for the interpretation and enforcement of the Chesapeake Bay Preservation Area and Southern Watershed Management Ordinances. Waterfront construction and dredging permits and inspections in Virginia Beach are coordinated through this unit.
- Chesapeake Bay Preservation Area Board - Reviews applications requesting variance from the Chesapeake Bay Preservation Area Ordinance (CBPAO). The CBPAO was adopted to improve the water quality of the Chesapeake Bay watershed by protecting environmentally sensitive areas, such as buffers adjacent to the waterways, tidal shores, wetland and highly erodible soils. This unit provides legal notice requirements and related supplies.
- Wetlands Board - Reviews applications requesting permit for use alteration or development of wetlands, coastal primary sand dunes and beaches. Civil charge assessments and restoration orders for violations of regulations are reviewed by this board. This unit provides support cost related to the board.
- Comprehensive Planning - Prepares and maintains the City of Virginia Beach's Comprehensive Plan and related Strategic Growth Area Plans, and provides staffing support to the Historic Review Board. The Comprehensive Plan is City Council's statement regarding the future physical development of the city.
- Current Planning and Zoning Administration - Provides staffing support for the Planning Commission, the Board of Zoning Appeals and planning items that are brought to City Council. Current planning members work with applicants on each phase of the process that ensures land use compliance with ordinances and plans. The zoning staff is responsible for the interpretation and enforcement of the city's zoning ordinance.

- Planning Commission - Reviews applications for zoning district changes, conditional use permits and street closures; zoning ordinance amendments; land use plans and other related matters; and makes recommendations to City Council.
- Board of Zoning Appeals - Reviews, then approves or denies, applications requesting variances from the zoning ordinance and appeals of the decisions of the Zoning Administrator.
- Development Services - Coordinates the review and approval of subdivision plats and development plans to ensure engineering compliance with ordinances, standards, specifications and City Council requirements. Development projects can be either public or private and include plans for commercial sites, subdivision construction, land management for septic systems in poorly drained soils, and Chesapeake Bay Preservation Area single family sites. This unit administers development sureties and coordinates review and recordation of legal documents and agreements designed to ensure construction of requirements established during the plan review and approval process.
- Building Permits and Inspections - Administers the Uniform Statewide Building Code and associated laws and ordinances, and issues permits for and performs inspections of building construction, plumbing, electrical and mechanical systems installation and alteration.

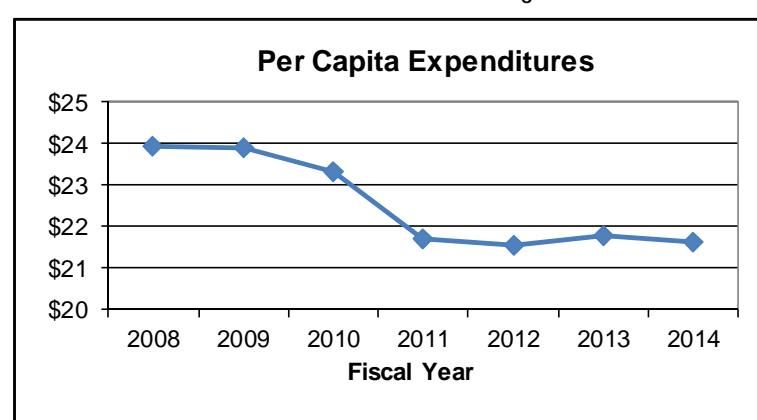
The Planning Department is integrally involved in helping the City to achieve the goals of the Envision Virginia Beach 2040 Plan and the Sustainability Plan. Within in the Envision 2040 Plan, for example, the Department addresses the goal of ensuring that the City is a well-planned community of exciting,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

Trends and Issues

- The businesses of the Planning Department are unique in that the Department's policies, procedures and productivity are directly tied to the economy. Although the most recent recession has hindered some development and construction, the overall workload of the Planning Department has remained relatively stable. Planning and development work in the strategic growth areas has generated several new rehabilitation projects. Moreover, renovation of existing residential and commercial structures requires similar plan reviews, permits and inspections as new construction.



- As mentioned previously, the Transportation Planning function and funding for Mass Transit are moved to the SGA Office in FY 2013-14. A discussion of Mass Transit is included in the SGA Office section of this budget document.
- The graph to the right shows that between FY 2007-08 and FY 2011-12 the Planning Department's per capita expenditures continued to decrease. The increase from FY 2011-12 to FY 2012-13 is primarily the result of additional funding in support of the Department's Accela Automation System and the Environment and Sustainability Office, as well as higher benefit costs.



- In FY 2011-12 the Planning Department went live with the Accela Automation System. Upgrades through FY 2013-14 include the following features:
 - Enabling customers to obtain most trade permits, schedule inspections, view inspection results and authorize a credit card payment – all online.
 - Providing 24/7 customer service.
 - Integrating and automating business activities associated with BZA, CBPA, and Wetlands Board applications, zoning complaints, citizen inquiries, Street Addressing, Waterfront Operations and Comprehensive Planning.
 - Automating the Development Services Center, Planning Commission and Planning Department items that go to City Council.
 - Issuing simple building permits and improving the other services already offered.

Ultimately, full deployment of Accela Automation will provide the capability for customers to electronically submit applications, plans and drawings, and customers will have greater access to information about all Planning activities.

Planning - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	999,847	1,122,826	1,294,047	171,221
Environment and Sustainability	294,193	326,203	306,369	(19,834)
Chesapeake Bay Program	212,343	206,108	213,072	6,964
Wetlands Program	147,304	153,906	129,014	(24,892)
Comprehensive Planning	461,157	474,748	497,611	22,863
Current Planning	445,757	499,106	501,215	2,109
Zoning Administration	1,105,074	1,137,660	1,132,990	(4,670)
Development Services Center	1,608,752	1,702,853	1,687,226	(15,627)
PU / Development Services	270,613	283,837	294,112	10,275
Building Permits and Inspections	3,481,540	3,756,864	3,601,043	(155,821)
Chesapeake Bay Preservation Board	14,673	13,315	9,756	(3,559)
Wetlands Board	2,598	10,733	3,721	(7,012)
Planning Commission	36,439	39,410	23,687	(15,723)
Board of Zoning Appeals	16,329	21,428	16,147	(5,281)
Total Expenditures	<u>9,096,619</u>	<u>9,748,997</u>	<u>9,710,010</u>	<u>(38,987)</u>
<u>Revenues</u>				
Fees	3,476,102	3,982,812	4,054,668	71,856
Transfers	357,143	368,436	393,371	24,935
Total Revenues	<u>3,833,245</u>	<u>4,351,248</u>	<u>4,448,039</u>	<u>96,791</u>
General City Support	<u>5,263,374</u>	<u>5,397,749</u>	<u>5,261,971</u>	<u>(135,778)</u>
165 Lynnhaven Mall Tax Increment Financing Fund				
<u>Expenditures</u>				
Lynnhaven TIF - Mass Transit Operations	250,000	0	0	0
Total Expenditures	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Local Taxes	250,432	0	0	0
Total Revenues	<u>250,432</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>(432)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	9,346,619	9,748,997	9,710,010	(38,987)
Total Department Revenue	4,083,677	4,351,248	4,448,039	96,791
Total General City Support	<u>5,262,942</u>	<u>5,397,749</u>	<u>5,261,971</u>	<u>(135,778)</u>

Position Summary by Program

002 General Fund	10.00	10.00	10.00	0.00
Director's Office	10.00	10.00	10.00	0.00
Environment and Sustainability	2.00	2.00	2.00	0.00
Chesapeake Bay Program	2.00	2.00	2.00	0.00
Wetlands Program	2.00	2.00	2.00	0.00
Comprehensive Planning	5.00	5.00	5.00	0.00
Current Planning	5.50	5.00	5.00	0.00
Zoning Administration	13.50	14.00	14.00	0.00
Development Services Center	18.00	18.00	18.00	0.00
PU / Development Services	3.00	3.00	3.00	0.00
Building Permits and Inspections	47.00	47.00	47.00	0.00

Planning - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
Total	108.00	108.00	108.00	0.00
Total Position Summary	<u>108.00</u>	<u>108.00</u>	<u>108.00</u>	<u>0.00</u>

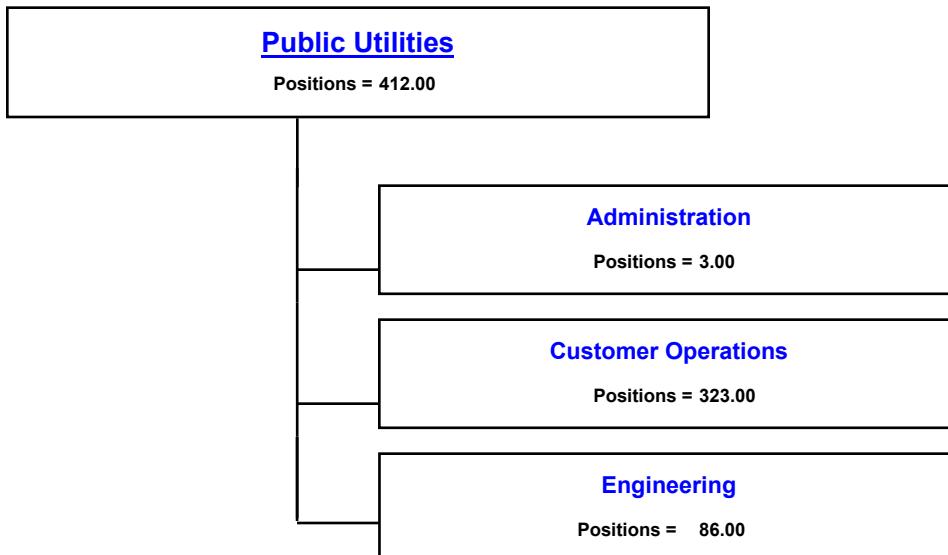
Resource Summary Notes

The increase in the Director's Office is the result of additional funding for the department's Accela system.

The reduction in funding for Building Permits and Inspections primarily reflects the deferring of certain expenses to FY 2014-15.

The Mass Transit and Transportation Planning functions are budgeted in the Planning Department through FY 2012-13; however, to allow for better comparative data, those functions are not shown in the FY 2011-12 Actual and FY 2012-13 Adjusted numbers for the Planning Department, but are included in the budget for the Strategic Growth Area.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Public Utilities - Departmental Performance Report

Public Utilities							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Community							
Locate and Mark Water and Sewer Lines							
Miss Utility Locating Requests Received	#	70,000.0	59,467.0	61,105.0	60,000.0	61,000.0	
Maintain Fire Hydrants							
Defect Notices per 1,000 Hydrants	#	8.0	12.0	13.5	13.0	13.0	
Fire Hydrants Serviced	#	1,600.0	1,237.0	1,729.0	1,650.0	1,650.0	
Provide Safe Drinking Water							
Active Water Connections	#	132,610.0	131,897.0	132,010.0	132,310.0	132,610.0	
Annual Water Quality Samples Tested	#	2,550.0	2,541.0	2,533.0	2,550.0	2,560.0	
Customer							
Respond to Water and Sanitary Sewer Line Defects							
Number of Sewer Stoppages	#	4,000.0	3,948.0	3,346.0	4,200.0	3,100.0	
Sanitary Sewer Laterals Replaced	#	350.0	483.0	512.0	450.0	420.0	
Sanitary Sewer Main CCTV'd (feet)	#	185,000.0	284,770.0	201,506.0	242,400.0	242,400.0	
Sanitary Sewer Main Cleaned (feet - in millions)	#	1.0	0.8	0.9	0.9	0.9	
Water Main Breaks per 1,000 miles	#	150.0	149.0	115.0	120.0	120.0	
Sanitary Sewer Overflow Reduction							
FOG Program Inspections	#	2,400.0	2,134.0	1,299.0	1,250.0	2,400.0	
Sanitary Sewer Overflow's per 100 miles of piping	#	2.5	0.8	1.7	2.1	2.1	
Financial							
Accurate Water Meter Reading							
Number of Misreads	#	600.0	576.0	696.0	620.0	620.0	
Water Meters Read	#	790,000.0	752,906.0	778,235.0	775,000.0	775,000.0	
Aged Meter Replacement Program							
Water Meters Replaced	#	9,500.0	7,107.0	6,648.0	8,843.0	9,846.0	
Bad Debt Percentage of Billed Revenues							
Bad Debt Percentage of Billed Revenues	%	0.5	0.4	0.5	0.5	0.5	
Safe Pump Station Operations							
Cost per Sewer Pump Station	\$	16,870	15,171	16,547	17,405	17,329	
Cost per Water Pump Station	\$	295,963	293,804	306,163	303,184	303,776	
Sewer Pump Stations Maintained Each Year	#	410.0	406.0	406.0	410.0	410.0	
Sewer Pump Stations Maintained per Electrical Crew	#	82.0	101.5	81.0	81.0	81.0	
Water Pump Stations Maintained Each Year	#	9.0	9.0	9.0	9.0	9.0	
Water Pump Stations per Electrical Crew	#	4.5	4.5	4.5	4.5	4.5	

Major Changes

In total, the Department of Public Utilities' budget of \$117,715,055 for FY 2013-14 is an increase of \$2,668,159, or 2.3%, over the FY 2012-13 amended operating budget. The department's budget includes the third year of a four-year annual increase in sanitary sewer fees to address a federal consent order. In addition, the department is receiving approximately \$1.0 million in revenue as a subsidy from the federal government to reduce the interest cost paid by the Water and Sewer Fund on taxable Build America Bonds (BABS). Debt Service has increased by \$2.3 million because of the need for additional revenue bonds in the department's FY 2013-14 Capital Improvement Program to address the federal sanitary sewer consent order.

Change	Impact
Addition of Code Inspector I	<ul style="list-style-type: none"> This is a new position for the Fats, Oils and Grease (FOG) Program and is responsible for conducting daily inspections to ensure compliance with the Program, which is a component of the federal Sanitary Sewer Consent Order. The inspections have previously been performed by contract, but efficiency will be gained by performing the inspections in-house. This Program was reviewed by the City's Process Improvement Steering Committee, and bringing the inspections in-house increases Program efficiency desired by the Committee.

Departmental Overview

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

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

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

- Engineering and Capital Construction - Includes review, development and implementation (project management and construction inspection) of the Capital Improvement Program (CIP) for the water and sanitary sewer systems; coordination of department efforts to reduce/eliminate sanitary sewer overflows to comply with the Clean Water Act and other requirements of the U.S. Environmental Protection Agency (EPA) and Virginia Department of Environmental Quality (DEQ) 2007 Hampton Roads consent order; assessment of the city's water supply needs; operation and maintenance of the Lake Gaston and Stumpy Lake Water Supply Projects; and provision of engineering technical support in other areas such as water quality, groundwater monitoring, map maintenance, record keeping, and regional water and sanitary sewer issues.
- Operations and Maintenance - Includes provision of continuous, 24 hour per day water supply services and sanitary sewer collection system to meet customer demands; monitoring, maintenance and repair of the city's water and sanitary sewer systems, including 9 water pump stations, 11 storage facilities, 405 sanitary sewer pump stations, 8,158 fire hydrants, and other components of the utility systems; protection of the utility systems by locating facilities in accordance with the Underground Utility Damage Prevention Act; compliance with Safe Drinking Water Act by collecting and analyzing monthly, quarterly, semi-annual and annual water samples; and flushing water distribution lines to maintain water quality.
- Business Operations - Includes management of the department's water and sanitary sewer customer call center that

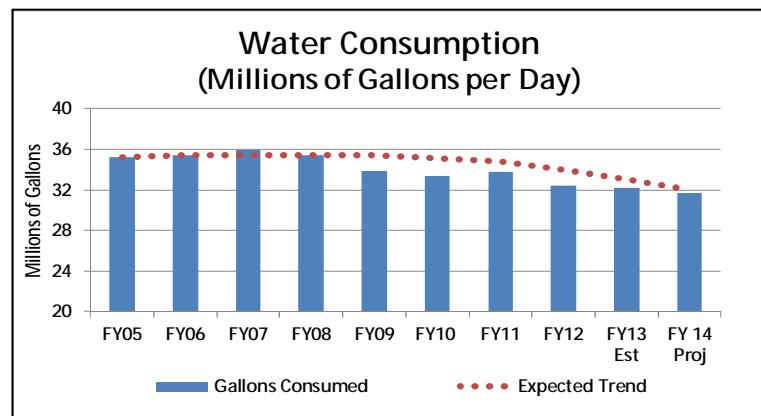
receives 135,000 calls annually, customer accounting of 132,010 water accounts (e.g., account initiation, billings, payment arrangements, revenue collection), field service orders, and service discontinuance; ensures the fiscal integrity and budgetary self-sufficiency of the water and sewer utility enterprise fund including compliance with the requirements of the Master Bond Resolution; bills for storm water and waste collection, in addition to water and sewer; administration of the Norfolk Water Services Contract; and administration of various public education and awareness programs including water conservation, the Fats, Oils and Grease (FOG) Program, and backflow prevention.

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

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

Trends and Issues

- As an enterprise operation, the Water and Sewer Fund must adjust operating expenses to meet anticipated revenues. The department's estimated revenues from current water and sewer rates would be expected to decline for several reasons, including (a) consumers are using less water due to higher efficiency appliances and smaller households, (b) a national trend to reduce individual consumption and increased focus on conservation, (c) the economy has slowed new home construction, so the growth in new accounts is minimal, and (d) lower interest rates resulting in depressed interest earnings on deposits. Rate increases are necessary to maintain current levels of service in addition to meeting new requirements imposed by the state and federal governments for infrastructure upgrades and replacement.
- In addition to economic trends affecting revenues, the department experienced expenditure increases that had some significant impacts. The increase reflected in the department's FY 2013-14 budget includes a portion of the additional \$5.4M in funding from the scheduled increase in the sanitary sewer fee to address the federal consent order regarding sanitary sewer overflows and the corresponding increase in debt service to help fund the Capital Improvement Program to accomplish the necessary infrastructure improvements.
- A key service and cost driver is the increased volume and cost for maintenance, repair and replacement of aging water and sanitary sewer infrastructure funded over a 15 to 20 year cycle in the Capital Improvement Program. The federal Environmental Protection Agency and the state's Department of Environmental Quality issued a consent order for Hampton Roads in September 2007. The intent of the consent order is to reduce and control sanitary sewer overflows in the region. This consent order mandates significant increases, primarily in capital expenditures to overhaul the sewer system, but also includes both operational and maintenance impacts. In total, the anticipated capital expenditures needed to comply with this mandate is over \$350 million. In FY 2013-14 the department is in the third year of a four-year stepped rate increase approved by City Council with the FY 2010-11 Capital Improvement Program to address consent order compliance.



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

will require major expenditures, including:

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

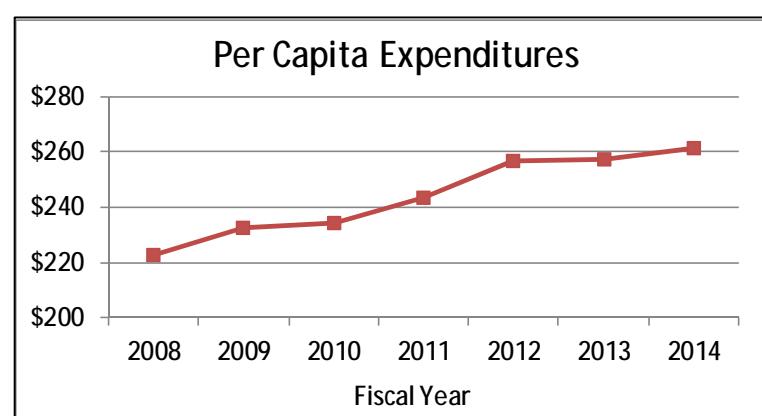
To date, the department has completed 90% of the Phase I analysis. The remaining portion will be completed in the Capital Improvement Program over the next twelve to eighteen months.

- The cost of maintaining and upgrading the city's water and sewer system, and especially the financial effects of complying with the mandate, can be understood when considering the size, age and condition of the city's water and sewer system. The water and sanitary sewer system is extensive and has an estimated replacement of nearly \$5 billion. The average lifespan of water and sewer lines are 100 years and 40 years respectively, replacement and rehabilitation schedules repairs fix the worst defects first to minimize breaks and other failures. Currently, the city is on a replacement schedule that invests less than 1% of the system value per year. To achieve the optimal replacement/rehab schedule, it would require an annual investment of \$97 million, or an additional \$57 million investment annually beyond the program that increased in FY 2011-12 to \$40 million. Even at this level of capital funding, it would only equate to 2% of the current system value.
- The following table illustrates the financial impact of water and sewer rate increases on a typical single family residence using 5,000 gallons of water per month and a 5/8" meter for water and sewer.

DEPARTMENT OF PUBLIC UTILITIES ADOPTED WATER AND SANITARY SEWER RATE INCREASES FY 2011 THROUGH FY 2015					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Monthly Water Supply Charge (Single Family Residence, 5,000 gallons)	\$26.46	\$26.46	\$26.46	\$26.46	\$26.46
Monthly Sanitary Sewer Charge (Single Family Residence, 5/8" Meter)	19.54	22.12	24.86	27.76	30.81
Total Water and Sanitary Sewer	<u>\$46.00</u>	<u>\$48.58</u>	<u>\$51.32</u>	<u>\$54.22</u>	<u>\$57.27</u>
Monthly Increase to Residential Bill (\$) (Single Family Residence, 5,000 gallons, 5/8" Meter)		\$2.58	\$2.74	\$2.90	\$3.05

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

- Per capita expenditures are increasing only about 1.7% in FY 2013-14, which maintains staffing and services and funds some additional expenses beyond those in the current year.



Public Utilities - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
241 Water and Sewer Fund				
<u>Expenditures</u>				
Director's Office	390,619	417,993	437,137	19,144
Engineering	7,283,558	8,222,044	8,925,332	703,288
Lake Gaston Facilities	2,034,372	3,161,265	3,255,701	94,436
Water Services Contract	25,519,014	27,741,296	27,038,000	(703,296)
Operations Administration	3,343,981	3,647,893	3,872,968	225,075
Water Distribution	3,826,512	3,956,226	4,197,853	241,627
Water Pump Stations	2,501,594	2,728,657	2,747,200	18,543
Meter Operations	3,430,475	3,966,729	3,841,689	(125,040)
Sewer Collection	6,274,798	7,056,297	7,069,749	13,452
Sewer Pump Stations	6,545,015	7,136,219	7,122,361	(13,858)
Business Division	6,458,556	7,640,182	7,589,996	(50,186)
Debt Service	7,873,801	20,050,544	22,527,690	2,477,146
Reserve for Contingencies	0	1,072,393	1,112,052	39,659
Transfer to Other Funds	22,515,559	18,249,158	17,977,327	(271,831)
Total Expenditures	<u>97,997,854</u>	<u>115,046,896</u>	<u>117,715,055</u>	<u>2,668,159</u>
<u>Revenues</u>				
Fees	110,523,133	112,282,188	116,018,882	3,736,694
Federal	1,017,733	1,017,733	1,017,733	0
Transfers	639,494	658,679	678,440	19,761
Fund Balance	0	1,088,296	0	(1,088,296)
Total Revenues	<u>112,180,360</u>	<u>115,046,896</u>	<u>117,715,055</u>	<u>2,668,159</u>
General City Support	<u>(14,182,506)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	<u>97,997,854</u>	<u>115,046,896</u>	<u>117,715,055</u>	<u>2,668,159</u>
Total Department Revenue	<u>112,180,360</u>	<u>115,046,896</u>	<u>117,715,055</u>	<u>2,668,159</u>
Total General City Support	<u>(14,182,506)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<hr/>				
<u>Position Summary by Program</u>				
241 Water and Sewer Fund				
Director's Office	3.00	3.00	3.00	0.00
Engineering	84.00	84.00	86.00	2.00
Operations Administration	21.00	22.00	21.00	-1.00
Water Distribution	41.00	41.00	41.00	0.00
Water Pump Stations	25.00	25.00	25.00	0.00
Meter Operations	45.00	43.00	43.00	0.00
Sewer Collection	64.00	64.00	64.00	0.00
Sewer Pump Stations	61.00	61.00	61.00	0.00
Business Division	68.00	68.00	68.00	0.00
Total	<u>412.00</u>	<u>411.00</u>	<u>412.00</u>	<u>1.00</u>
Total Position Summary	<u>412.00</u>	<u>411.00</u>	<u>412.00</u>	<u>1.00</u>

Resource Summary Notes

The increase in Engineering expenses primarily reflects higher health insurance costs, an additional inspector position for the Fats, Oil and Grease Program, transferring the Wet Well Cleaning contract from the CIP to the Operating Budget, and replacement of motor vehicles and computers equipment.

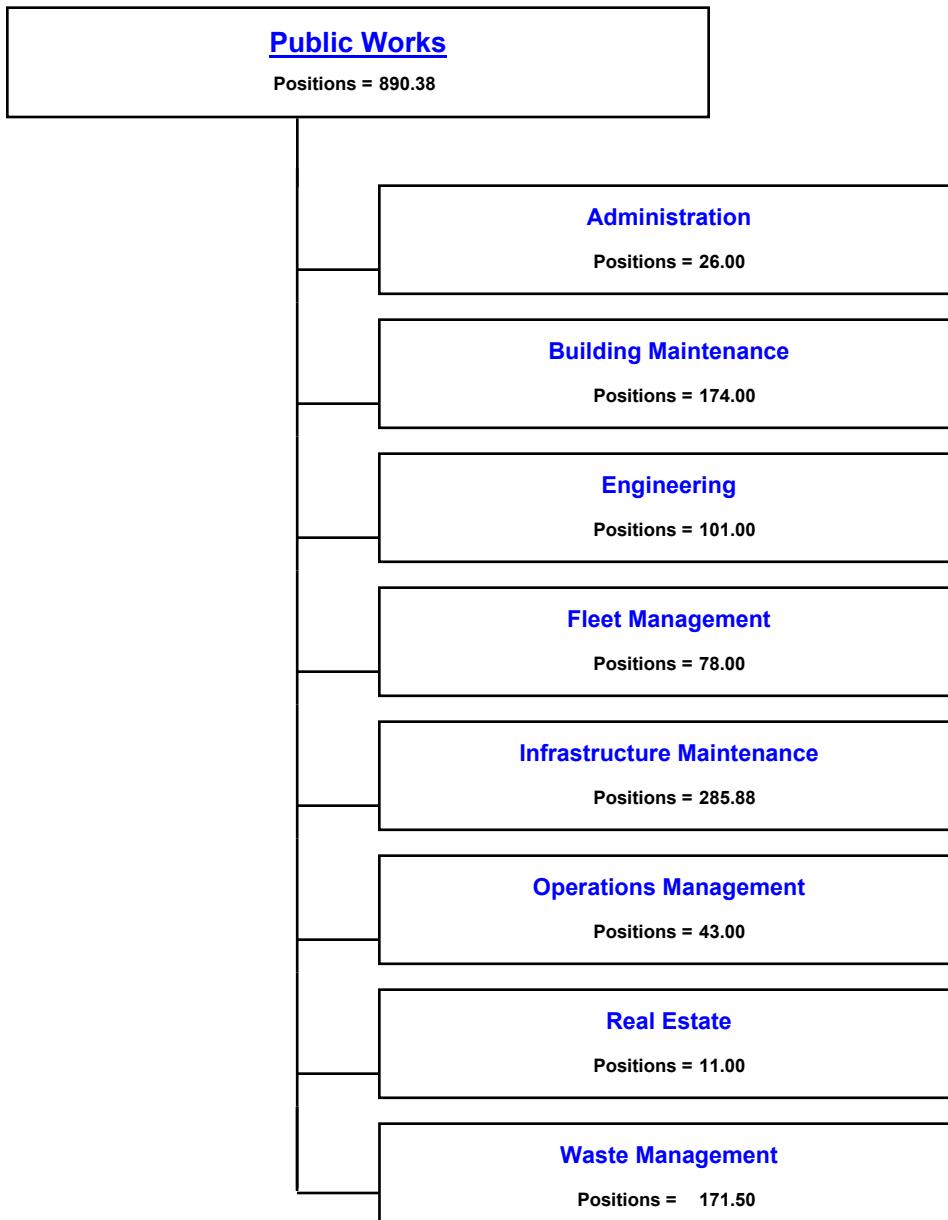
The Water Services Contract reduction is the result of a lower contract with the City of Norfolk.

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

Higher revenue from Fees reflects an increase in the sanitary sewer rate, the third year of a four-year approved schedule of increases.

In FY 2011-12 revenue exceeded expenses by \$14,189,789 and was retained in the Water and Sewer Fund.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Public Works - Departmental Performance Report

Public Works							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Enhance Storm Water Quality							
Completed Storm Water Maintenance Work Orders	#	6,000.0	5,071.0	6,000.0	6,000.0	6,000.0	
Operate City Landfill II							
Inspections of Landfills by Regulating Agencies	#	8.0	8.0	8.0	8.0	8.0	
Inspections of Landfills with Satisfactory Rating	%	10,000.0	100.0	100.0	100.0	100.0	
Provide Custodial Services							
Custodial Contract Service Cost Per Square Foot	#	3.4	3.4	3.4	3.4	3.9	
Custodial In-House Service Cost Per Square Foot	#	1.7	1.6	1.7	1.7	1.7	
Total Square Footage of Buildings Maintained (in millions)	#	3.3	3.2	3.3	3.3	3.3	
Provide Facility Maintenance Services							
Average Cost Per Completed Facility Maintenance Work Order	\$	175	157	157	157	204	
Provide Fleet Management							
Average Days to Complete an Automotive Services Work Order	#	7.0	7.6	6.9	7.6	7.3	
Provide Roadway Maintenance							
Lane Miles of Street Reconstruction	#	8.0	8.7	8.0	8.0	6.0	
Roadway Resurfacing Cycle (in years)	#	15.0	18.0	24.0	28.0	22.0	
Provide Waste Collection Service							
Tons of Regular Waste Collected (in thousands)	#	135.0	145.1	145.0	155.0	135.0	
Tons of Yard Debris Collected (in thousands)	#	41.0	44.0	41.0	36.2	41.0	
Waste Collection Complaints Per 10,000 Customers	#	100.0	411.0	400.0	400.0	400.0	
Waste Collections made to Residential Customers (in millions)	#	6.5	6.5	6.5	6.5	6.5	
Recycle Materials							
Tons of Recycled Materials	#	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	

Public Works

City Council Amendment

On May 14, 2013, City Council voted to increase the monthly Waste Management Fee to \$21.36, beyond the \$13 included in the proposed budget. This rate is sufficient to cover the full cost of Waste Management operations and eliminated the need for General Fund support in the Special Revenue Fund. The fund compensates the General Fund for the costs associated with vehicle replacements and overhead which are within the General Fund cost structure. The City Council approved a two-cent reduction in the real estate tax (from 95¢ to 93¢) to partially offset the impact to citizens.

Major Changes

In total, the FY 2013-14 proposed budget for the department of Public Works totals \$164,998,302 in all funds, including Internal Service Funds. Departmental expenditures increased about \$3.6 million over the FY 2012-13 amended budget, with no net increase in the number of positions. Nearly eighty-six percent of the department's expenditures are covered through state revenue, and fees and charges. Revenue increases can be seen in the City Garage and Fuels internal service funds based on increased usage; the Storm Water Utility Fund related to a previously-approved 5-cent increase in the Equivalent Residential Unit (ERU); and additional revenue from the state to support roadway maintenance based on current VDOT formulas, which results in an increase of \$1.6 million over the FY 2012-13 revenue estimate. The Waste Management Special Revenue Fund shows a \$3 increase in the monthly Waste Management Fee.

Change	Impact
Streamlining Operations in the Waste Management Special Revenue Fund	<ul style="list-style-type: none">The \$3 monthly fee increase furthers the transition of this operation to an Enterprise Fund, reducing the reliance on General Fund support for that operation by forty percent.Four positions are eliminated, with an additional four positions planned for elimination in FY 2014-15, based on adjustments to the waste collection routes to optimize efficiencies.Historically, the City of Virginia Beach has paid the full tipping fee to SPSA, and SPSA has reimbursed the city for the difference between the current rate and the city's contract amount of \$65 per ton. Reductions to this revenue and expenditure are noted based on disposal of less refuse tonnage. This saved the City over \$1 million in FY 2013-14.
Addressing Storm Water Utility Capital Investment	<ul style="list-style-type: none">The Storm Water Utility Enterprise Fund implements a 5¢ increase per ERU - the third year of approved rate increases. This additional funding is supporting increases in capital infrastructure investment and maintenance backlogs through additional pay-as-you-go funding and revenue bonds related to significant flood control initiatives. In the first three years of the capital program, funding is being set aside to enhance the cash position of the fund and to plan for future debt service payments.
Transition to the Most Efficient Operation for the Fleet Management Parts Function	<ul style="list-style-type: none">City staff worked on a Request for Proposal to solicit bids from private contractors for the provision of the parts operation to determine if cost savings and service enhancements could be achieved. The City received one bid, which did not demonstrate savings; therefore, this service remained a City-staffed operation. However, a transition plan was developed to convert the existing seven full-time and one contractual position to four full-time and four contractual positions through attrition. One full time Storekeeper II position was eliminated and converted to contracted manpower, a savings of \$16,352.
Engineering positions to support Strategic Growth Area and Parks and Recreation initiatives	<ul style="list-style-type: none">With eight engineers managing over 70 projects, many of which are large-scale and complex, the Transportation Division does not have sufficient manpower to continue to provide engineering services to other activities without affecting scheduling and progress of road projects. Three additional Engineer II/III positions are included to serve as project managers for infrastructure projects related to the growing SGA program and Parks and Recreation projects.

Transportation Modeling Program	<ul style="list-style-type: none"> Transportation Modeling is necessary to provide a safe and efficient transportation system. This program adds one Engineer III position to the Traffic Engineering Division to lead the City's efforts related to transportation modeling. This position will serve as the project manager for a joint venture between Old Dominion University Center for Innovative Transportation Solutions and the City. The intent of this partnership is to improve the City's transportation network utilizing transportation modeling and transportation simulation methodology, which can quickly and efficiently evaluate alternatives to help develop the most efficient and innovative transportation system. By partnering with ODU, the City can leverage technology and research, along with funding and potential grants, to develop a state-of-the-art transportation system.
Neighborhood Dredging Engineer	<ul style="list-style-type: none"> The growing interest by neighborhoods in developing dredging area special services districts and conducting the related channel dredging is beginning to impact the workloads of the Water Resource Division. One additional Engineer II/III is recommended to address these additional requirements beginning January 2014.

Departmental Overview

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

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

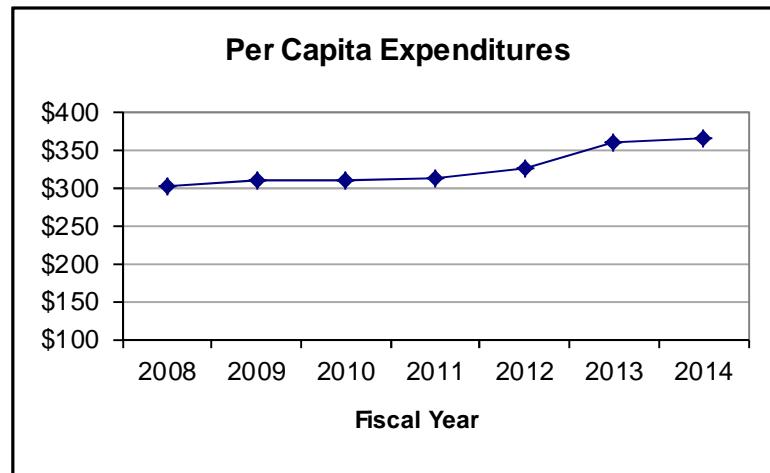
- Infrastructure Maintenance, Repairs and Asset Management - This is the primary interface of the Public Works department with the citizens and city employees to receive, record, investigate, and resolve reports of deficiencies that require maintenance, repair, and restoration. Assets managed include all the city owned administrative, recreational, industrial and public safety facilities; all roadways, bridges, curbs, gutters, sidewalks, storm water pipe, swales, and the roadside and off-road ditch network; storm water BMP inspections; public beaches; navigational maintenance dredging of Rudee Inlet, various rivers and bays, and navigational buoys and markers; traffic management operations, traffic signs, signalized intersections and markings; and mosquito/vector population assessment, control and reporting. The department maintains an infrastructure inventory and utilizes asset management methods to determine appropriate maintenance cycles; provides engineering design solutions in support of maintenance; and administers architectural and engineering and service/minor construction contracts.
- Capital Construction and Replacement - This includes system planning, design, acquisition of property, project management, construction and inspection of all new and replacement roadways, storm water, coastal, and building infrastructure, as well as parks and recreation capital projects and other large capital projects. This effort includes development of project scopes, coordination with numerous city, state and federal agencies, coordination with citizens, effective right-of-way and site acquisition, development of designs that are functional, low maintenance, yet aesthetically pleasing, and ensuring quality control during the construction phase.
- Waste Management - This includes long range planning, providing citywide residential automated, manual and special solid waste collections, providing containers for residents to dispose of large quantities of yard debris, centralizing the city's recycling effort, operating a city landfill, and serving as a conduit between the city and the Southeastern Public Service Authority, which is the agency responsible for the regional waste disposal program.
- Automotive Services - This provides both routine and preventive maintenance and full life cycle services to the city's rolling stock inventory of about 3,600 major pieces of equipment including automobiles, construction vehicles and

equipment, fire and rescue apparatus, helicopters, boat motors and generators. Fleet replacement recommendations are provided through a customer team. Fuel services and a motor pool are also provided to all city agencies.

Trends and Issues

- In FY 2013-14, department expenditures increase 2.3% from the FY 2012-13 amended budget. This can be attributed to additional Road Maintenance funding from VDOT, as well as increases in the Storm Water Utility Fee, and Internal Service Fund Charges.

- The Department of Public Works, as a member of the Quality Physical Environment business area, provides many services that help meet specific City Council vision areas. Through the Capital Improvement Program, the necessary transportation, storm water, facility and coastal infrastructure has been put in place and is being maintained and improved. The Roadways and Storm Water capital programs particularly focus on enhancing capacity to meet the needs of residential and commercial units. These are essential to help create a vibrant Town Center and support the city's Envision Virginia Beach 2040 Plan and Sustainability Plan. This same infrastructure provided at the Oceanfront and Convention Center helps to support existing and new development that go towards creating a first class resort. This is also supported by initiatives such as the Pacific Avenue Improvements, numerous intersection enhancements, the Eastern Shore Drive Drainage and the North and South Lake Holly Drainage infrastructure projects. In addition, the investment in the Coastal initiatives, including the Eastern and Western Branches of the Lynnhaven, will enhance recreational opportunities for citizens.



- This budget includes an increase in the Storm Water Equivalent Residential Unit (ERU) fee. The approved three-year phased increases, 7.5 cents in FY 2011-12, 5 cents in FY 2012-13, and 5 cents in FY 2013-14, provide funding to begin to address the significant backlogs in the areas of flood control, water quality, and operations and maintenance. The additional ERU revenue also enables more progress in the Storm Water Capital Projects Program. This six-year program shows a substantial increase in flood control projects, including Phase I and Phase II of the Eastern Shore Drive Drainage project, which is estimated to cost \$80 million when all phases are complete. While these investments are costly, they are critical to provide relief from significant flooding in one of the most impacted areas of the City.

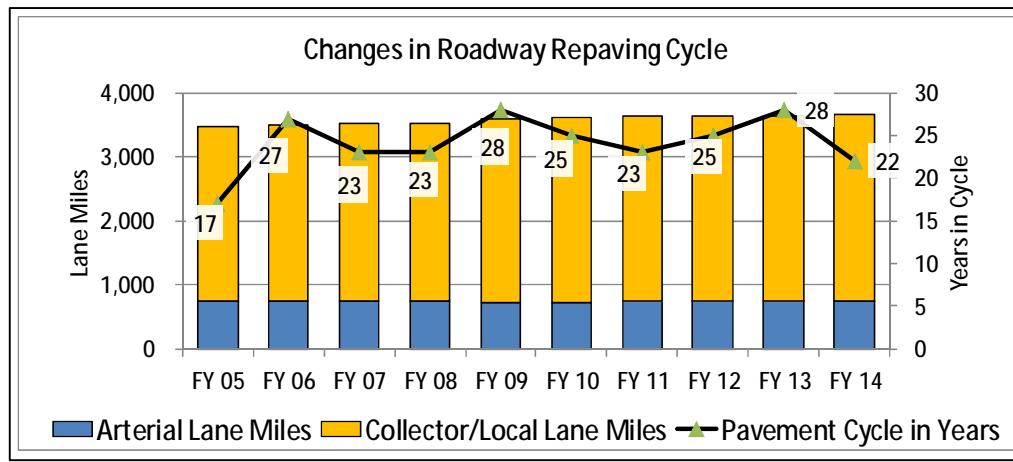
- Traffic Engineering retimed five corridors this past year:

- Holiday timing plans for Town Center, Laskin Road-Hilltop, and Lynnhaven Mall
- Town Center - delay was reduced 3.8%, in addition to the 11.6% reduction obtained in July 2009
- Laskin Road - delay was reduced 3.8%, in addition to the 16.1% reduction obtained in November 2009
- Lynnhaven Mall area - delay was reduced 3.8%, in addition to the 8.9% reduction obtained in October 2009
- Princess Anne Road(north) – delay was reduced 4.3%
- London Bridge Road/I-264 ramps – delay was reduced 6.9%

- Various factors continue to compound the maintenance needs and costs for roadways, including aging infrastructure, increasing demand, and the variation in the cost of petroleum-based products. Fifteen-years marks the accepted industry standard for the average repaving cycle to maintain the level of service and avoid costly deterioration and reconstruction. Over 80% of the city's roadway surfaces are over 15 years old, and that percentage has been increasing at a rate of about 2% each year since FY 1997-98. At the same time, traffic volume demands placed on the roadways have increased 13% to 15% since FY 1997-98. Concurrently, the costs related to roadway maintenance have increased at a rate much faster than inflation with the increased costs of petroleum products. In FY 2010-11, an increase in paving funding allowed Public Works to reduce the paving cycle down slightly; however, due to recent increases in the cost of petroleum products and installation of wider shoulders for bike routes, such as Shore Drive, the current cycle time has increased to 28 years, with only a modest improvement if pricing remains stable in the upcoming year. Public

Works will continue to maximize the work accomplished with available funding and evaluate cost effective maintenance alternatives.

- The City continues to have increased interest in developing dredging special service districts. The City will dredge channels to accommodate a neighborhood navigation system and will include a city-funded spur channel leading from the primary waterway. The SSD rates will be evaluated every four years to ensure all neighborhood channel costs are paid by the end of the sixteen-year program. The third neighborhood dredging SSD is included in the proposed Resource Management Plan for the Shadowlawn Area. A public hearing was held on March 12, 2013 regarding the new district. The table below shows the neighborhoods participating to date.



Neighborhood/Area	Approved by City Council	Effective Date	Current SSD Real Estate Tax Rate	CIP Project #
Old Donation Creek	September 13, 2011	October 1, 2011	18.4¢	8-500
Bayville Creek	March 27, 2012	July 1, 2012	36.3¢	8-501
Shadowlawn	March 12, 2013	July 1, 2013	15.9¢	8-502

Public Works - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	596,080	291,595	298,078	6,483
Business Center	6,689,382	7,167,156	7,212,609	45,453
Contracts	478,477	510,156	501,050	(9,106)
Facilities Management	447,227	592,365	556,556	(35,809)
Real Estate	891,746	907,433	934,969	27,536
Engineering Program Management	740,185	771,463	788,644	17,181
Surveys	1,079,366	1,149,056	1,141,124	(7,932)
Engineering Technical Support	453,074	414,375	427,307	12,932
Traffic Engineering	1,156,934	1,202,131	1,365,064	162,933
Transportation Program and Project Management	1,170,750	1,194,828	1,538,326	343,498
Engineering and Construction Management Services	1,049,221	1,121,908	1,111,671	(10,237)
Coastal Program and Project Management	253,646	354,536	394,723	40,187
Facilities Design and Construction	685,315	720,965	746,743	25,778
Street Light Installations	73,693	510,000	510,000	0
Operations Management Support	918,222	1,059,712	1,068,868	9,156
Planning, Estimating, and Scheduling	352,455	438,250	0	(438,250)
Technical Services and Asset Management	832,617	1,055,130	1,055,213	83
Infrastructure Maintenance Contracts	614,760	650,188	685,778	35,590
Technical Services	8,280	0	0	0
Infrastructure Maintenance Support	850,515	885,412	998,495	113,083
Street Maintenance	15,747,128	14,493,405	14,744,064	250,659
Dredge Maintenance	1,650,160	1,653,572	1,657,802	4,230
Mosquito Control	1,237,618	1,541,048	1,434,995	(106,053)
Traffic Management Operations	4,393,878	4,538,489	4,602,900	64,411
Beach Operations	1,287,797	1,317,179	1,306,356	(10,823)
Bridge Maintenance	342,140	391,696	395,843	4,147
PW - Capital Maintenance	0	0	221,691	221,691
Building Maintenance Management and Support	8,995,504	7,663,339	7,831,103	167,764
Electrical	1,903,901	1,727,188	1,724,923	(2,265)
Heat and Air Conditioning	1,998,701	1,887,386	1,926,156	38,770
General Maintenance	3,488,022	3,144,963	3,179,790	34,827
Custodial	3,679,382	3,735,010	3,691,408	(43,602)
Resort Building Maintenance	417,373	585,451	585,451	0
Total Expenditures	64,483,549	63,675,385	64,637,700	962,315
<u>Revenues</u>				
Fees	191,954	513,000	588,000	75,000
State	37,816,627	36,555,534	38,196,034	1,640,500
Transfers	2,311,792	2,306,111	2,316,111	10,000
Total Revenues	40,320,373	39,374,645	41,100,145	1,725,500
General City Support	24,163,176	24,300,740	23,537,555	(763,185)

Public Works - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>144 Waste Management Special Revenue Fund</u>				
<u>Expenditures</u>				
WM Program Support	984,453	1,039,331	1,028,579	(10,752)
WM Bureau of Waste Disposal	10,969,099	21,350,443	19,150,540	(2,199,903)
WM Bureau of Waste Collection	12,176,993	12,452,045	11,606,028	(846,017)
WM Yard Debris & Hazardous Household Waste	1,880,442	1,925,417	1,995,186	69,769
WM Recycling	4,779,027	4,635,668	4,781,818	146,150
WM Reserve for Contingencies	0	47,243	125,000	77,757
Transfer to Other Funds	0	0	3,626,771	3,626,771
Total Expenditures	<u>30,790,014</u>	<u>41,450,147</u>	<u>42,313,922</u>	<u>863,775</u>
<u>Revenues</u>				
Fees	9,341,970	26,645,070	42,278,532	15,633,462
State	35,390	35,390	35,390	0
Transfers	0	14,769,687	0	(14,769,687)
Total Revenues	<u>9,377,360</u>	<u>41,450,147</u>	<u>42,313,922</u>	<u>863,775</u>
General City Support	<u>21,412,654</u>	<u>0</u>	<u>0</u>	<u>0</u>

151 Parks and Recreation Special Revenue Fund

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Expenditures</u>				
Recreation Centers Building Maintenance	2,082,478	2,772,645	2,833,125	60,480
Total Expenditures	<u>2,082,478</u>	<u>2,772,645</u>	<u>2,833,125</u>	<u>60,480</u>
<u>Revenues</u>				
Local Taxes	2,411,217	2,445,645	2,506,125	60,480
Transfers	0	327,000	327,000	0
Total Revenues	<u>2,411,217</u>	<u>2,772,645</u>	<u>2,833,125</u>	<u>60,480</u>
General City Support	<u>(328,739)</u>	<u>0</u>	<u>0</u>	<u>0</u>

152 Tourism Investment Program Fund

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Expenditures</u>				
TIP - Recycling	32,676	52,000	52,000	0
TIP Beach Operations	342,680	387,723	397,171	9,448
TIP Resort Building Maintenance	416,327	475,961	518,962	43,001
Total Expenditures	<u>791,683</u>	<u>915,684</u>	<u>968,133</u>	<u>52,449</u>
<u>Revenues</u>				
Local Taxes	887,423	915,684	968,133	52,449
Total Revenues	<u>887,423</u>	<u>915,684</u>	<u>968,133</u>	<u>52,449</u>
General City Support	<u>(95,740)</u>	<u>0</u>	<u>0</u>	<u>0</u>

172 Open Space Special Revenue Fund

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Expenditures</u>				
Open Space - Surveys	0	15,300	15,300	0
Total Expenditures	<u>0</u>	<u>15,300</u>	<u>15,300</u>	<u>0</u>
<u>Revenues</u>				
Local Taxes	15,695	15,300	15,300	0
Total Revenues	<u>15,695</u>	<u>15,300</u>	<u>15,300</u>	<u>0</u>
General City Support	<u>(15,695)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Works - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Public Works - Grants	15,000	15,000	15,000	0
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
<u>Revenues</u>				
State	15,000	15,000	15,000	0
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
General City Support	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>255 Storm Water Utility Enterprise Fund</u>				
<u>Expenditures</u>				
SWU - Project Management	1,850,193	2,206,971	2,334,431	127,460
SWU - Customer Service	123,578	149,332	144,955	(4,377)
SWU - Operations and Maintenance	9,783,284	11,779,860	12,457,620	677,760
SWU - Inspections and Environmental Spill Response	1,330,575	1,137,310	717,477	(419,833)
SWU - Street Sweeping	334,139	347,805	465,813	118,008
SWU - Construction and Engineering	0	561,849	515,294	(46,555)
Debt Service	930,413	2,036,328	2,036,764	436
Debt Service (General)	28,322	323,448	226,457	(96,991)
Reserve for Contingencies	0	220,000	3,060,469	2,840,469
Transfer to Other Funds	12,306,067	15,764,934	15,501,034	(263,900)
Total Expenditures	<u>26,686,571</u>	<u>34,527,837</u>	<u>37,460,314</u>	<u>2,932,477</u>
<u>Revenues</u>				
Fees	28,009,993	32,403,283	37,143,136	4,739,853
Federal	288,359	288,259	288,159	(100)
Transfers	1,924,255	1,836,295	29,019	(1,807,276)
Total Revenues	<u>30,222,607</u>	<u>34,527,837</u>	<u>37,460,314</u>	<u>2,932,477</u>
General City Support	<u>(3,536,036)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>606 City Garage Internal Service Fund</u>				
<u>Expenditures</u>				
Automotive Services	11,214,694	10,480,506	11,499,429	1,018,923
Motor Pool	216,547	166,263	233,231	66,968
Reserve for Contingencies	0	0	89,690	89,690
Total Expenditures	<u>11,431,241</u>	<u>10,646,769</u>	<u>11,822,350</u>	<u>1,175,581</u>
<u>Revenues</u>				
Fees	11,167,365	10,646,769	11,140,970	494,201
Fund Balance	0	0	681,380	681,380
Total Revenues	<u>11,167,365</u>	<u>10,646,769</u>	<u>11,822,350</u>	<u>1,175,581</u>
General City Support	<u>263,876</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Works - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>610 Capital Projects Internal Service Fund</u>				
<u>Expenditures</u>				
Capital Projects - Public Works	198,967	283,348	286,782	3,434
Reserve for Contingencies	0	0	2,330	2,330
	Total Expenditures	198,967	283,348	289,112
				5,764
<u>Revenues</u>				
Fees	217,740	283,348	289,112	5,764
	Total Revenues	217,740	283,348	289,112
				5,764
General City Support	(18,773)	0	0	0
<u>616 Fuels Internal Service Fund</u>				
<u>Expenditures</u>				
Fuels	7,438,768	7,009,359	7,872,002	862,643
	Total Expenditures	7,438,768	7,009,359	7,872,002
				862,643
<u>Revenues</u>				
Fees	7,782,856	6,876,428	7,872,002	995,574
Fund Balance	0	132,931	0	(132,931)
	Total Revenues	7,782,856	7,009,359	7,872,002
				862,643
General City Support	(344,088)	0	0	0
Total Department Expenditure	143,918,271	161,311,474	168,226,958	6,915,484
Total Department Revenue	102,417,636	137,010,734	144,689,403	7,678,669
Total General City Support	41,500,635	24,300,740	23,537,555	(763,185)

Position Summary by Program

002 General Fund

Director's Office	2.00	2.00	2.00	0.00
Business Center	8.00	12.00	12.00	0.00
Contracts	8.00	7.00	7.00	0.00
Facilities Management	2.00	3.00	3.00	0.00
Real Estate	12.00	11.00	11.00	0.00
Engineering Program Management	9.00	9.00	9.00	0.00
Surveys	16.00	16.00	16.00	0.00
Engineering Technical Support	5.00	4.00	4.00	0.00
Traffic Engineering	13.00	13.00	14.00	1.00
Transportation Program and Project Management	12.00	12.00	15.00	3.00
Engineering and Construction	12.00	11.00	11.00	0.00
Management Services				
Coastal Program and Project Management	3.00	3.00	4.00	1.00
Facilities Design and Construction	6.00	6.00	6.00	0.00
Operations Management Support	14.00	14.00	14.00	0.00
Planning, Estimating, and Scheduling	5.00	5.00	0.00	-5.00
Technical Services and Asset Management	10.00	10.00	10.00	0.00
Infrastructure Maintenance	6.00	7.00	7.00	0.00
Contracts				
Infrastructure Maintenance Support	9.00	9.00	9.00	0.00
Street Maintenance	58.00	58.00	60.00	2.00

Public Works - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>002 General Fund</u>				
Dredge Maintenance	21.00	21.00	21.00	0.00
Mosquito Control	19.00	19.00	19.00	0.00
Traffic Management Operations	39.88	39.88	41.88	2.00
Beach Operations	9.00	9.00	9.00	0.00
Bridge Maintenance	6.00	6.00	6.00	0.00
Building Maintenance Management and Support	12.00	12.00	12.00	0.00
Electrical	21.00	21.00	21.00	0.00
Heat and Air Conditioning	22.00	22.00	22.00	0.00
General Maintenance	43.00	43.00	43.00	0.00
Custodial	61.00	61.00	61.00	0.00
Resort Building Maintenance	3.00	3.00	3.00	0.00
Total	466.88	468.88	472.88	4.00
<u>144 Waste Management Special Revenue Fund</u>				
WM Program Support	15.00	15.00	15.00	0.00
WM Bureau of Waste Disposal	15.00	11.00	12.00	1.00
WM Bureau of Waste Collection	145.50	142.50	138.50	-4.00
WM Yard Debris & Hazardous Household Waste	1.00	5.00	4.00	-1.00
WM Recycling	2.00	2.00	2.00	0.00
Total	178.50	175.50	171.50	-4.00
<u>151 Parks and Recreation Special Revenue Fund</u>				
Recreation Centers Building Maintenance	4.00	4.00	4.00	0.00
Total	4.00	4.00	4.00	0.00
<u>152 Tourism Investment Program Fund</u>				
TIP Beach Operations	5.00	5.00	5.00	0.00
TIP Resort Building Maintenance	8.00	8.00	8.00	0.00
Total	13.00	13.00	13.00	0.00
<u>255 Storm Water Utility Enterprise Fund</u>				
SWU - Project Management	18.00	19.00	19.00	0.00
SWU - Customer Service	2.00	2.00	2.00	0.00
SWU - Operations and Maintenance	99.00	104.00	111.00	7.00
SWU - Inspections and Environmental Spill Response	16.00	13.00	7.00	-6.00
SWU - Street Sweeping	4.00	4.00	4.00	0.00
SWU - Construction and Engineering	0.00	5.00	5.00	0.00
Total	139.00	147.00	148.00	1.00
<u>606 City Garage Internal Service Fund</u>				
Automotive Services	79.00	79.00	78.00	-1.00
Total	79.00	79.00	78.00	-1.00
<u>610 Capital Projects Internal Service Fund</u>				
Capital Projects - Public Works	3.00	3.00	3.00	0.00
Total	3.00	3.00	3.00	0.00
Total Position Summary	883.38	890.38	890.38	0.00

Resource Summary Notes

The activities in Planning, Estimating and Scheduling have been distributed to other budget units in FY 2013-14.

A new Capital Maintenance budget unit has been established to budget for items that represent significant asset investments, but do not meet the requirements for activities in capital projects.

The General Fund support for the Waste Management Fund was reduced because of the \$3 monthly fee increase, as well as a reduction in disposal tonnage and City Garage charges.

The Storm Water Enterprise Fund has a Reserve for Future Commitments to enhance the cash position in anticipation of forthcoming debt service payments for previously authorized and future revenue bonds.

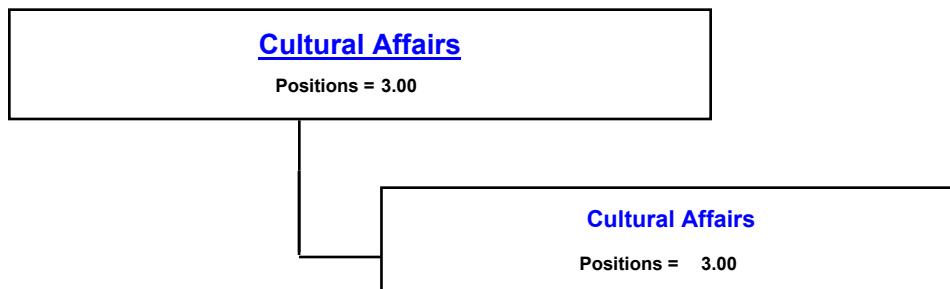
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SECTION FIVE

CULTURAL AND RECREATIONAL OPPORTUNITIES

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**City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart**



Cultural Affairs - Departmental Performance Report

Cultural Affairs							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Assist in Cultural Programs							
Attendees to Events at the Sandler Center for the Arts	#	90,000.0	89,408.0	138,739.0	125,000.0	125,000.0	
Foster Cultural Depth, Richness & Diversity for the Arts							
Grants Awarded by Arts & Humanities Commission	#	25.0	25.0	26.0	26.0	28.0	
Learning & Growth							
Make Art a Vital Part of Community Development							
Event Days at the Sandler Center for the Arts	#	650.0	404.0	965.0	408.0	408.0	
Programs Funded by Arts & Humanities Commission	#	430.0	430.0	435.0	438.0	450.0	

Cultural Affairs

Major Changes

The FY 2013-14 operating budget for the Office of Cultural Affairs totals \$2,318,023 and is \$91,119, or 3.8% less than the previous year. This net reduction is a result of savings from renegotiations of the contract for operation of the Sandler Center. While the number of positions remains at 3.0 FTEs, this budget includes an increase in contractual services to provide additional administrative assistance.

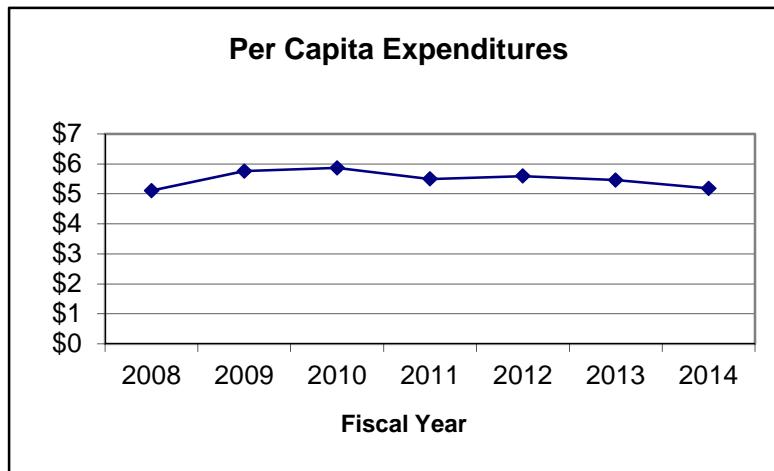
Departmental Overview

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

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

Trends and Issues

- As the per capita graph indicates, for the six previous fiscal years, the Cultural Affairs per capita cost averaged \$5.55. The amount for FY 2013-14 shows a reduction of \$5.18 largely due to savings from the renegotiated contract for operation of the Sandler Center.
- The operating budget includes a city contribution to the Sandler Center for the Performing Arts as outlined in a July 1, 2008 MOU between the city and the Foundation. Contributions will span a 10-year period from 2008 to 2017. The amount for FY 2012-13 is \$73,127.
- To measure the impact of nonprofit arts and culture audiences in the City of Virginia Beach, data were collected from over 1,000 event attendees during 2008-2009. Data were also collected from 20 nonprofit arts and culture organizations in the city. The arts are a \$56.8 million industry in Virginia Beach, with audiences spending an average of \$30.44 per person in addition to the cost of event admission. The local data reveals that Virginia Beach's nonprofit arts industry generate \$56.8 million in economic activity annually, including 1,411 full-time equivalent jobs, \$27.8 million in resident household income, \$2.3 million in local government tax revenues, and \$3.6 million in state government tax revenues.
- The Virginia Beach Arts and Humanities Commission is comprised of 11 members appointed by City Council to serve two-year terms, and are eligible for reappointment to four consecutive terms (i.e., eight years). The Commission meets in late March to determine grant allocations for the upcoming fiscal year. The Commission awards two types of grants: Project Grants and Leadership and Organizational Development Grants. Project Grants are designed to increase access to quality cultural programs for all residents of Virginia Beach, and this program supports a wide variety of artistic and cultural activities. Organizations awarded Project Grants in FY 2012-13 are shown in the following summary.



FY 2012-13 Project Grants	
Organization	Amount
Ballet Virginia International	\$ 3,000
Belissima, Inc.	500
Little Theatre of Virginia Beach	20,000
Lyric Opera of Virginia	20,000
Natchel Blues Network, Inc.	1,000
Old Coast Guard Station	3,000
Symphonicity-the Symphony Orchestra of Virginia Beach	51,000
Tidewater Arts Outreach	3,500
The Tidewater Winds	15,000
Virginia Arts Festival	15,000
Virginia Beach Chorale	2,000
Virginia Beach Forum	15,000
Virginia Museum of Contemporary Art (MOCA)	117,500
Virginia Musical Theatre	79,500
Virginia Opera Association, Inc.	11,000
Virginia Stage Company	5,000
Virginia Symphony Orchestra	50,000
World Affairs Council of Greater Hampton Roads	5,000
Young Audiences of Virginia, Inc.	10,000
Total	\$427,000

- The Arts and Humanities Commission had also budgeted \$3,000 in FY 2012-13 for Leadership and Organizational Development (LOD) Grants. These grants are designed to improve the ability of arts leaders to acquire the needed skills to successfully lead their arts organizations. Qualifying organizations receive grants of \$500 to help them achieve greater levels of productivity for improved public value and sustainability.

Cultural Affairs - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Cultural Affairs	233,613	261,379	436,180	174,801
Sandler Center	1,510,270	1,425,677	1,141,124	(284,553)
Contemporary Arts Center Grant	230,668	230,900	240,000	9,100
Arts and Humanities Commission	431,105	440,686	450,219	9,533
Total Expenditures	<u>2,405,656</u>	<u>2,358,642</u>	<u>2,267,523</u>	<u>(91,119)</u>
<u>Revenues</u>				
Fees	0	89,548	73,127	(16,421)
State	5,000	5,000	5,000	0
Total Revenues	<u>5,000</u>	<u>94,548</u>	<u>78,127</u>	<u>(16,421)</u>
General City Support	<u>2,400,656</u>	<u>2,264,094</u>	<u>2,189,396</u>	<u>(74,698)</u>
152 Tourism Investment Program Fund				
<u>Expenditures</u>				
Cultural Affairs - TIP	50,500	50,500	50,500	0
Total Expenditures	<u>50,500</u>	<u>50,500</u>	<u>50,500</u>	<u>0</u>
<u>Revenues</u>				
Local Taxes	51,319	50,500	50,500	0
Total Revenues	<u>51,319</u>	<u>50,500</u>	<u>50,500</u>	<u>0</u>
General City Support	<u>(819)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	2,456,156	2,409,142	2,318,023	(91,119)
Total Department Revenue	56,319	145,048	128,627	(16,421)
Total General City Support	<u>2,399,837</u>	<u>2,264,094</u>	<u>2,189,396</u>	<u>(74,698)</u>

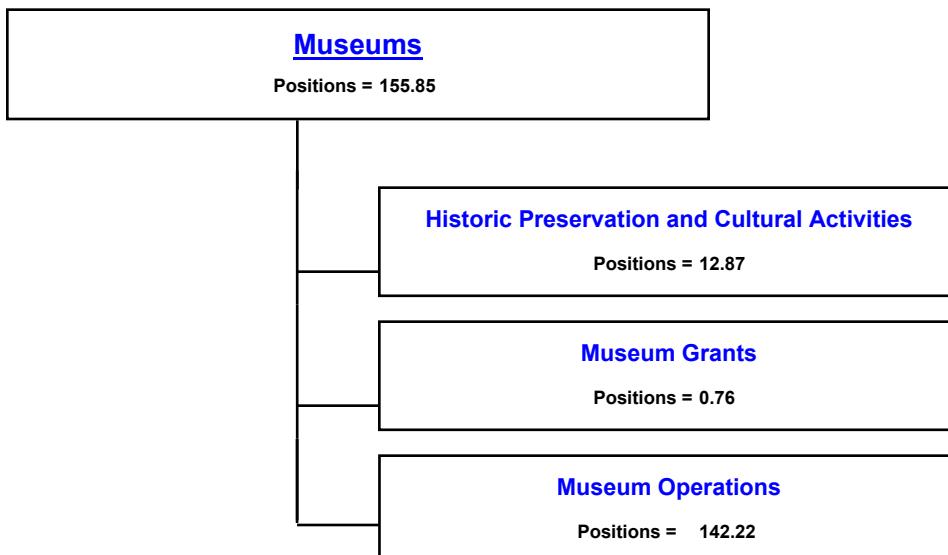
Position Summary by Program

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

Resource Summary Notes

The increase in the Cultural Affairs unit is due to increased Risk Management charges, additional contracted manpower for administrative assistance, and additional funding for cultural programs.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Museums - Departmental Performance Report

Museums						
The mission of the Department of Museums is to contribute to the quality of life, economic vitality and education of the citizens of and visitors to the City of Virginia Beach through the operation of a world-class aquarium and history museums.						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Community						
Attract Visitors to Historic Houses and History Museums						
Visitors to the Historic Houses	#	10,000.0	11,980.0	11,542.0	10,000.0	12,740.0
Customer						
Attract Visitors to Aquarium						
Total Number of Memberships	#	7,500.0	7,198.0	8,873.0	7,500.0	8,980.0
Visitors to the Aquarium	#	625,000.0	620,590.0	601,584.0	610,000.0	658,000.0
Operate Digital Theater						
Digital Theater Attendance	#	125,000.0	100,124.0	84,275.0	100,000.0	125,000.0
Revenue per Visitor Generated by Digital Theater	#	7.0	6.1	6.0	6.1	7.0
Financial						
Earned Revenue Through Museum Store Sales						
Historic House Revenue Generation	\$	50,000	33,962	35,724	49,145	58,000
Financial Support for Aquarium						
Aquarium Earned Revenue (in millions)	\$	8	7	7	7	8
Revenue per Visitor Generated at the Aquarium Store	#	2.6	2.1	2.1	2.3	2.1
Revenue per Visitor Generated by Aquarium Admissions	#	8.0	7.4	8.2	7.2	8.4
Revenue per Visitor Generated by Membership Sales	#	80.0	81.5	82.2	80.0	83.0
Learning & Growth						
Curriculum Programs for Historic Homes to Students						
Historic House Program Participation	#	2,500.0	2,827.0	947.0	2,000.0	2,350.0

Museums

Major Changes

In FY 2013-14, the Museum's budget totals \$11,483,874, which will increase by \$1,473,111 or 14.7% from the adjusted FY 2012-13 budget. This increase is primarily driven by a strong rebounding in admission revenues to the aquarium. The following table highlights key changes in the budget:

Change	Impact
Conversion of IMAX to Digital	<ul style="list-style-type: none">Antiquated equipment from 1996, competition from the IMAX theater at Lynnhaven AMC, unavailability of desirable movie titles, and the prohibitive cost of operation, all have contributed to a significant decline in the profitability of the IMAX (from a 40% return to 17%, and combination tickets sold for both admission to the museum and theater have declined from 45% to 15%). As a result, the Museums will convert from IMAX to a digital format. This conversion will allow the Museums to offer more movie titles and eliminate two positions, resulting in a two-year payback for the conversion.
Life Support Position	<ul style="list-style-type: none">As the facility ages and as new exhibits have been added, an additional position is included in this budget to address Life Support for the exhibits and building maintenance issues. This will help ensure the Aquarium maintains its accreditation from the Association of Zoos and Aquariums.
Convert Part-Time to Full-Time for Horticultural	<ul style="list-style-type: none">This position upgrade (converting .5 PT to 1.0 FT) will address maintenance of the Salt Marsh Aviary, composting, and indoor plant maintenance. The number of indoor plants has increased by 50%, and these are very difficult and time consuming to maintain.
Collections Conservation Program	<ul style="list-style-type: none">This will fund conservation assessment for approximately 200 historic artifacts. This represents highly specialized work by very qualified organizations.
Elimination of the Aquarium at First Landing Fire Station	<ul style="list-style-type: none">To enhance the theme of the Shore Drive corridor, a partnership was developed with the Aquarium and the First Landing Fire Station to install a 180 gallon salt water aquarium in the station due to low visitation. The Fire Department will now convert this to a fresh water aquarium and assume the responsibilities for maintenance.

Departmental Overview

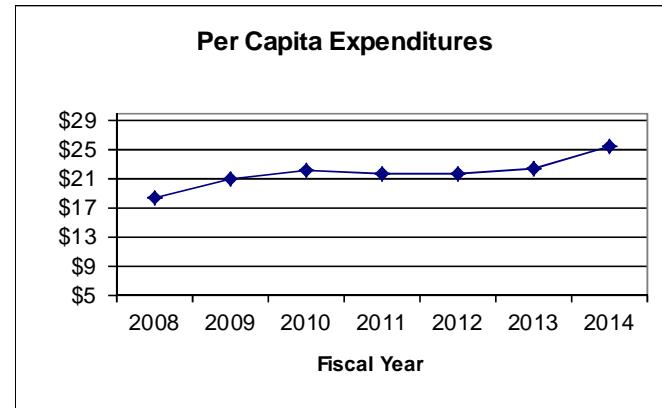
The services provided by the department of Museums and Historic Resources are divided between the Virginia Aquarium & Marine Science Center (Aquarium) and Historic Resources which oversees the city's historic houses and programming. Both the Aquarium and the historic houses generate revenue through ticket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

- The Virginia Aquarium & Marine Science Center (Aquarium) - Houses a digital theater and over 800,000 gallons of aquariums featuring sharks, harbor seals, river otters and a host of other regionally indigenous plant life and animals. *Restless Planet*, the Aquarium's \$28 million renovation of its 20-year old galleries was completed in November 2009 and features extensive additions to the exhibits, which represent Virginia's environment at various periods of time, including a forty-foot, 100,000 gallon walk-through Aquarium with spotted eagle rays and other colorful tropical fishes, a misty peat swamp featuring Tomistoma crocodiles, an arid coastal desert and volcanic region with komodo dragons.
- Historic Resources - Includes the operation of the Francis Land House, the Adam Thoroughgood House, the Lynnhaven House, the Princess Anne County Training School/Union Kempsville High School Museum located in the Renaissance Academy. The Historic Resources division coordinates projects and initiatives for the preservation of the city's historic resources, administers the Virginia Beach Historical Register, and provides educational programs and activities on the grounds of the historic museums it owns and operates. This division also administers grants to the Atlantic Wildfowl

Heritage Museum at the DeWitt Cottage and the Old Coast Guard Station Museum, and helps coordinate the work of the Historic Preservation Commission.

Trends and Issues

- The per capita expenditure graph indicates that Museums increased significantly between FY 2007-08 and FY 2009-10 in anticipation of the *Restless Planet* renovation. The flattening between FY 2009-10 and FY 2012-13 was primarily related to the economy and the decision not to pursue a 4-D IMAX Theater retrofit, furthering the decline in revenue from IMAX ticket purchases. This theater faces stiff competition with general theaters that are now showing a significant number of 3-D releases, and serves as the reason for the conversion to digital. Revenues have rebounded strongly in the current fiscal year, and this serves as the reason for the uptick in FY 2013-14.



- The city-operated history museums have an enterprise website, www.museumsvb.org, which is separate from the www.vbgov.com website. The site is anticipated to increase walk-in visitation and program attendance, update interested citizens about volunteer and membership opportunities, and serve as a vehicle for advertising special events and programming.
- The Department of Museums and Historic Resources is participating in a pilot program for developing outcome performance measures and aligning them with the department's strategic plan that has been revised through the same process. City departments have been tracking performance measures since the late 1970's. These measures have largely been limited to Output (product or service produced by program), Efficiency (cost per output, output per worker, or output per cost of output/program), and Service/Quality (satisfaction with, accuracy of, timeliness of program/service) measures. The city initiated the Pilot Outcome Measure Project (POMP) for three departments (Public Works, Museums, and Libraries) to begin building capacity within the individual departments to measure the impacts (i.e. outcomes) of their programs and services on their customer base/the citizenry. The goals of these pilot programs are for departments to: change the way they look at measurement and evaluation within the context of their day-to-day operations and activities; revise their goal statements to make them more readily measureable (and to connect them more logically and seamlessly with the department's mission and vision); and to develop a set of measures that will allow them to measure the impact that their services have on their customers. When completed by the participating departments, this initiative will be launched to all other city departments.

The Virginia Aquarium is in the process of completing a Strategic Plan to guide its actions through 2016. The purpose of the plan is to keep focus on meeting the mission – *to inspire conservation of the marine environment through education, research, and sustainable practices* – while aspiring toward a vision *to be the preferred destination for an aquarium experience and recognized experts in conservation of the marine environment*. The plan's six goals emphasize the importance of engaging guests and the community through quality exhibits, programs, research, and stewardship while doing business in a fiscally-responsible and customer-friendly manner. Additionally, the Historic Houses will be initiating a strategic planning process with the new Virginia Beach Historic Houses Foundation in FY 2012-13. The strategic plan will provide direction for the programs and operations at the three houses for the next five or more years. The main focus of the plan will be to inspire, connect and encourage the promotion of Virginia Beach's historic resources with the community to ensure the preservation and education of our heritage.

Museums - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Aquarium & Marine Science Center Administration	1,905,920	1,781,563	1,468,344	(313,219)
Aquarium Stores	917,596	984,823	959,160	(25,663)
Aquarium Custodial Services	313,373	356,451	367,956	11,505
Aquarium 3D Theater	434,340	505,104	1,288,867	783,763
Aquarium Education	468,282	448,949	509,990	61,041
Aquarium Exhibits & Animal Husbandry	2,745,385	2,802,389	3,155,280	352,891
Aquarium Marketing	752,179	826,309	809,581	(16,728)
Aquarium Research & Conservation	389,733	410,133	421,717	11,584
Aquarium Guest Operations	0	0	485,157	485,157
Aquarium Foundation	937,129	1,100,841	1,124,758	23,917
Francis Land House	30,126	37,040	40,091	3,051
Adam Thoroughgood House	47,601	85,367	87,047	1,680
Lynnhaven House	32,726	144,693	139,969	(4,724)
Historic Homes Administration	221,131	295,424	374,606	79,182
Union Kempsville High School Museum	65,131	83,454	102,893	19,439
Historic Preservation	113,744	117,223	117,458	235
Total Expenditures	<u>9,374,396</u>	<u>9,979,763</u>	<u>11,452,874</u>	<u>1,473,111</u>
<u>Revenues</u>				
Fees	8,478,220	8,142,652	9,401,596	1,258,944
Total Revenues	<u>8,478,220</u>	<u>8,142,652</u>	<u>9,401,596</u>	<u>1,258,944</u>
General City Support	<u>896,176</u>	<u>1,837,111</u>	<u>2,051,278</u>	<u>214,167</u>
183 Grants Consolidated Fund				
<u>Expenditures</u>				
Museums - Grants	31,053	31,000	31,000	0
Total Expenditures	<u>31,053</u>	<u>31,000</u>	<u>31,000</u>	<u>0</u>
<u>Revenues</u>				
Federal	31,053	31,000	31,000	0
Transfers	728	0	0	0
Total Revenues	<u>31,781</u>	<u>31,000</u>	<u>31,000</u>	<u>0</u>
General City Support	<u>(728)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	9,405,449	10,010,763	11,483,874	1,473,111
Total Department Revenue	8,510,001	8,173,652	9,432,596	1,258,944
Total General City Support	<u>895,448</u>	<u>1,837,111</u>	<u>2,051,278</u>	<u>214,167</u>

Position Summary by Program

	26.86	26.94	12.00	-14.94
Aquarium & Marine Science Center Administration	9.47	9.47	9.47	0.00
Aquarium Stores	8.00	7.73	8.01	0.28
Aquarium Custodial Services	4.60	3.85	2.85	-1.00
Aquarium 3D Theater	11.79	10.53	11.13	0.60
Aquarium Education	45.13	46.88	49.26	2.38
Aquarium Exhibits & Animal Husbandry	4.00	5.00	4.00	-1.00
Aquarium Marketing				

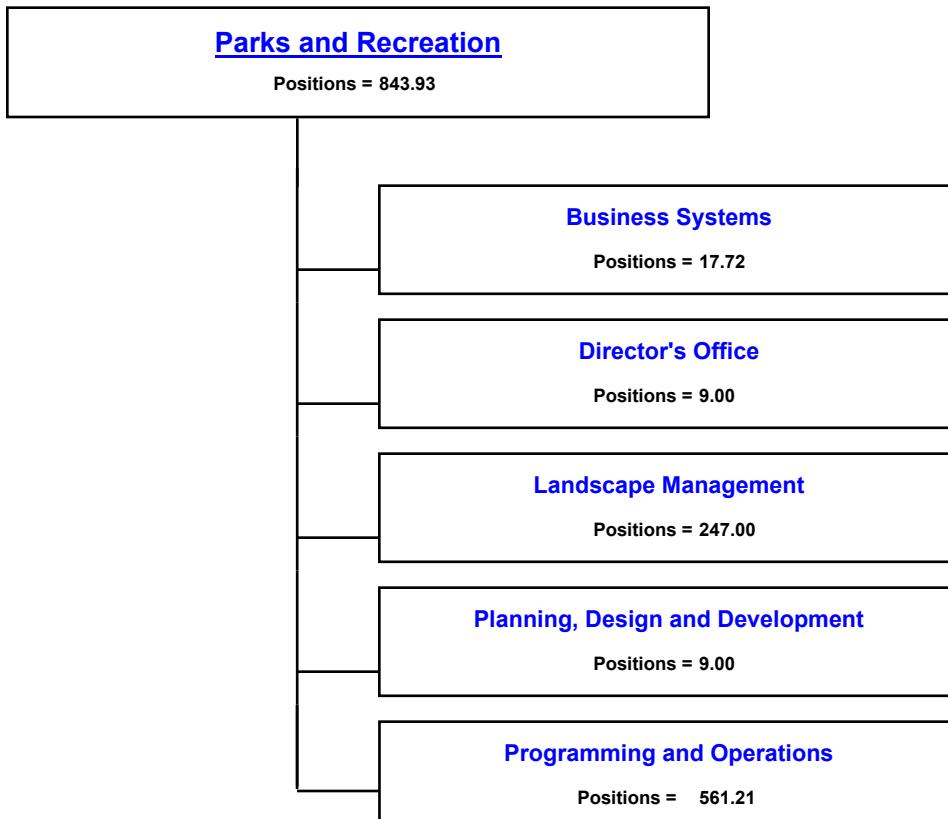
Museums - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>002 General Fund</u>				
Aquarium Research & Conservation	3.81	3.85	3.81	-0.04
Aquarium Guest Operations	0.00	0.00	15.36	15.36
Aquarium Foundation	23.09	27.35	26.33	-1.02
Coastal Resources	0.85	1.00	0.00	-1.00
Francis Land House	1.28	1.28	1.28	0.00
Adam Thoroughgood House	2.12	2.12	2.12	0.00
Lynnhaven House	2.47	4.47	4.47	0.00
Historic Homes Administration	3.22	3.22	3.22	0.00
Union Kemspeville High School Museum	1.78	1.78	1.78	0.00
Total	148.47	155.47	155.09	-0.38
<u>183 Grants Consolidated Fund</u>				
Museums - Grants	0.00	0.00	0.76	0.76
Total	0.00	0.00	0.76	0.76
Total Position Summary	148.47	155.47	155.85	0.38

Resource Summary Notes

The variances in the expenditures in the Program Summary are due to elimination and transferring of positions among the various programs. In particular, operational staff that was previously reflected in Aquarium and Marine Science Center Administration is now reflected in a new program, Aquarium Guest Operations, which will improve the tracking of operational expenditures. One position in the Aquarium 3D Theater program will be eliminated in six months; however, because the position is funded on July 1, the full position count is reflected in this document.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Parks and Recreation - Departmental Performance Report

Parks and Recreation							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Community							
Provide Landscape Maintenance for Divided Highways							
Average Mowing Frequency for Divided Roadways (days)	#	18.0	25.2	23.2	22.0	20.5	
Customer							
Enhance Citizens' Access to Natural Areas							
Open Space Acres Acquired	#	2,823.0	1,923.0	2,714.0	2,823.0	2,823.0	
Percent of Open Space Acquisition Acres Developed	%	3.0	4.0	3.0	3.0	3.0	
Enhance Service Delivery							
Monetary Value of Volunteer Involvement	\$	1,600,000	1,644,027	1,556,358	1,587,610	1,601,120	
Value of Sponsorships, Donations, and Grants	\$	50,000	535,993	61,730	1,382,500	1,095,000	
Maintain Citizen Satisfaction Rating of 95%							
Citizens Satisfied with Appearance of Grounds & Public Spaces	%	95.0	94.0	94.0	95.0	95.0	
Citizens Satisfied with Recreation Centers, Programs and Classes	%	95.0	94.0	94.0	95.0	95.0	
Percent of Citizens Satisfied with Parks	%	95.0	94.0	94.0	94.0	94.0	
Provide Safe, Functional & Attractive Facilities							
Number of Park Visits (in thousands)	#	2,461.0	2,454.0	2,781.0	2,800.0	2,850.0	
Number of Recreation Center Visits (in thousands)	#	1,611.0	1,611.0	1,751.0	1,750.0	1,788.0	
Recreation Center Memberships	#	46,000.0	46,752.0	44,941.0	58,000.0	60,000.0	

Parks and Recreation

City Council Amendment

On May 14, 2013, City Council voted to amend the Parks and Recreation Department's proposed budget by reducing the budget by \$699,915. This reduction is due to savings achieved in debt service costs related to recent bond sales and refinancing costs. The Department's total approved budget for FY 2013-14 is \$55,294,097.

Major Changes

With the opening of the Williams Farm Community Recreation Center, work on razing and reconstructing the new Bow Creek Community Recreation Center has begun. This is reflected in a full year's operating cost and revenues for the Williams Farm Community Recreation Center, while minimal expenditures for Bow Creek are budgeted and no revenue will be generated. Staff from Bow Creek was transitioned to Williams Farm, which has left staffing levels unchanged despite the opening of the new recreation center. Once the Bow Creek Community Recreation Center is completed, work will begin on the Kempsville Community Recreation Center and staff will again be transitioned.

After consolidating the Department's Recreation Centers for budgeting and accounting purposes two years ago, it has been determined that each Recreation Center will be broken back out into its own account. This change is reflected on the accompanying "Departmental Resource Summary". The following table highlights other departmental changes:

Change	Impact
Expansion of the RISE Out-of-School-Time Summer Program to Seatack and Birdneck Elementary Schools	The RISE after school programs are offered at all 13 Title I schools in Virginia Beach. The RISE after school and summer programs support a child's academic development by offering homework time and curriculum-based literacy programs that encourage their educational skill development. The programs also feature recreation and play opportunities. The Summer program is being expanded to Seatack and Birdneck Elementary School's. This expansion will serve an additional 105 children and bring the total number of participating schools to 15. This expansion will include the addition of 2.12 FTEs.
Landscape Maintenance for New Capital Projects and Acquired Properties	There are a number of capital projects being completed throughout the City that will require landscape maintenance, which will be contracted. These projects include Chesapeake Beach Fire Station, Lake Smith/Lake Lawson, Little Island Parking Lot, Marshview Park Trail, Red Wing Park, Town Center Fire Station, Landstown Center Way, Nimmo Parkway, Princess Anne Road from Nimmo Parkway to Damn Neck Rd, Princess Anne/Kempsville Intersection, Seaboard Road, and Wesleyan Drive.
New Softball Programs	<p>The Department will be creating a new Spring adult softball league. The "Grapefruit League" will be a four week season beginning in mid-February. Participants in existing leagues have requested the creation of such a league and the Department is responding to this demand.</p> <p>A second change will allow non-athletic complex fields to be rented to teams wishing to practice before the season begins for a nominal fee. Implementation of this practice fee will reduce the frequency of teams registering for fields and not showing up; with the automated lighting controls, the department needs to ensure that fields are lit only when needed.</p> <p>The fees associated with these two new programs are included on the list of proposed fee adjustments. The revenue generated by these two proposed programs will more than cover the costs of these programs.</p>
Additional Instructor for Aquatics Program	Reallocated 1.42 part time Activity Center Assistant Leaders from Inclusion Services to create 1.0 part time Aquatic Instructors based on customer demand. This will allow additional instruction time reaching more participants.

Change	Impact
Part-Time Staffing for Little Island Park Parking Lot	Additional part-time staffing will be provided at the Little Island Park. The addition of this 0.85 FTE is to support the expansion of the Little Island Park Parking Lot, including the addition of a second revenue collection station for the parking lot.
Reduction of Staffing For Various Facilities and Programs	Due to funding constraints in some programs and opportunities for efficiencies in others, funding has been eliminated for 5.93 FTE's (Recreation Specialist II - 1.0 FTE, Parks and Recreation Aide - 4.5 FTEs, Activity Center Assistant Leader - 1.42 FTEs, and 1.0 FTE reallocated to Aquatic Instructors for a net loss of 0.42 FTE, Recreation Class Instructor - 0.01 FTE), overtime and contractual services. These positions assisted in the maintenance and operation of various park sites and public restrooms, provide staff support for "Party in the Park" events, and performed aspects of the day-to-day operation of the City's recreation centers. They assisted with facility coverage in the weight room, gymnasium, game room, senior center, drop-in programs, and support for programs (Fitness, Out of School Time, Aquatics, Therapeutics, and Service Standards) that operate within the recreation centers.
Out-of-School-Time School-Based On-Site Technology	Funding has been provided to improve site safety and service for participants, parents, and staff by providing access to technology and Internet connectivity at most Out-of-School-Time (OST) school-based locations. Currently, no OST school-based sites have access to technology of any kind. Email communication and CLASS access would be extremely beneficial in order to verify registration, authorized pickups, and information related to medical conditions. Tablet computers at each site will allow for written, video, and photographic information to be communicated. Tablets are mobile and can be used when participants are outdoors or on field trips. In the future, they could also allow for video conferencing between staff and parents. A fee increase (included in the list of proposed fee increases included in the budget letter) will offset a portion of these costs.

Annually, the department reviews its fee structure to ensure appropriate pricing of services. The table below shows the new fees and fee increases proposed for FY 2013-14.

Program	Current Price	Proposed Price	Difference	Date of Last Change
Rec Center After School Program	\$123	\$130	\$7	FY 2012
Rec Center Summer/Spring Break Camps – School Age	\$130	\$135	\$5	FY 2012
Rec Center Summer Camps – Middle School	\$140	\$145	\$5	FY 2012
Rec Center – Personal Training*	\$40	\$45	\$5	New
Out-Of-School-Time – School Based	\$84	\$86	\$2	FY 2012
Therapeutic Recreation – Outdoor Challenge Series	\$79	\$85	\$6	FY 2012
Aquatics – Private Swim Lessons – Learn to Swim	\$25	\$30	\$5	FY 2011
Aquatics – Private Swim Lessons – Specialized	\$30	\$35	\$5	FY 2011
Athletics – Adult Leagues – Softball Practice	N/A	\$25	\$25	New
Athletics – Adult Leagues – Grapefruit Softball	N/A	\$250	\$250	New
Athletics – Adult Leagues – Spring/Fall Softball	\$500	\$550	\$50	FY 2009
Athletics – Adult Leagues – Men's Basketball	\$675	\$700	\$25	FY 2009
Athletics – Adult Leagues – Men's Sunday Basketball	\$400	\$450	\$50	FY 2009
Athletics – Adult Leagues – Men's Church Basketball	\$475	\$500	\$25	FY 2009
Athletics – Adult Leagues - Co-Ed Volleyball	\$400	\$450	\$50	FY 2009
Athletics – Adult Leagues - Co-Ed Sand Football	\$675	\$700	\$25	FY 2009
Athletics – Youth Leagues - Youth Volleyball	\$100	\$125	\$25	FY 2011

Program	Current Price	Proposed Price	Difference	Date of Last Change
Athletics – Youth Leagues - Youth Girl's Fast Pitch Softball	\$300	\$325	\$25	FY 2011
Athletics – Youth Leagues - Youth Tackle Football	\$200	\$225	\$25	FY 2011
Athletics – Youth Leagues - Youth Basketball	\$100	\$125	\$25	FY 2011
Parks and Natural Areas – Bleacher Rental	\$125	\$200	\$75	FY 2010
Parks and Natural Areas – Wedding Rental and Permit	\$300	\$400	\$100	FY 2010
Parks and Natural Areas – Showmobile Rental	\$325	\$400	\$75	FY 2010

*The fee listed for personal training captures only the change for an individual attending one session. The Department also offers group sessions and multiple session packages at various rates.

Departmental Overview

The Parks and Recreation Department's budget for FY 2013-14 totals \$55,994,012, a decrease of \$709,763 or 1.3% from the adjusted FY 2012-13 budget. It reflects a net decrease of 2.96 positions in FY 2013-14. Funding for the department comes primarily through fees, dedicated referendum funding from the real estate tax, a non-dedicated general fund transfer, and a revenue transfer from schools (for maintaining landscaping and site infrastructure of school facilities). The core services provided by Parks and Recreation are divided into four broad areas:

- Administration and Business Systems - Responsible for budgeting, finance, human resources, marketing, resource development, sponsorships, partnerships, and information systems management for all divisions.
- Planning, Design and Development - Manages the construction and replacement of Parks and Recreation facilities, the city's Open Space Program, and implements the Virginia Beach Outdoors Plan and Bikeways and Trails Plan. Oversees the development and implementation of the department's Capital Improvement Program.
- Programming and Operations - Includes all indoor and outdoor recreation and park operations and programs, the Youth Opportunities Office, operation of Community Recreation Centers, Out-of-School Time programs, golf course lease management, therapeutic recreation and inclusion services for people with disabilities.
- Landscape Management - Provides landscape services for all public infrastructure, roadways, and public buildings, including the Municipal Center, the resort area, Town Center, public spaces, parks and school sites.

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

- Connected Community - The Department is proactive in the development, maintenance, and upkeep of a variety of neighborhood and community parks, multi-use trails, greenways and blueways, and develops or preserves open space. This allows citizen's convenient access to an array of recreational and cultural activities to strengthen the body and excite the mind, alternative modes of transportation, and maintains a focus on conservation.
- Learning Community - The Department provides opportunities to supplement traditional academic activities through recreation center and school based Out-of-School Time programs. Specifically, the Recreation, Imagination, Socialization, and Education (RISE) program (a component of Out-of-School time) provides students with literacy and character development as well as mathematics enrichment.
- Unique Environment - The Department is responsible for the development or preservation of open space acquired by the City. An example of environmental stewardship exercised by the Department is the Meadow Management Program. This program minimizes the amount of maintenance for certain parcels of land reducing costs and minimizing environmental impacts. The large variety of programs and activities provided by the Department along with parks and other outdoor recreation amenities are key elements of the community's healthy lifestyle. The Department also works to preserve and enhance the current tree canopy of 36 percent. Envision 2040 established an urban tree canopy goal of 50% of the City's landmass.

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

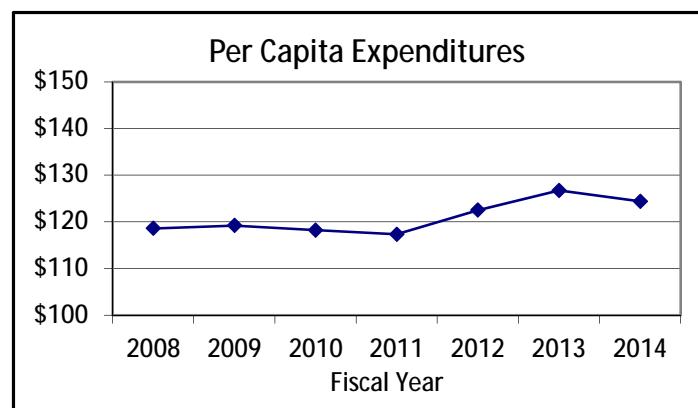
Trends and Issues

- The Parks and Recreation Department just completed a citizen opinion survey. The survey was completed by 933 Virginia Beach households via mail, phone, and online. The purpose of the survey was to assess the attitudes and interests of Virginia Beach citizens in order to develop a foundation for internal strategic planning efforts, on-going decision making, and developing citizen awareness plans.

The research results revealed that respondents perceived that the three most important benefits provided to the citizens by the Parks and Recreation Department are improving health and fitness, making Virginia Beach a more desirable place to live, and helping to reduce crime. Among households that participated in Parks and Recreation programs or events, 94% rated the overall quality as "excellent" or "good". The survey also asked respondents to identify gaps in existing programs or services. Those participating indicated that the top three programs and services needed by citizens are adult fitness and wellness, nature-based activities, and outdoor recreation activities. The top three facilities indicated as being most needed by citizens include large community parks, paved walking and jogging trails, and picnic shelters/areas.

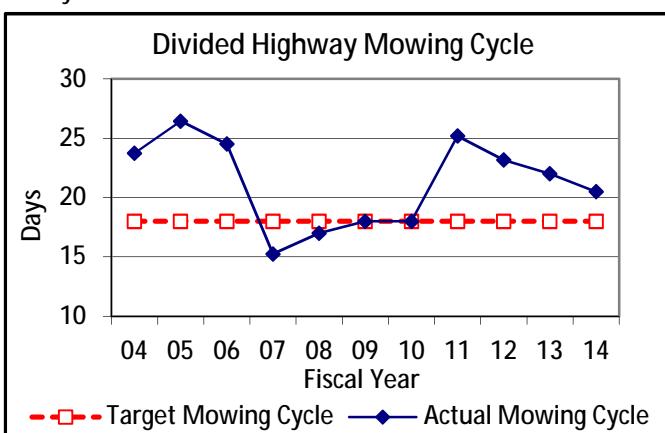
- The Williams Farm Recreation Center opened in at the end of October of 2012. Over the first three months that the Center has been open, over 4,000 memberships have been sold and participation is over 23,000 per month. In addition to the Recreation Center, the skate park that was constructed in association with the Recreation center has had an average monthly attendance of over 3,200.

- After declining in FY 2009-10 and FY 2010-11 due to the recessionary impacts on funding, per capita expenditures rose in in FY 2011-12 and FY 2012-13 due to staffing for the new Williams Farm Recreation Center and park and increases in other personnel related costs including health care and the 1% mandated pay increase associated with the reduction of the City's VRS costs. Expenditures per capita will decline in FY 2013-14 due to the decrease of 2.96 FTEs and the elimination of one time capital expenditures that were made in FY 2012-13.



- Due to funding constraints, the School System has cut funding for landscaping for the second consecutive year. While funding was reduced, the inventory of assets requiring maintenance has increased. This includes weed control and other maintenance for "green roofs" that have been constructed as part of attaining LEED certification at new school facilities. This will necessitate a degradation of maintenance cycles; however, the exact maintenance cycle will vary depending on the maintenance zone in which a particular facility is located.

- The Divided Highway Mowing Cycle graph illustrates the historical trend in the landscape maintenance of divided highways. The increase in contractual maintenance in FY 2006-07 had a dramatic positive effect. The average number of days between mowing cycles dropped to 15.25 from nearly 25 in the previous year. The division's goal is not to exceed an 18-day mowing cycle. Due to the recessionary impacts on the budget, the mowing cycles reverted to 25 days in FY 2010-11. Since that time, the number of days between mowing has declined and is projected to be 20.5 days in FY 2013-14. While funding has the biggest impact on the mowing cycle, weather can also play a role.



Parks and Recreation - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Landscape Asset Management	1,968,774	1,877,377	1,961,570	84,193
Landscape Maintenance Management	5,573,896	6,247,239	6,146,525	(100,714)
Landscape Life Cycle Management	2,909,896	3,052,158	2,971,987	(80,171)
Landscape Special Zone Management - Resort Area	1,297,339	1,406,125	1,307,902	(98,223)
Landscape Special Zones Management - Municipal Center	582,520	649,907	635,455	(14,452)
Total Expenditures	<u>12,332,425</u>	<u>13,232,806</u>	<u>13,023,439</u>	<u>(209,367)</u>
<u>Revenues</u>				
Fees	31,378	28,500	25,000	(3,500)
State	3,335,612	4,596,705	4,720,858	124,153
Transfers	416,253	490,883	522,726	31,843
Total Revenues	<u>3,783,243</u>	<u>5,116,088</u>	<u>5,268,584</u>	<u>152,496</u>
General City Support	<u>8,549,182</u>	<u>8,116,718</u>	<u>7,754,855</u>	<u>(361,863)</u>
151 Parks and Recreation Special Revenue Fund				
<u>Expenditures</u>				
Director's Office	191,000	279,900	291,729	11,829
Planning, Design and Development	581,958	629,239	650,607	21,368
Business Systems	830,367	856,633	840,258	(16,375)
Parks and Recreation Human Resources	458,470	499,553	513,725	14,172
Parks and Natural Areas	1,918,614	2,213,797	1,937,123	(276,674)
Lynnhaven Boat Ramp and Beach Facility	103,419	138,186	136,374	(1,812)
Outdoor Programming and Special Events	607,204	637,579	545,001	(92,578)
Little Island Park	253,522	242,426	264,926	22,500
Lynnhaven Municipal Marina	27,335	29,769	29,904	135
Owl Creek Municipal Tennis Center	368,410	428,041	421,499	(6,542)
Recreation Centers Landscaping	23,238	52,804	56,392	3,588
Golf Administration	139,697	101,266	102,263	997
CRC - Kempsville	0	0	1,835,103	1,835,103
CRC- Bow Creek	0	0	141,436	141,436
CRC- Seatack	0	0	1,016,663	1,016,663
CRC - Great Neck	0	0	1,728,468	1,728,468
CRC - Bayside	0	0	1,874,858	1,874,858
CRC - Princess Anne	0	0	1,786,360	1,786,360
CRS-Williams Farm	0	0	1,842,219	1,842,219
Recreation Centers	8,856,272	10,542,147	0	(10,542,147)
Out-of-School Time - Recreation Center Based	1,775,979	2,141,990	1,742,738	(399,252)
Programming and Operations Administration	579,185	590,534	583,827	(6,707)
Marketing and Resource Development	821,092	950,420	938,615	(11,805)
Youth Opportunities Office	243,651	287,674	395,536	107,862
Athletic Leagues	862,531	947,330	912,080	(35,250)
Therapeutic Recreation Programs	481,749	496,962	494,950	(2,012)
Athletic Complexes	275,788	469,367	694,259	224,892
Inclusion Services	259,398	378,687	344,129	(34,558)
Out-of-School Time - School Based	4,611,674	4,946,596	5,158,659	212,063
Landscape Special Zone Management - Princess Anne	419,856	456,692	454,788	(1,904)
Athletic Complex				
Pottery and Ceramics	35,189	33,116	32,442	(674)
Debt Service	540,619	1,889,313	2,106,472	217,159
Reserve for Contingencies	0	0	146,123	146,123
Future C.I.P. Commitments	0	1,597,465	0	(1,597,465)
Transfer to Other Funds	1,158,517	2,573,615	3,331,436	757,821

Parks and Recreation - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>151 Parks and Recreation Special Revenue Fund</u>				
Total Expenditures	26,424,734	34,411,101	33,350,962	(1,060,139)
<u>Revenues</u>				
Local Taxes	14,795,323	14,303,364	14,147,072	(156,292)
Fees	13,520,923	14,419,185	14,500,967	81,782
State	19,098	26,000	27,000	1,000
Federal	332	0	0	0
Transfers	3,572,309	5,136,470	4,598,923	(537,547)
Fund Balance	0	526,082	77,000	(449,082)
Total Revenues	31,907,985	34,411,101	33,350,962	(1,060,139)
General City Support	<u>(5,483,251)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>152 Tourism Investment Program Fund</u>				
<u>Expenditures</u>				
Improvements to Sportsplex - TIP Sportsplex UFL	35,045	240,000	0	(240,000)
Landscape Special Zone Management - TIP Resort Area	30,947	35,485	34,099	(1,386)
Total Expenditures	<u>65,992</u>	<u>275,485</u>	<u>34,099</u>	<u>(241,386)</u>
<u>Revenues</u>				
Local Taxes	33,636	275,485	34,099	(241,386)
Total Revenues	<u>33,636</u>	<u>275,485</u>	<u>34,099</u>	<u>(241,386)</u>
General City Support	<u>32,356</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>172 Open Space Special Revenue Fund</u>				
<u>Expenditures</u>				
Open Space Management and Maintenance	229,423	327,925	332,734	4,809
Open Space Planning	151,257	162,913	169,803	6,890
Debt Service	2,451,368	2,433,043	2,827,433	394,390
Reserve for Contingencies	0	0	6,016	6,016
Transfer to Other Funds	2,369,181	2,026,724	1,827,258	(199,466)
Total Expenditures	<u>5,201,229</u>	<u>4,950,605</u>	<u>5,163,244</u>	<u>212,639</u>
<u>Revenues</u>				
Local Taxes	4,231,163	4,386,729	4,622,374	235,645
Fees	4,444	14,560	21,144	6,584
Transfers	11,073	0	0	0
Fund Balance	0	549,316	519,726	(29,590)
Total Revenues	<u>4,246,680</u>	<u>4,950,605</u>	<u>5,163,244</u>	<u>212,639</u>
General City Support	<u>954,549</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>174 Town Center Special Service District</u>				
<u>Expenditures</u>				
Landscape Special Zone Management - Town Center	31,143	29,367	30,501	1,134
Total Expenditures	<u>31,143</u>	<u>29,367</u>	<u>30,501</u>	<u>1,134</u>
<u>Revenues</u>				
Local Taxes	26,751	29,367	30,501	1,134
Total Revenues	<u>26,751</u>	<u>29,367</u>	<u>30,501</u>	<u>1,134</u>
General City Support	<u>4,392</u>	<u>0</u>	<u>0</u>	<u>0</u>

Parks and Recreation - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Parks and Recreation - Grants	103,464	0	0	0
Total Expenditures	<u>103,464</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
State	3,000	0	0	0
Federal	27,263	0	0	0
Total Revenues	<u>30,263</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>73,201</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>613 School Landscaping Internal Service Fund</u>				
<u>Expenditures</u>				
Schools Landscaping	4,401,158	3,676,911	3,522,500	(154,411)
Reserve for Contingencies	0	0	41,852	41,852
Total Expenditures	<u>4,401,158</u>	<u>3,676,911</u>	<u>3,564,352</u>	<u>(112,559)</u>
<u>Revenues</u>				
Fees	3,774,790	3,676,911	3,564,352	(112,559)
Total Revenues	<u>3,774,790</u>	<u>3,676,911</u>	<u>3,564,352</u>	<u>(112,559)</u>
General City Support	<u>626,368</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>908 City Beautification Fund</u>				
<u>Expenditures</u>				
Landscape Beautification Projects	27,762	72,500	72,500	0
Total Expenditures	<u>27,762</u>	<u>72,500</u>	<u>72,500</u>	<u>0</u>
<u>Revenues</u>				
Fees	44,829	72,500	72,500	0
Total Revenues	<u>44,829</u>	<u>72,500</u>	<u>72,500</u>	<u>0</u>
General City Support	<u>(17,067)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>911 Parks and Recreation Gift Fund</u>				
<u>Expenditures</u>				
Parks and Recreation Gift Fund	18,367	30,000	30,000	0
Sponsorships / Partnerships	7,391	25,000	25,000	0
Total Expenditures	<u>25,758</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	403	55,000	55,000	0
Total Revenues	<u>403</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
General City Support	<u>25,355</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	48,613,665	56,703,775	55,294,097	(1,409,678)
Total Department Revenue	43,848,580	48,587,057	47,539,242	(1,047,815)
Total General City Support	<u>4,765,085</u>	<u>8,116,718</u>	<u>7,754,855</u>	<u>(361,863)</u>

Position Summary by Program

002 General Fund

Landscape Asset Management	24.00	23.00	24.00	1.00
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Parks and Recreation - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
002 General Fund				
Landscape Maintenance Management	81.00	82.00	81.00	-1.00
Landscape Life Cycle Management	40.00	39.00	39.00	0.00
Landscape Special Zone Management - Resort Area	20.00	20.00	20.00	0.00
Landscape Special Zones Management - Municipal Center	14.00	14.00	14.00	0.00
Total	179.00	178.00	178.00	0.00
151 Parks and Recreation Special Revenue Fund				
Director's Office	2.00	2.00	2.00	0.00
Planning, Design and Development	7.00	7.00	7.00	0.00
Business Systems	10.00	10.00	10.00	0.00
Parks and Recreation Human Resources	7.72	7.72	7.72	0.00
Parks and Natural Areas	49.34	55.35	47.81	-7.54
Lynnhaven Boat Ramp and Beach Facility	4.40	4.40	4.40	0.00
Outdoor Programming and Special Events	10.61	10.19	9.18	-1.01
Little Island Park	7.48	7.48	8.33	0.85
Lynnhaven Municipal Marina	0.85	0.85	0.85	0.00
Owl Creek Municipal Tennis Center	3.36	3.31	3.31	0.00
Golf Administration	1.00	1.00	1.00	0.00
CRC - Kempsville	0.00	0.00	40.11	40.11
CRC- Bow Creek	0.00	0.00	1.00	1.00
CRC- Seatack	0.00	0.00	21.96	21.96
CRC - Great Neck	0.00	0.00	38.89	38.89
CRC - Bayside	0.00	0.00	40.29	40.29
CRC - Princess Anne	0.00	0.00	40.06	40.06
CRS-Williams Farm	0.00	0.00	43.42	43.42
Recreation Centers	221.98	226.58	0.00	-226.58
Out-of-School Time - Recreation Center Based	42.69	46.50	46.50	0.00
Programming and Operations Administration	8.00	8.00	7.00	-1.00
Marketing and Resource Development	7.00	7.00	7.00	0.00
Youth Opportunities Office	2.00	3.00	3.00	0.00
Athletic Leagues	13.05	11.67	11.67	0.00
Therapeutic Recreation Programs	14.14	13.32	13.32	0.00
Athletic Complexes	6.32	6.32	11.22	4.90
Inclusion Services	13.50	13.35	11.93	-1.42
Out-of-School Time - School Based	147.35	146.26	149.38	3.12
Landscape Special Zone Management - Princess Anne	7.00	7.00	7.00	0.00
Athletic Complex				
Pottery and Ceramics	1.19	1.19	1.18	-0.01
Total	587.98	599.49	596.53	-2.96
152 Tourism Investment Program Fund				
Landscape Special Zone Management - TIP Resort Area	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00

Parks and Recreation - Departmental Resource Summary

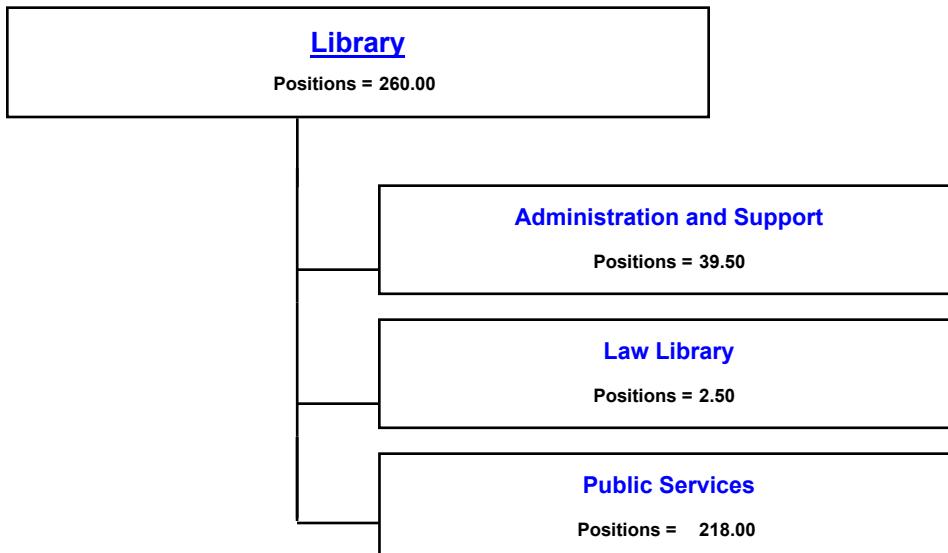
	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>172 Open Space Special Revenue Fund</u>				
Open Space Management and Maintenance	5.40	5.40	5.40	0.00
Open Space Planning	2.00	2.00	2.00	0.00
Total	7.40	7.40	7.40	0.00
<u>613 School Landscaping Internal Service Fund</u>				
Schools Landscaping	68.00	61.00	61.00	0.00
Total	68.00	61.00	61.00	0.00
Total Position Summary	843.38	846.89	843.93	-2.96

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City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Library - Departmental Performance Report

Library						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
		Customer				
Customer Access to Information and Materials						
In-Library Material Use (data collected change)	#	660,000.0	0.0	658,975.0	660,000.0	660,000.0
Library Materials Circulated - in thousands	#	3,700.0	3,636.0	3,614.0	3,900.0	3,950.0
Materials in Collection	#	900,000.0	875,169.0	854,332.0	905,000.0	895,000.0
Percent Customers Satisfied with Collection (new)	%	85.0	0.0	0.0	85.0	85.0
Reference Questions (new)	#	260,000.0	0.0	0.0	255,136.0	260,000.0
Routine Questions Answered by Staff (new)	#	740,000.0	0.0	0.0	726,000.0	740,000.0
Virtual Visitation - in thousands	#	2,700.0	1,673.0	2,749.0	2,750.0	2,800.0
Increase Library Customer Base						
Active Customers within Year (new)	#	165,000.0	0.0	0.0	160,000.0	165,000.0
New Registered Customers	#	35,000.0	33,772.0	31,946.0	31,904.0	33,000.0
Registered Borrowers	#	225,000.0	204,523.0	216,450.0	221,000.0	230,000.0
Increase the Use of and Satisfaction with Library						
% of Customers Satisfied with Library Programs (new)	%	80.0	0.0	0.0	0.0	80.0
Library Visitation - in thousands	#	1,766.0	1,817.3	1,741.9	1,800.0	1,800.0
Program Attendance	#	60,000.0	51,544.0	51,262.0	52,000.0	52,500.0
Promote Early Childhood Literacy						
Attendance at Early Literacy Programs	#	65,000.0	60,526.0	69,360.0	66,540.0	65,000.0
Circulation of Children's Materials - in thousands	#	1,107.0	1,079.2	1,080.8	1,083.0	1,084.5
Increased Awareness of Early Literacy Skills (new)	%	90.0	0.0	0.0	0.0	90.0
Provide Customers Access to Legal Resources						
Law Library Walk-in Clients	#	17,000.0	16,921.0	17,300.0	17,133.0	17,100.0
Financial						
Enhance Service through Citizen Volunteer Support						
Value of Volunteer Hours	\$	360,000	382,000	363,200	380,400	386,600
Volunteer Hours	#	30,000.0	31,206.0	29,127.0	30,500.0	31,000.0
Provide Materials and Information in a Cost Effective Manner						
Expenditures per Registered Borrower	\$	74	71	70	69	69

Library

Major Changes

In FY 2013-14, the Virginia Beach Public Libraries budget totals \$17,870,868, which will increase by \$208,533 or 1.2% from the adjusted FY 2012-13 budget. The following table highlights key changes in the budget:

Change	Impact
Reduction in Books and Subscriptions	<ul style="list-style-type: none">These are reduced by \$111,294, and will result in expanding the waiting lists for popular titles from 12 weeks to 15-18 weeks. However, the City's per capita funding for books ranks second highest among selected peer localities as shown in an accompanying table below this section.
Efficiency Savings	<ul style="list-style-type: none">Libraries will eliminate 5 positions in this year's budget: (5) will be eliminated in this budget as a result of the installation/implementation of CIP 3-622 Automated Materials and Handling at the Central Library and four branches (note this year's budget includes \$51,009 for maintenance of this system); the department plans to eliminate an additional four positions next year as a result of this technology; and 0.5 will be eliminated as a result of efficiencies and process improvements in circulation. Since FY 2009, the Library department has eliminated 49.5 FTEs (18.9% of the department's total positions, excluding the opening of the Joint Use Library). Of the position reductions, 8.5 FTEs (5.5 noted above) were due to improvements in efficiency as noted below (the residual positions were eliminated as a result of reduced hours of operation).

Departmental Overview

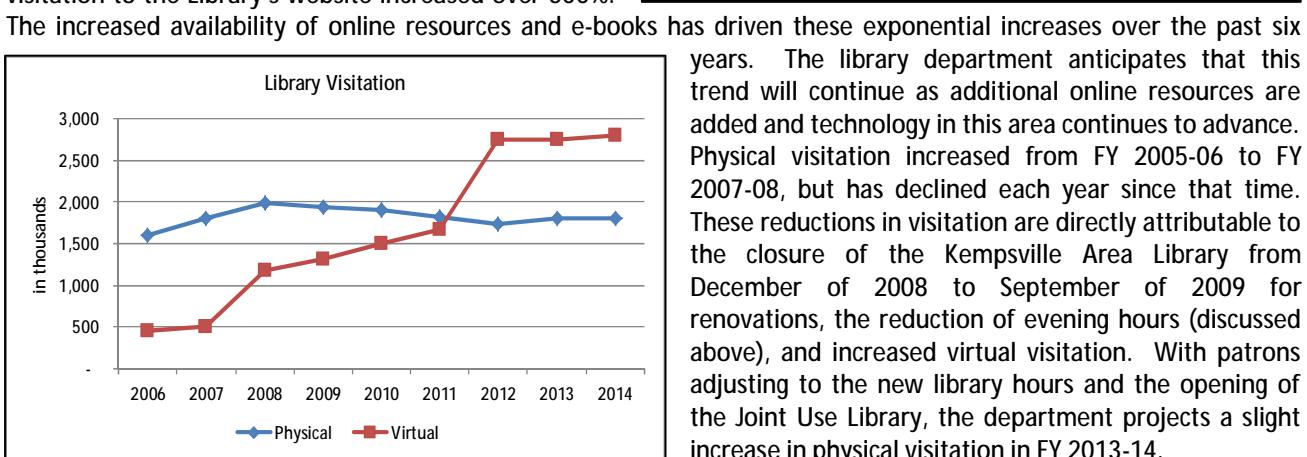
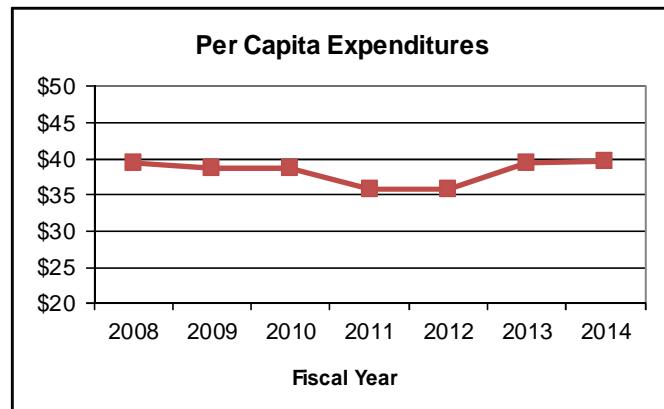
The Virginia Beach Public Libraries rely mainly on general city revenues. The department collects a small amount of revenue (4.2%) through fines and fees and also receives a small amount of assistance from the State (1.6%). However, state revenue decreased as a percentage of the department's resources this year. The department's mission contributes to the City's "A Community for a Sustainable Future" report through promoting youth development opportunities and learning opportunities for our aging residents. The department's major programs are highlighted below:

- Records Management - Ensures the protection of permanent, archival, and non-current records for the city, schools, and courts, ensuring that all federal, state, and local records retention and disposition requirements are met in accordance with the Virginia Public Records Act.
- Meyera E. Oberndorf Central Library, Community Libraries, and Neighborhood Libraries - Provides reference, information, programming and circulation services to customers visiting, telephoning, or emailing the libraries in support of lifelong learning, education, and leisure needs.
- Online Library Services - This program is available twenty-four hours a day, seven days a week and allows citizens to access library resources easily from anywhere they have internet access. The library's website customers can download audio books, e-books and music, access magazines and newspapers, review an extensive collection of research material and electronic resources, browse digital collections of local history, photographs and postcards, and place holds or renew materials. There are also librarians available during library hours to answer questions and provide assistance via email, texting or instant messaging.
- Mobile Services (Bookmobile) - Transformed into a mobile Early Literacy Center in 2010, the bookmobile travels to preschools, child care centers, Title I Schools, Head Start programs, at risk neighborhoods and after school programs throughout the city. It reaches children and parents who otherwise might not be able to visit the library and provides access to books and electronic databases to support educational and recreational needs for young children and their parents.
- Special Services for the Blind and Physically Handicapped - A sub-regional library of the National Library Service for the Blind, located at the Bayside Area Library, loans braille, recorded, and large print materials and equipment to registered customers, and provides information services for individuals with disabilities.

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

Trends and Issues

- The per capita expenditure graph illustrates that budgeted expenditures for the Virginia Beach Public Libraries have decreased from 2008 through 2012. The major decline in expenditures per capita came in FY 2010-11 when the library system reduced hours of operation Monday through Thursday at eight of the city's branch libraries and reduced spending for materials acquisition by \$175,000 due to limited city-wide funding. The increase beginning in FY 2012-13 is due to the opening of the Joint Use Library.
- Visitation: From FY 2005-06 to FY 2011-12, virtual visitation to the Library's website increased over 500%.



- The Joint-Use Library: This new library is scheduled to open in August. It will represent the largest library in Virginia Beach, and it is open to students, faculty, and the general public. Because of its affiliation with Tidewater Community College, it will have extended hours of operation (typically on Monday through Thursday from 7:30 am to 9:00 pm, and on Friday from 7:30 am to 5:00 pm).
- E-Books: A total of 81,690 e-books have circulated since the introduction of the format into the collection in March, 2010. Lending e-books is the library's response to and in alignment with customer demand and business model trends for contemporary readers. The library is an essential element of the downloadable market surge as a leader, guide, teacher and provider of both resources and services, both virtual and in print. The efficiencies of electronic resources lie in the reduction of loss and need for processing by Support Services. Conversely, in terms of service to customers in the form of support and training, libraries are more necessary and relevant than ever in providing classes and instruction in the use of technology.
- Benchmarking: The tables provide comparisons on demand/usage, service standards, and service coverage among peer localities. Benchmarking is never perfect; it is impossible to control for variables that could influence or offer an alternative explanation for differences. Virginia Beach has the lowest circulation per capita and ranks in the middle for visitation per capita compared to the benchmarks, and ranks near the top regarding annual purchases of books and subscriptions. The City is in the bottom grouping in terms of weekly hours that branches are open.

Library Benchmark Comparisons						
	Per Capita			Weekly**		
	Circulation	Visits	Books*	Square Feet	Branch Hours	Bookmobile
Virginia Beach	8.43	5.84	5.0	.72	50	Yes
Chesapeake	12.01	6.43	4.7	.70	68	Yes
Chesterfield	9.31	4.83	2.1	.48	47	No
Henrico	16.73	7.01	5.4	.66	60	Yes
Prince William	8.46	3.83	3.8	.25	50	No

*FY 2011-12 budget for books and subscriptions
 **for a typical branch, excluding Central Library hours

Sources: Library of Virginia; Public Library Data Services Statistical Report, 2012; Census Bureau; respective Library Departments and Budget Documents/Budget Offices

- Freegal Music Downloads: Napster changed the music industry in that demand for music is based more on individual song titles rather than groups of songs by a single artist on a CD. The next progression into fulfilling the demand of library customers for downloadable content is the addition of DRM (digital rights management), copyright safe music downloads for library customers. The service was added and available to customers in August 2011 via the Library website. The Library's media collections (DVD and CD) yield the highest turnover rates for library materials and based on the fragility of the format downloadable is an economic and efficient method of delivering content in the changing technological environment. The number of Freegal downloads increased from 10,000 in 2011 to over 40,000 in 2012.
- Pilot Project for Developing Outcome Performance Measures: City departments have been tracking performance measures since the late 1970's. These measures have largely been limited to Output (product or service produced by program), Efficiency (cost per output, output per worker, or output per cost of output/program), and Service/Quality (satisfaction with, accuracy of, timeliness of program/service) measures. The city initiated Pilot Outcome Measure Project (POMP) for three departments (Public Works, Museums, and Libraries) to begin building capacity within the individual departments to measure the impacts (i.e. outcomes) of their programs and services on their customer base/the citizenry. The Libraries Department has commenced infusing the goal statements and outcomes/outcome measures devised, as a result of its POMP efforts, into both their strategic planning revision process and, more importantly, in daily operation. For instance, the principal data report utilized by the agency managers, the Monthly Management Report, has been completely revised to reflect outcomes thinking and the importance of valid conceptualization, measurement and evaluation. In addition, the program planning staff (particularly, those working in the Youth and Family Services Division) have taken steps to have program proposals reflect, and have inherent to them valid measures of programmatic success that directly connect to, achievement of departmental goals. Finally, the Libraries Department has undertaken considerable revision of their budget performance measures to more accurately reflect the ultimate service impacts; these new measures are reflected on the first page of this departmental section, but there is not historical data for some of these new measures.
- Email and Voice Mail Notification: The libraries notify patrons of overdue books, availability of reserved books, and card expirations via E-Mail and Voice Mail. Approximately 1.5 million notifications are sent annually at an estimate staffing savings of \$35,000 over a year.
- Automated Materials Handling: This summer the department will install an automated materials handling system at the five largest libraries. This technology checks-in and sorts library materials (books, CDs, DVDs, etc.), identifying holds and in-transit items without staff intervention. Libraries eliminated five positions in this budget as a result of this technology, and plan to eliminate at least 3.5 additional positions in FY 2014-15. Virginia Beach represents the first area city to install such technology.
- Floating Collections: Traditionally, if patrons returned materials to a different library from which they originally borrowed/check-out, the libraries re-routed the materials to the original library. Beginning in March of 2012, staff

implemented a “Floating Collection” in which materials are maintained in the library at which the patron returned. This practice has reduced delivery costs and staff processing and increased circulation per item.

Library - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	1,237,179	1,402,388	1,449,294	46,906
Meyera E. Oberndorf Central Library	2,647,894	2,814,056	2,714,749	(99,307)
Great Neck Area Library	572,301	597,019	631,218	34,199
Bayside Area Library	881,824	924,201	907,526	(16,675)
Oceanfront Area Library	716,950	753,480	760,891	7,411
Kempsville Area Library	1,069,103	1,131,468	1,118,113	(13,355)
Windsor Woods Area Library	579,850	625,814	583,890	(41,924)
Pungo - Blackwater Area Library	330,980	347,940	361,898	13,958
Princess Anne Area Library	1,132,255	1,062,658	1,045,950	(16,708)
Joint Use Library	0	1,532,366	1,767,665	235,299
GrowSmart	7,318	0	0	0
South Rosemont Youth Library	377,952	0	0	0
Mobile Services	224,969	0	0	0
Records Management	428,388	401,438	406,871	5,433
Technology Services	869,326	970,915	1,047,547	76,632
Materials Management	3,418,308	4,056,383	3,773,214	(283,169)
Youth and Family Services	638,965	750,759	1,002,592	251,833
Total Expenditures	<u>15,133,562</u>	<u>17,370,885</u>	<u>17,571,418</u>	<u>200,533</u>
<u>Revenues</u>				
Fees	488,125	466,300	463,800	(2,500)
State	267,131	282,999	279,702	(3,297)
Total Revenues	<u>755,256</u>	<u>749,299</u>	<u>743,502</u>	<u>(5,797)</u>
General City Support	<u>14,378,306</u>	<u>16,621,586</u>	<u>16,827,916</u>	<u>206,330</u>
130 Law Library Fund				
<u>Expenditures</u>				
Law Library	211,492	224,869	233,437	8,568
Reserve for Contingencies	0	2,329	1,761	(568)
Transfer to Other Funds	57,252	57,252	57,252	0
Total Expenditures	<u>268,744</u>	<u>284,450</u>	<u>292,450</u>	<u>8,000</u>
<u>Revenues</u>				
Fees	272,116	274,450	287,450	13,000
Fund Balance	0	10,000	5,000	(5,000)
Total Revenues	<u>272,116</u>	<u>284,450</u>	<u>292,450</u>	<u>8,000</u>
General City Support	<u>(3,372)</u>	<u>0</u>	<u>0</u>	<u>0</u>
183 Grants Consolidated Fund				
<u>Expenditures</u>				
Library - Grants	69,004	0	0	0
Total Expenditures	<u>69,004</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>69,004</u>	<u>0</u>	<u>0</u>	<u>0</u>

Library - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
909 Library Gift Fund				
<u>Expenditures</u>				
Library Donations	0	4,000	4,000	0
Special Services Gift Fund	3,541	3,000	3,000	0
Total Expenditures	<u>3,541</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	376	7,000	7,000	0
Total Revenues	<u>376</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
General City Support	<u>3,165</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	<u>15,474,851</u>	<u>17,662,335</u>	<u>17,870,868</u>	<u>208,533</u>
Total Department Revenue	<u>1,027,748</u>	<u>1,040,749</u>	<u>1,042,952</u>	<u>2,203</u>
Total General City Support	<u>14,447,103</u>	<u>16,621,586</u>	<u>16,827,916</u>	<u>206,330</u>

Position Summary by Program

002 General Fund

Director's Office	15.00	15.50	15.50	0.00
Meyera E. Oberndorf Central Library	52.50	52.50	51.50	-1.00
Great Neck Area Library	12.00	12.00	12.00	0.00
Bayside Area Library	18.00	18.00	18.50	0.50
Oceanfront Area Library	14.00	13.50	13.50	0.00
Kempsville Area Library	22.00	22.00	22.50	0.50
Windsor Woods Area Library	12.00	12.00	12.00	0.00
Pungo - Blackwater Area Library	6.00	6.00	6.00	0.00
Princess Anne Area Library	21.50	21.50	21.50	0.00
Joint Use Library	1.00	49.50	40.00	-9.50
South Rosemont Youth Library	7.50	0.00	0.00	0.00
Mobile Services	4.00	0.00	0.00	0.00
Records Management	4.50	4.50	4.50	0.00
Technology Services	5.00	5.00	5.00	0.00
Materials Management	20.00	19.00	19.00	0.00
Youth and Family Services	10.00	12.00	16.00	4.00
Total	<u>225.00</u>	<u>263.00</u>	<u>257.50</u>	<u>-5.50</u>

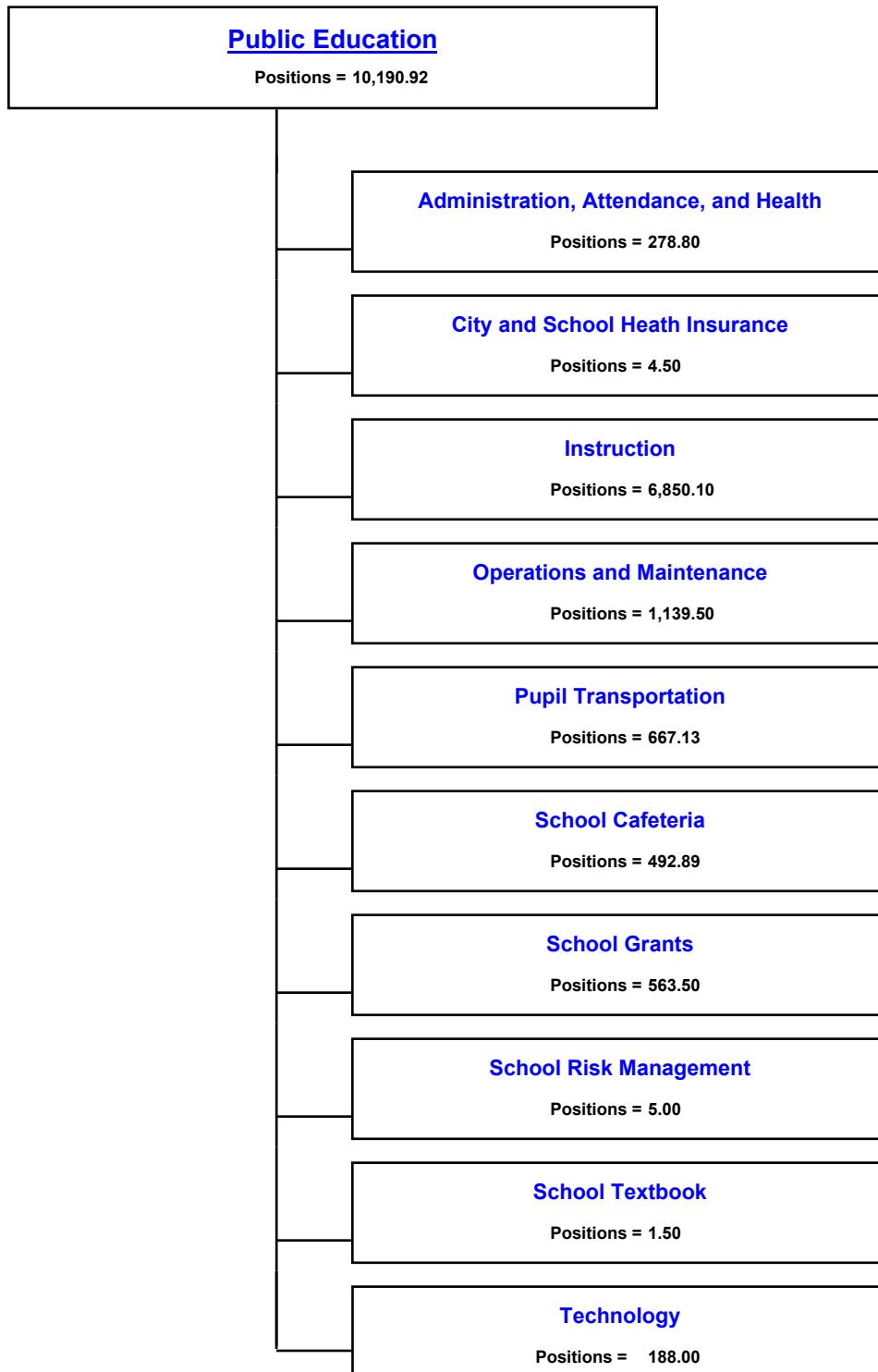
130 Law Library Fund

Law Library	2.50	2.50	2.50	0.00
Total	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>0.00</u>
Total Position Summary	<u>227.50</u>	<u>265.50</u>	<u>260.00</u>	<u>-5.50</u>

Resource Summary Notes

The variances in the expenditures in the Program Summary are due to elimination and transferring of positions among the various programs. South Rosemont Youth Library was merged in the Joint Use Library; Mobile Services was merged into Youth and Family Services; and GrowSmart was merged into the Department of Economic Development.

**City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart**



Public Education

City Council Amendment

On May 14, 2013, City Council voted to increase funding to the Schools by \$6,068,568. The increases were primarily due to the Schools' decision to accept State funding for salary increases (\$3.8 million), and a re-direction of Sandbridge Tax Incremental Financing funding (\$1.1 million) from the Schools CIP to their operating budget. The Schools' decision to accept State Funding for pay raises (1.34% in July as planned and an additional 1.66% in September, which is very similar to the pay raises for the city) increased the required local SOQ match. This necessitated an increase in City funding via the Revenue Sharing Formula of nearly \$1 million; however, the City Council also lowered the Real Estate Tax Rate from 95 cents to 93 cents, which would have reduced School Revenue Sharing by a total of \$3,101,633. Rather than reduce revenues to the Schools, the City provided additional funding to offset this formula reduction. This adjustment will be included in the base formula in the future. The following table outlines the changes in revenues (which supported the increase in salary expenditures):

Changes to School Revenues	
State	\$3,843,201
Sandbridge Tax Incremental Financing	\$1,116,978
City Funding *	\$988,533
Charges for Services	\$118,788
Fund Balance	<u>\$1,068</u>
Total	\$6,068,568

* amount of formula increase prior to reduction in real estate tax rate. As a result of the rate reduction, City Council provided a total increase of \$3,101,633.

As a result of these changes, the following tables shown in the proposed budget changed:

Source of Funds for Operating Budget	% of Total
Charges for Services/Miscellaneous	0.5%
State	42.8%
City	52.1%
Federal	2.3%
Fund Balance	2.3%

Note: totals do not equal 100% due to rounding.

Source of Funds for All School Funds	% of Total
Charges for Services/Miscellaneous	3.0%
State	38.8%
City	44.4%
Federal	9.3%
Fund Balance	4.5%

Major Changes:

This section provides a summary of educational funding. The total, net school budget for FY 2013-14 is \$833,410,361, which represents a 1.7% decline from last year's budget. The total budget, including internal service funds, is \$977,750,467, and represents a 1.4% decline from last year's budget. This primarily reflects a decline in the use of fund balance and State revenues. The school operating budget is \$722,005,333, and represents a 1.0% decline also due to a decline in the use of fund balance and State revenues. The City's local contribution through the revenue sharing formula is \$377,992,643, which represents a 0.5% increase.

Change	Impact
Increase in Class Sizes	<ul style="list-style-type: none"> At the secondary level, class sizes will increase by 0.5 students. This policy action could be reversed when revenues return to historical norms.
Pay Raise	<ul style="list-style-type: none"> This funds a 1.34% pay raise (offset by 1% employee contribution for second year of mandatory phase-in of employee contributions to VRS). This level of a pay raise will mean the average employee will not experience a decrease in pay as result of the employee contribution to VRS (the contribution is pre-tax, but the pay raise is subject to Social Security taxes). Note: because of insufficient funds for the local match (\$3.1 million), the proposed school budget does not include/accept the State funding (\$3.8 million) for a 2% pay raise.
Pay Inequities	<ul style="list-style-type: none"> The budget includes approximately \$1.7 million to address pay inequities in the schools Unified Pay Scale. These funds will be allocated to address the inequities in the pay of principals and assistant principals.
Efficiency Savings	<ul style="list-style-type: none"> Approximately 6-10 central office positions will be eliminated; all non-personnel budgets were reduced by 5%; and the schools implemented a hybrid-high school schedule, which requires all teachers to teach a minimum of five classes, resulting in fewer teachers at an estimated savings of \$1.1 million.

At the end of this section, the Virginia Beach FY 2013-14 School Board Adopted Operating Budget is included in its entirety.

Departmental Overview

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

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

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

School Operating Funding and Total School Funding: Note the School Board's adopted budget does not include debt service, but it is included in the city's proposed budget. This serves as the explanation of the difference between the funding levels in these two documents. As noted, the city's proposed budget includes a city contribution to the Schools in the amount of \$378.0 million, which includes \$44.6 million for debt service for school capital project. The funding dedicated for operations and debt service represents \$215.8 million (or 133%) above the required SOQ local match. Additionally, the Schools receive \$3,591,000 in surplus funds from the Sandbridge TIF. The Schools allocated \$2 million in the operating budget (reflected as use of Fund Balance/appropriation of Specific Fund Reserves), and \$1,591,000 to their CIP. The following table shows the composition of school funding by source:

Source of Funds for Operating Budget	% of Total
Charges for Services/Miscellaneous	0.5%
State	42.6%
City	52.4%
Federal	2.4%
Fund Balance	2.2%
Note: totals do not equal 100% due to rounding.	

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

Source of Funds for All School Funds	% of Total
Charges for Services/Miscellaneous	3.0%
State	38.7%
City	44.6%
Federal	9.3%
Fund Balance	4.4%

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

Public Education - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
<u>107 School Equipment Replacement Special Revenue Fund</u>				
<u>Expenditures</u>				
Reserve for Contingencies	0	902,602	453,782	(448,820)
Total Expenditures	<u>0</u>	<u>902,602</u>	<u>453,782</u>	<u>(448,820)</u>
<u>Revenues</u>				
Fund Balance	0	902,602	453,782	(448,820)
Total Revenues	<u>0</u>	<u>902,602</u>	<u>453,782</u>	<u>(448,820)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<u>109 School Vending Operations Fund</u>				
<u>Expenditures</u>				
School Vending Operations	334,414	329,561	363,047	33,486
Total Expenditures	<u>334,414</u>	<u>329,561</u>	<u>363,047</u>	<u>33,486</u>
<u>Revenues</u>				
Fees	193,410	192,550	192,550	0
Fund Balance	0	137,011	170,497	33,486
Total Revenues	<u>193,410</u>	<u>329,561</u>	<u>363,047</u>	<u>33,486</u>
General City Support	<u>141,004</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>141,004</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<u>112 School Communication Tower Technology Fund</u>				
<u>Expenditures</u>				
Communication Tower Technology	262,206	600,000	600,000	0
Total Expenditures	<u>262,206</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
<u>Revenues</u>				
Fees	448,859	260,000	260,000	0
Fund Balance	0	340,000	340,000	0
Total Revenues	<u>448,859</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
General City Support	<u>(186,653)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(186,653)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<u>114 School Cafeteria Fund</u>				
<u>Expenditures</u>				
Food Services	26,480,280	28,343,127	28,600,954	257,827
Total Expenditures	<u>26,480,280</u>	<u>28,343,127</u>	<u>28,600,954</u>	<u>257,827</u>
<u>Revenues</u>				
Fees	12,781,424	14,168,980	14,005,578	(163,402)
State	489,788	485,000	488,000	3,000
Federal	13,867,219	13,361,841	13,675,982	314,141
Fund Balance	0	327,306	431,394	104,088
Total Revenues	<u>27,138,431</u>	<u>28,343,127</u>	<u>28,600,954</u>	<u>257,827</u>
General City Support	<u>(658,151)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(658,151)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Public Education - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
115 School Operating Fund				
<u>Expenditures</u>				
Instruction	477,573,144	519,982,919	518,411,377	(1,571,542)
Administration, Attendance, and Health	19,064,917	21,325,235	21,615,583	290,348
Pupil Transportation	29,578,123	29,800,231	30,893,091	1,092,860
Operations and Maintenance	88,326,990	86,274,376	86,963,647	689,271
Technology	39,345,298	26,881,028	26,975,580	94,552
Debt Service	44,337,710	44,747,986	43,094,767	(1,653,219)
Total Expenditures	<u>698,226,182</u>	<u>729,011,775</u>	<u>727,954,045</u>	<u>(1,057,730)</u>
<u>Revenues</u>				
Fees	3,922,582	3,305,837	3,325,383	19,546
State	305,542,870	310,119,673	311,389,423	1,269,750
Federal	13,660,046	17,141,085	17,141,085	0
Transfers	351,434,355	398,445,180	396,098,154	(2,347,026)
Total Revenues	<u>674,559,853</u>	<u>729,011,775</u>	<u>727,954,045</u>	<u>(1,057,730)</u>
General City Support	<u>23,666,329</u>	<u>0</u>	<u>0</u>	<u>0</u>
116 School Grants Fund				
<u>Expenditures</u>				
School Grants	67,292,732	68,401,312	67,040,031	(1,361,281)
Total Expenditures	<u>67,292,732</u>	<u>68,401,312</u>	<u>67,040,031</u>	<u>(1,361,281)</u>
<u>Revenues</u>				
Fees	3,547,951	3,202,852	3,044,467	(158,385)
State	7,662,113	15,373,206	15,904,631	531,425
Federal	55,569,131	49,825,254	48,090,933	(1,734,321)
Total Revenues	<u>66,779,195</u>	<u>68,401,312</u>	<u>67,040,031</u>	<u>(1,361,281)</u>
General City Support	<u>513,537</u>	<u>0</u>	<u>0</u>	<u>0</u>
117 School Textbook Fund				
<u>Expenditures</u>				
Textbook	5,876,806	15,117,601	9,556,428	(5,561,173)
Total Expenditures	<u>5,876,806</u>	<u>15,117,601</u>	<u>9,556,428</u>	<u>(5,561,173)</u>
<u>Revenues</u>				
Fees	136,571	110,000	110,000	0
State	1,661,828	3,790,074	3,606,022	(184,052)
Fund Balance	0	11,217,527	5,840,406	(5,377,121)
Total Revenues	<u>1,798,399</u>	<u>15,117,601</u>	<u>9,556,428</u>	<u>(5,561,173)</u>
General City Support	<u>4,078,407</u>	<u>0</u>	<u>0</u>	<u>0</u>
119 School Athletic Special Revenue Fund				
<u>Expenditures</u>				
Athletics	4,829,598	4,810,642	4,910,642	100,000
Total Expenditures	<u>4,829,598</u>	<u>4,810,642</u>	<u>4,910,642</u>	<u>100,000</u>
<u>Revenues</u>				
Fees	3,893,639	4,600,642	4,910,642	310,000
Fund Balance	0	210,000	0	(210,000)
Total Revenues	<u>3,893,639</u>	<u>4,810,642</u>	<u>4,910,642</u>	<u>100,000</u>
General City Support	<u>935,959</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Education - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
614 School Risk Management Fund				
<u>Expenditures</u>				
School Risk Management	6,450,916	11,488,946	11,488,946	0
Total Expenditures	<u>6,450,916</u>	<u>11,488,946</u>	<u>11,488,946</u>	<u>0</u>
<u>Revenues</u>				
Fees	6,411,797	11,488,946	11,488,946	0
Total Revenues	<u>6,411,797</u>	<u>11,488,946</u>	<u>11,488,946</u>	<u>0</u>
General City Support	39,119	0	0	0
	<u>39,119</u>	<u>0</u>	<u>0</u>	<u>0</u>
615 City and School Health Insurance Fund				
<u>Expenditures</u>				
City and School Health Insurance	119,029,627	132,851,160	132,851,160	0
Total Expenditures	<u>119,029,627</u>	<u>132,851,160</u>	<u>132,851,160</u>	<u>0</u>
<u>Revenues</u>				
Fees	107,014,753	132,851,160	132,851,160	0
Total Revenues	<u>107,014,753</u>	<u>132,851,160</u>	<u>132,851,160</u>	<u>0</u>
General City Support	12,014,874	0	0	0
	<u>12,014,874</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	928,782,761	991,856,726	983,819,035	(8,037,691)
Total Department Revenue	888,238,336	991,856,726	983,819,035	(8,037,691)
Total General City Support	<u>40,544,425</u>	<u>0</u>	<u>0</u>	<u>0</u>

Position Summary by Program

114 School Cafeteria Fund

Food Services	492.89	492.89	492.89	0.00
Total	<u>492.89</u>	<u>492.89</u>	<u>492.89</u>	<u>0.00</u>

115 School Operating Fund

Instruction	6,931.95	6,961.70	6,850.10	-111.60
Administration, Attendance, and Health	281.30	278.80	278.80	0.00
Pupil Transportation	667.13	667.13	667.13	0.00
Operations and Maintenance	1,156.50	1,139.50	1,139.50	0.00
Technology	187.00	187.00	188.00	1.00
Total	<u>9,223.88</u>	<u>9,234.13</u>	<u>9,123.53</u>	<u>-110.60</u>

116 School Grants Fund

School Grants	659.50	588.50	563.50	-25.00
Total	<u>659.50</u>	<u>588.50</u>	<u>563.50</u>	<u>-25.00</u>

117 School Textbook Fund

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

614 School Risk Management Fund

School Risk Management	5.00	5.00	5.00	0.00
Total	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>

615 City and School Health Insurance Fund

City and School Health Insurance	4.50	4.50	4.50	0.00
Total	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>0.00</u>

Public Education - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
Total Position Summary	<u>10,387.27</u>	<u>10,326.52</u>	<u>10,190.92</u>	<u>-135.60</u>

**Virginia Beach
City Public Schools**

FY 2013/14 School Board Proposed Operating Budget



March 5, 2013

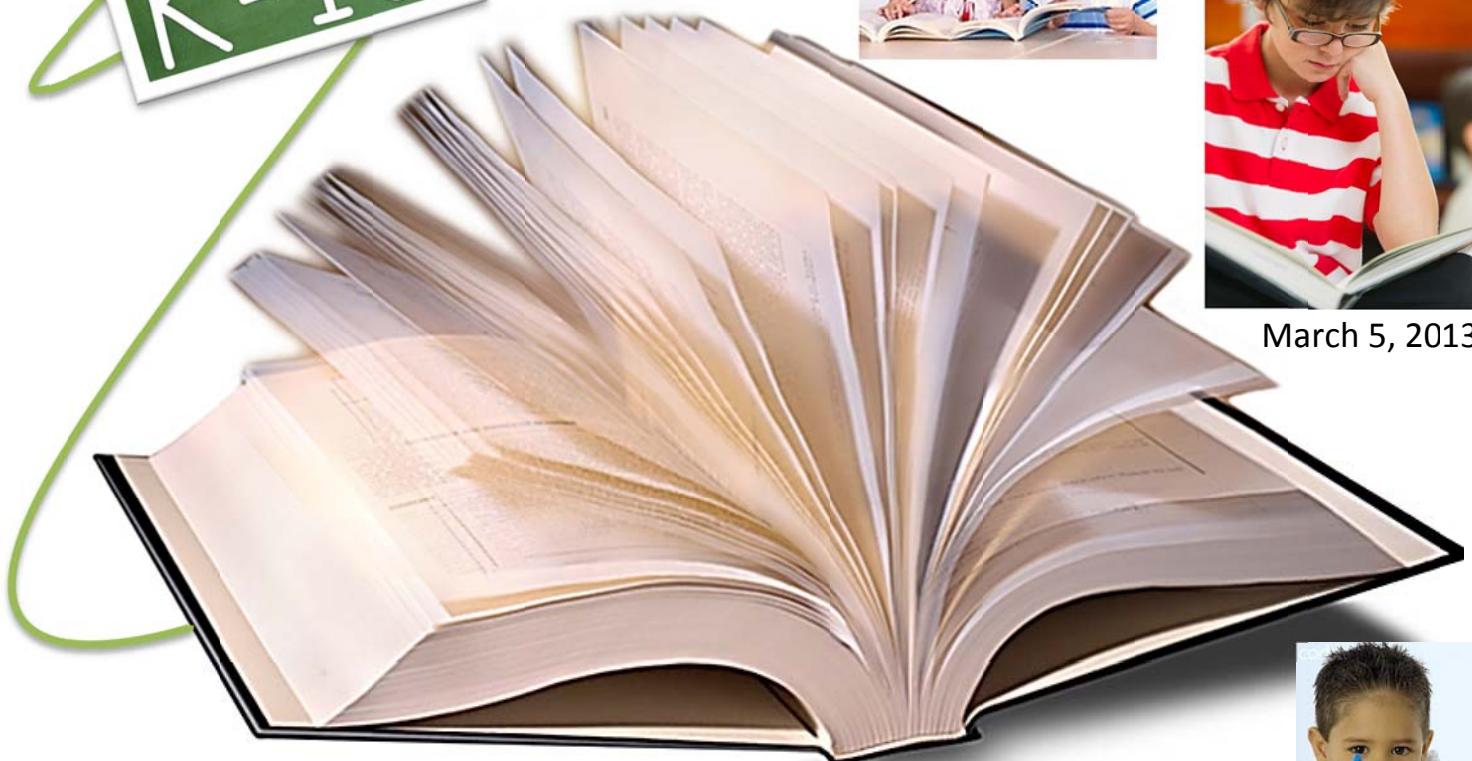


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School Division Structure

FY 2013/2014 School Board Members



Daniel D. Edwards

Chairman

District 2 – Kempsville

July 1998 – December 2016



William J. Brunke, IV

Vice Chairman

District 7 – Princess Anne

June 2008 – December 2014



Beverly M. Anderson

At-Large Seat

January 2013 – December 2016



Emma L. Davis

District 5 – Lynnhaven

July 2002 – December 2014



Dorothy M. Holtz

At-Large Seat

January 2011 - December 2014



Joel A. McDonald

District 3 – Rose Hall

January 2013 – December 2016



Robert N. Melatti

At-Large Seat

November 2012 – December 2014



Sam Reid

District 6 – Beach

January 2011 – December 2014



Elizabeth E. Taylor

At-Large Seat

January 2013 – December 2016



Leonard C. Tengco

District 1 – Centerville

January 2013 – December 2016

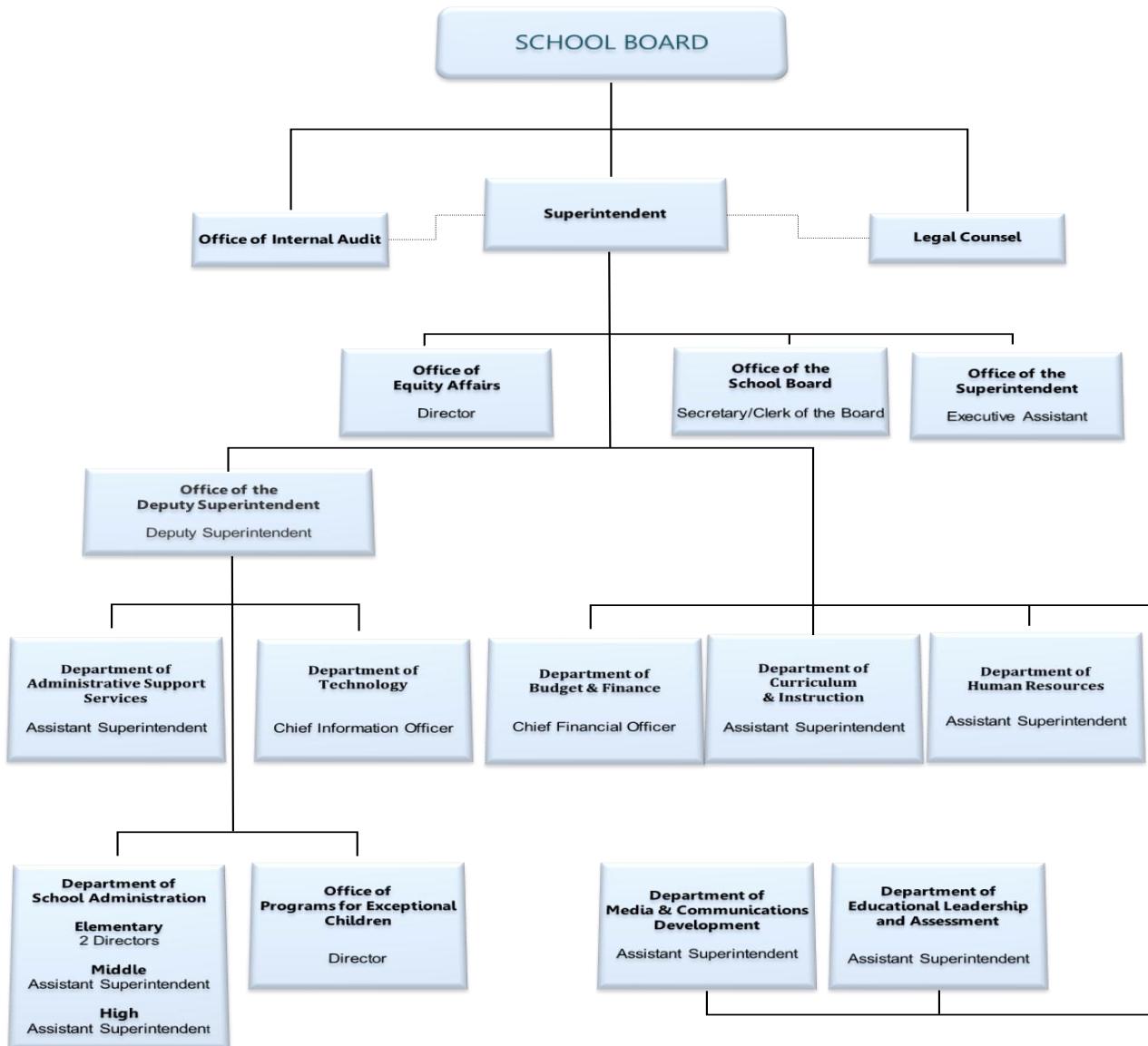


Carolyn D. Weems

District 4 – Bayside

July 2002 - December 2014

School Division Structure



Administrative Staff

Office of the Superintendent	Deputy Superintendent	Dr. Sheila S. Magula
Office of the Superintendent	Executive Assistant	Ms. Heather M. Allen
Office of Equity Affairs	Director	Dr. Esther Monclova-Johnson
Administrative Support Services.....	Assistant Superintendent	Mr. Dale R. Holt
Budget and Finance	Chief Financial Officer	Mr. Farrell E. Hanzaker
Curriculum and Instruction	Assistant Superintendent	Mr. Rodney J. Burnsworth
Educational Leadership and Assessment.....	Assistant Superintendent	Dr. Donald E. Robertson
Human Resources	Assistant Superintendent	Mr. John A. Mirra
Media and Communications Development	Assistant Superintendent	Ms. Kathleen E. O'Hara
School Administration.....	Elementary, Lead Director	Dr. Jeanne Crocker
 Elementary, Director	Mrs. Shirann C. Lewis
School Administration.....	Middle, Assistant Superintendent	Dr. Maynard E. Massey
School Administration.....	High, Assistant Superintendent	Mrs. Jobynia G. Caldwell
Technology	Chief Information Officer	Mr. Ramesh K. Kapoor

School Board of the City of Virginia Beach
2512 George Mason Drive
P.O. Box 6038
Virginia Beach, VA 23456-0038
(757) 236-1016
www.vbschools.com/schoolboard
James G. Merrill, Ed.D., Superintendent

Daniel D. Edwards, Chairman
District 2 – Kempsville
William J. “Bill” Brunke, IV, Vice-Chairman
District 7 – Princess Anne
Beverly M. Anderson, At-Large
Emma L. “Em” Davis, District 5 – Lynnhaven
Dorothy M. “Dottie” Holtz, At-Large

Joel A. McDonald, District 3 – Rose Hall
Robert N. “Bobby” Melatti, At-Large
Samuel G. “Sam” Reid, District 6 – Beach
Elizabeth E. Taylor, At-Large
Leonard C. Tengco, District 1 – Centerville
Carolyn D. Weems, District 4 – Bayside

Budget Resolution – FY 2013/14

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

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

WHEREAS, the School Board has studied the recommended FY 2013/14 Operating Budget in view of state and federal requirements, the strategic plan, priorities, expectations, competitive compensation for employees and the best educational interests of its students; however, the primary drivers of the budget are the down economy and its impact of reduced revenues at the state and local levels; and

WHEREAS, the proposed Operating Budget includes only a 1.34 percent salary increase for school employees of which employees will have to pay an additional 1% to VRS leaving a net increase of 0.34 percent; and

WHEREAS, the savings remaining in the School Reserve Special Revenue Fund is \$14,000,000, which would have normally been used for major one-time purchases; and construction projects, which have been deferred in anticipation of these economic challenges; and have been budgeted to use these funds in the FY 2013/14 Operating Budget; and

WHEREAS, the School Board intends to use these school-generated reserves and savings to offset reductions in both state and local revenues; and

WHEREAS, the total funds requested for FY 2013/14 from the City of Virginia Beach to the School Board of the City of Virginia Beach is \$377,992,643; and

WHEREAS, the debt service payment is estimated to be \$44,083,511 leaving a balance of \$333,909,132 to allocate between the Operating Budget and the Capital Improvement Program (CIP); and

WHEREAS, the amount of the Sandbridge TIF available to the School Board for FY 2013/14 is \$3,591,000.

NOW, THEREFORE, BE IT

RESOLVED: That \$2,000,000 of the Sandbridge TIF be allocated to the Operating Budget bringing the Operating Budget total to \$335,909,132 and allocating \$1,591,000 to the Schools CIP; and be it

FURTHER RESOLVED: That the \$335,909,132 be allocated as follows: \$335,909,132 to the Operating Budget, and \$0 to the CIP; and be it

FURTHER RESOLVED: That \$14,000,000 of the School Reserve Special Revenue Fund be added to the Operating Budget bringing the total with these additions to \$349,909,132; and be it

School Board of the City of Virginia Beach
 2512 George Mason Drive
 P.O. Box 6038
 Virginia Beach, VA 23456-0038
 (757) 236-1016
www.vbschools.com/schoolboard
 James G. Merrill, Ed.D., Superintendent

Daniel D. Edwards, Chairman	District 2 – Kempsville
William J. "Bill" Brunke, IV, Vice-Chairman	District 7 – Princess Anne
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Budget Resolution – FY 2013/14 (continued)

Page 2 of 2

FURTHER RESOLVED: That Federal Funds in the amount of \$16,636,723 along with State Funds in the amount of \$307,546,222 and Other Local Funds in the amount of \$3,325,383 be added to the Operating Budget bringing it to a total for FY 2013/14 of \$ 677,417,460; and be it

FURTHER RESOLVED: That the School Board of the City of Virginia Beach requests a Lump Sum Appropriation of \$677,417,460 for FY 2013/14 from the City Council of Virginia Beach for the School Board FY 2013/14 Operating Budget; and be it

FURTHER RESOLVED: That the School Board of the City of Virginia Beach requests an appropriation of \$111,405,028 for special grants revenue funds comprised of Federal Grants in the amount of \$48,144,405, State Grants in the amount of \$18,895,626, and other special revenue funds in the amount of \$44,364,997 for the 2013/14 fiscal year and that the total of these funds be included in the Lump Sum Appropriation; and be it

FURTHER RESOLVED: That for informational purposes only, the Categorical breakdown of the Lump Sum Total of \$788,822,488 is as follows:

• Instruction	\$ 512,212,638
• Administration, Attendance and Health	21,399,298
• Transportation	30,625,279
• Operations and Maintenance	86,447,213
• Technology Category	26,733,032
• Grants and Other Funds	<u>111,405,028</u>
Total	\$ 788,822,488

and be it

FURTHER RESOLVED: That the School Board request the City Council attempt to provide within existing revenues additional funding of \$3.1 million to the Schools for the purpose of increasing the percentage of the salary increase for school employees to 3% (vs. the current 1.34 % increase) to allow for the use of state funds appropriated for such a raise but requiring the local match; and be it

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

Adopted by the School Board of the City of Virginia Beach this 5th day of March 2013

SEAL



Daniel D. Edwards, Chairman

Attest:



Dianne P. Alexander, Clerk of the Board

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March 6, 2013

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

Dear Mayor and Members of City Council:

The Virginia Beach School Board has deliberated on the operating budget for the 2013-14 fiscal year. Our goal was to protect the outstanding programs and services the school division provides children while safeguarding the compensation of staff. I am summarizing the results of our consensus in this letter of transmittal.

The \$677.4 million operating budget proposal was developed within the city-schools revenue sharing policy. With the addition of grants and other funds, the expenditure plan stands at \$788.8 million.

When administration began development of the *Superintendent’s Estimate of Needs*, the school division faced a shortfall of almost \$32 million. The strategic transfer of \$14 million from savings and \$2 million from the Sandbridge TIF bought down this shortfall to \$15.9 million. We believe this may be the last year we can rely on savings to plug budgetary holes as our reserves are virtually depleted.

Ultimately to balance the operating budget for next school year, the Board agreed to raise class sizes at the middle and high school level by an average of a half a student; to adjust salary baselines to account for attrition and declining enrollment; to reduce all non-personnel budgets by 5 percent; to capitalize on savings being made possible because of the implementation of a new high school master schedule; and to reduce central office staff by an additional six to ten positions.

I regret the employee salary increase we are providing is negligible. The Board could only accommodate a 1.34 percent increase that will be executed with a 1.34 percent increase to salaries but with one percent offset to the Virginia Retirement System (VRS). Consequently, the budget resolution that the School Board adopted Tuesday, March 5, includes a request that “City Council attempt to provide within existing revenues additional funding of \$3.1 million to the Schools for the purpose of increasing the percentage of the salary increase for school employees to 3% to allow for the use of state funds appropriated for such a raise but requiring the local match.”

The School Board is appreciative City Council worked with us last fiscal year to develop an appropriate approach to help to maintain quality schools. Board members do recognize that asking for additional funds for a salary increase for school employees is difficult but we are concerned if we cannot adequately compensate staff, we run the risk of losing talented teachers, administrators and support staff to neighboring cities which offer higher

The Honorable William D. Sessoms, Mayor
Members of City Council
City of Virginia Beach
March 6, 2013
Page 2 of 2

pay. The school division budget is already lean. As you are aware, the school system has made many cuts over the years – closing a school, ending school programs, cutting staff, raising class size and deferring large-scale expenditures such as buses and textbook purchases, to name a few. There is little leeway to trim our resources any further without eroding the quality of Virginia Beach City Public Schools.

The superintendent recently delivered his state of the schools message to the community. In his speech he noted the Commonwealth of Virginia ranks 38th in the nation for public school funding and 31st in teacher salaries. He also cited the many jobs that have been added to teachers' plates over the years. We are quite sure you share our concern about this lack of state support for K-12 education. But we have to face reality as well. There appears to be stubborn belief among our legislators that public schools can keep doing more with less. The burden is truly on us to reverse this trend because we all want to sustain the quality of our schools.

Recruiting and retaining quality teachers and administrators is certainly more difficult in this day and age. Recruiting assistant principals and principals is becoming increasingly challenging. In the case of new assistant principals, it is common for those coming out of the classroom to take a pay cut when transitioning into their new administrative roles. When it comes to recruiting principals, our pay scale is not comparable with our sister cities, especially Chesapeake and Norfolk. Consequently, this proposal contains \$1.7 million to repair the salary scales of assistant principals and principals. The School Board regrets this piecemeal approach to addressing the school system's unified scale (which includes classified and administrative personnel), but we are pleased to have finally begun this process where it is needed the most.

Like our operating budget, our capital improvement program (CIP) budget is also under stress. The six-year CIP stands at \$432 million. However, this includes \$214.7 million that has already been appropriated for projects currently under way, such as Kellam High School, for example. The new appropriations amount to \$217.3 million, which is \$10.5 million less than the current year plan. This considerable reduction is necessary to address decreasing funding streams which include public facility revenue bonds, the Sandbridge TIF and PayGo contributions. The inability to fund strategic transfers out of our operating budget into the capital budget is especially concerning. We are losing ground as a result. Recommendations in the CIP include scaling back on summer renovations and repairs and again delaying work on the next round of school modernizations/replacement projects. Design work on Thoroughgood Elementary must wait until FY 2016-17 and Princess Anne High School until 2017-18.

In closing, the School Board acknowledges that although there are challenges before us, there are blessings as well. Despite flagging resources, our students and staff continue to shine. VBCPS students once again led the region in performance on the SAT; the division was one of 12 in the state named to the Advanced Placement Honor Roll; and the U.S. Green Building Council's Center for Green Schools named VBCPS as the Best School District in the country on its annual Best of Green Schools list. We thank city leadership for your support because your commitment helps make accomplishments like these possible.

Sincerely,



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

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CIP RESOLUTION
FY 2013/14 --- FY 2018/19 Capital Improvement Program

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

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

WHEREAS, the primary funding sources for the School CIP are state lottery proceeds, state construction grants, school reversions, Pay as You Go funds, and the issuance of debt by the City; and

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

WHEREAS, the City Council Revenue Sharing Formula allocates funds first to Debt Service, then to Pay As You Go CIP funding and the balance is used for the Operating Budget; and

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

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

NOW, THEREFORE, BE IT

RESOLVED: That the School Board of the City of Virginia Beach adopts a CIP program of \$432,061,263 (as shown on the attached School Board Funding Summary dated February 5, 2013), and be it

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

Adopted by the School Board of the City of Virginia Beach this 5TH day of March 2013

SEAL



Daniel D. Edwards, Chairman

Attest:



Dianne P. Alexander, Clerk of the Board

Virginia Beach City Public Schools
Capital Improvement Program 2013-14/2018-19
February 5, 2013

Funding Sources	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Charter Bonds	\$ 28,800,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000
Sandbridge	\$ 1,591,000	\$ 1,591,000	\$ 2,591,000	\$ 2,591,000	\$ 3,591,000	\$ 3,591,000
Public Facility Revenue Bonds	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
PayGo	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000
State Construction Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lottery Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 36,391,000	\$ 33,891,000	\$ 35,891,000	\$ 35,891,000	\$ 37,391,000	\$ 37,891,000

School Board Funding Summary
Virginia Beach City Public Schools
Capital Improvement Program FY2012-2013/FY2017-2018
February 5, 2013

Project Category	Total Project Cost	Six Year Appropriations to Date	Year 1 Appropriations	Year 2	Year 3	Year 4	Year 5	Year 6	2017-2018	2018-2019
									2013-2014	2014-2015
1-001 Renovations and Replacements - Energy Management	16,076,286	16,076,286	10,201,286	500,000	750,000	800,000	1,325,000	1,000,000	1,500,000	
1-035 John B. Dey Elementary School Modernization	21,789,241	21,789,241	-	-	-	6,887,000	14,502,241	400,000		-
1-043 Thoroughgood Elementary School Replacement	28,270,000	22,438,759	-	-	-	-	4,438,759	10,000,000	8,000,000	
1-056 Princess Anne Middle School Replacement	81,000,000	20,716,000	-	-	-	-	3,000,000	8,500,000	9,216,000	
1-099 Renovations and Replacements - Grounds - Phase II	11,950,000	5,750,000	750,000	800,000	900,000	900,000	1,175,000	1,250,000	1,325,000	
1-103 Renovations and Replacements - HVAC - Phase II	51,218,702	23,243,702	2,000,000	4,000,000	4,300,000	5,625,000	5,700,000	6,350,000		
1-104 Renovations and Replacements - Reroofing - Phase II	40,476,639	40,476,639	19,938,339	1,213,300	3,400,000	3,500,000	3,975,000	4,000,000	4,450,000	
1-105 Renovations and Replacements - Various - Phase II	16,710,000	16,710,000	7,760,000	1,100,000	1,250,000	1,350,000	1,650,000	1,750,000	1,850,000	
1-106 Kellam High School Replacement	102,000,000	102,000,000	78,287,300	23,712,700	-	-	-	-		
1-107 Princess Anne High School Replacement	105,000,000	9,591,000	-	-	-	-	-	4,591,000	5,000,000	
1-109 Energy Performance Contracts	14,149,705	14,149,705	11,649,705	2,500,000	-	-	-	-		
1-195 Student Data Management System	12,187,001	12,187,001	12,187,001	-	-	-	-	-		
1-196 Instructional Technology	25,407,930	25,407,930	25,407,930	-	-	-	-	-		
1-232 Tennis Court Renovations	3,990,000	3,990,000	2,690,000	300,000	200,000	200,000	200,000	200,000	200,000	
1-233 Old Donation Center/Kemps Landing Magnet	63,360,000	63,360,000	17,600,000	4,315,000	23,491,000	17,554,000	-	-	-	
					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Total	Appropriations	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019		
GRAND TOTAL (all projects)	593,585,504	432,061,263	214,715,263	36,391,000	33,891,000	35,891,000	35,891,000	37,391,000	37,891,000	
TARGETS	217,346,000	36,391,000	36,391,000	33,891,000	35,891,000	35,891,000	35,891,000	37,391,000	37,891,000	
DIFFERENCE	0	0	0	0	0	0	0	0	0	0

Office of the Superintendent



James G. Merrill, Ed.D.
Superintendent

February 5, 2013

Chairman Edwards, Vice Chairman Brunke, and Members of the School Board:

As we ready ourselves for what will undoubtedly be lengthy and challenging budget development dialogues over the coming months, let's start off by counting our blessings first rather than money. There is wisdom to this approach because beginning a Herculean task in a positive frame of mind sets the tone for what lies ahead. Let's face it; in the money category there may be shortages, but in the area of blessings there is abundance in Virginia Beach City Public Schools (VBCPS).

As superintendent, I am often contacted by other school systems and educational agencies asking "how we do it" kind of questions. From the Hewlett Foundation, a renowned national organization that is dedicated to solving social and environmental problems around the world, to school systems like Fayette County, GA, the interest in *Compass to 2015* and Virginia Beach's commitment to higher learner is astounding. When you are as close as we are to VBCPS, there is the tendency to take it for granted. Conversations with my peers around the country never fail to remind me of the dedication, expertise, and loyalty of the teachers, administrators, and support personnel that make VBCPS a stellar school division.

What is particularly humbling is our school system's reputation for excellence has heightened in these worst of times. Our teachers, principals, administrators, and support personnel have been grace under pressure, performing superbly under the weight of a stagnant economy and increasing professional challenges. For that, we must thank them. For truly they have inspired many, many students who will use the life lessons they have learned here to propel them to success.

So, turning to the financial situation facing VBCPS, we all must acknowledge there are no surprises. A comprehensive five-year forecast recently provided to city and school leadership by our respective budget and finance professionals prepared us for what to expect. That being said, our local economy is like a difficult house guest who has overstayed his welcome and damaged our property. We would prefer he leave, quickly. Unfortunately, this unwelcome guest is here to stay for FY 2013/14. Our estimated operating budget shortfall stands at \$15.9 million. The purpose of this communication is to share my recommendations for addressing that shortfall.

Before I get into the details of this \$680.4 million budget proposal, known as the Superintendent's Estimate of Needs (SEON), I must underscore a very real fact of life. Over the last several years, VBCPS has avoided fiscal disaster because of the simple fact we have saved wisely. In previous budget recommendations, I have enumerated savings strategies, but will forgo reciting this impressive list this time around. By now, our community knows that this school division has been fiscally responsible. Cutting positions, initiating energy savings programs, and eliminating targeted programs have enabled us to save for the proverbial rainy day. In fact, over the last three years we have moved \$37 million out of savings into those respective operating budgets, which undoubtedly saved jobs and programs. This year is no different. The FY 2013/14 proposal is predicated on moving \$14 million out of savings into the operating budget and also using \$2 million of the Sandbridge TIF fund for the Operating Budget. This allows us to buy down what is really a \$31.9 million shortfall to the more manageable \$15.9 million level. The shortage we are facing is being driven largely by increasing health care and utility costs, the need to increase employees' base compensation for state mandates regarding VRS, and the necessity of addressing \$9.2 million in one-time revenues that are in the current operating budget but are not recurring in FY 2013/14.

While that strategic transfer will certainly lessen the negative impact on the community of VBCPS, \$15.9 million is still a considerable obstacle. Here are some of the ways we will address that shortfall:

- **Enrollment and budget line item adjustments.** Our demographer is projecting a decline in enrollment of 452 students for school year 2013/14. Also considerable savings resulted from staff turnover and our retirement incentive savings were more than we projected. The collective impact of these circumstances has affected the budget database in multiple ways: reduced personnel costs, reduced fringe benefits costs, and lower average salaries. The estimated combined savings of these adjustments is \$9.3 million.
- **Hybrid high school schedule savings.** There will be savings associated with the implementation of the new high school schedule, which requires all teachers to teach a minimum of five classes, resulting in the need for fewer staffing allocations. Our conservative estimate for that savings is \$1.1 million.
- **Central office hiring freeze.** Immediately after the holidays, I initiated a freeze on all administrative positions with an eye to cutting a number of positions permanently. In fact, no central administrative positions will be filled without my review and expressed consent. We expect to recoup \$302,000 through this strategy. It is estimated this will eliminate 6 to 10 positions.
- **Cutting non-personnel budgets.** All focus groups that gave input on possible cost cutting strategies suggested more aggressively reducing the non-personnel budgets. Therefore, we will cut 5 percent in all non-personnel department budgets. It is important to note that this cut will have an effect on schools because instructional supplies and materials are encompassed in non-personnel department budgets. This is the fourth year that we have had to resort to this savings approach. The cumulative cuts amount to a 13 percent reduction since FY 2009/10. The FY 2013/14 savings is estimated at \$3.5 million.

Because staffing costs make up 85 percent of our annual budget, it is impossible to address a shortfall the magnitude of what we are facing without initiating savings efforts in that area. Hence, the following recommendation will have a direct impact on our workforce.

- **Secondary schools class size increase.** This operating budget proposal is built on raising the class-size formula by .25 student ratio at the secondary level (grades 6-12). We believe this small adjustment will not have a material effect on classroom instruction, but will provide some much-needed savings -- estimated at \$1.7 million. The only other time we have increased class size was in FY 2011/12. K-12 class sizes were increased by .75 student for a savings of over \$4 million.

This operating budget proposal also addresses several significant projected expenditure increases. Encompassed in it is a recommendation to provide all eligible employees a 2.5 percent adjustment to their base salaries. The net cost of this adjustment is \$3.8 million. We are fortunate in the fact that the Governor's current budget proposal, if ultimately adopted by the General Assembly, would provide VBCPS funds toward a recommended 2 percent salary adjustment for instructional positions covered by the Standards of Quality (SOQ). However, VBCPS and its sister school systems across the state provide far more teaching and support positions than are mandated by the SOQ. To ensure all eligible employees could benefit, we had to augment the salary monies the Governor is recommending.

As you may recall, this fiscal year was year one for the General Assembly-mandated change that employees begin paying a percentage of their base salaries into the Virginia Retirement System (VRS). Our plan was to phase in the 5 percent mandate over a five-year period at 1 percent per year. However, with the Governor's proposed 2 percent salary increase for teachers and other instructional support positions covered by the SOQ, we are proposing a 2 percent increase in employee VRS contributions. This brings employees' total VRS contribution up to 3 percent in year two, the 2013/14 fiscal year. The 2.5 percent salary increase will help address the loss in net pay that employees would experience. I feel compelled to say that in this case we have to take the long view. Increasing employees' base compensation ultimately will help them because it will be retirement creditable compensation and their VRS employee paid contributions are considered pretax deductions.

This estimate of needs has been built on a projected 8 percent increase in health care costs as well as additional funding to address rising utility and fuel costs. At this writing, our Benefits Executive Committee is working on the development of a number of strategies to deal with these escalating costs. As a reminder, the health insurance plan year is on a calendar year rather than a fiscal year; therefore, there may be a need to make adjustments to the employee's portion of this shared responsibility down the road, when the health care financial scenario becomes more apparent.

On the subject of utility costs, as you will recall, a presentation on our cost containment efforts was shared with the Board recently. VBCPS has implemented some highly successful strategies, which have held our costs relatively stable despite escalating energy costs and increases in the total square footage we must heat and cool. We will continue our work on this front, but this acknowledges that rising costs are likely to outpace our efforts.

As I draw this communication to a close, I think it only appropriate that I return to an attitude of gratitude. Despite the bleak economic scenario that has enveloped us for the past several years, VBCPS students and staff members continue to shine. They have taken the objectives and tenets of *Compass to 2015* to heart and literally brought them to life. As a reminder, here are just a few of the accomplishments that merit celebration:

- VBCPS once again led the region with its strong performance on the SAT. The total mean SAT score for VBCPS seniors was 19 points higher than the next highest mean SAT score among the seven Hampton Roads school divisions.
- VBCPS has outperformed the state for five consecutive years on an important key academic measure - the 2012 cohort-based Dropout Rate (VBCPS, 5.9 percent; Virginia, 6.5 percent).
- W.T. Cooke Elementary earned the 2012 "*Title I Distinguished School*" honors from the Virginia Department of Education.
- 10 (of 11) VBCPS high schools were ranked in the top 9 percent nationwide by *The Washington Post*.
- The Class of 2012 accepted \$32,788,893 in scholarships.

- The U.S. Green Building Council's Center for Green Schools has named Virginia Beach City Public Schools as the Best School District in its annual Best of Green Schools list. This list highlights schools and districts from across the country that excel in creating healthy and high-performing learning places.
- Seven schools earned the prestigious *2012 Governor's Award for Educational Excellence*. (Creeds, Kingston, Red Mill, Salem and Thoroughgood elementary schools along with Old Donation Center and Kemps Landing Magnet).
- Eight of the division's schools earned the *2012 Board of Education Excellence Award* (Corporate Landing, John B. Dey, Malibu, New Castle, North Landing, Princess Anne, Trantwood and W.T. Cooke elementary schools).
- Five of the division's schools earned the *2012 Board of Education Competence to Excellence Award* (Christopher Farms, Hermitage, Indian Lakes and Rosemont elementary schools, and Princess Anne High School).

These are but a few of the accomplishments VBCPS has recorded. This is indeed a school system that lives its motto, "ahead of the curve." While I am saddened that I must continually ask for sacrifice, largely on the part of our employees, I am heartened by the ingenuity and dedication of so many. It is only my resounding confidence in the family of VBCPS that allows me to proffer the recommendations in this SEON.

Sincerely,



Dr. James G. Merrill
Superintendent

Budget Calendar

FY 2013/14 Operating Budget and
FY 2013/14 - FY 2018/19 Capital Improvement Program (CIP)

2012

August	Develop Budget Calendar
September 18	Present Budget Calendar to School Board for information: FY 2013/14 Operating Budget and FY 2013/14 – FY 2018/19 Capital Improvement Program Budget Calendar
September 19	Conduct Budget Orientation Workshop: Budget instructions and request forms are distributed to Cabinet Members and budget managers
October 22 – December 7	Cabinet Members/budget managers: Submit budget requests to the Budget Office
November 7	Present Budget Calendar to School Board for action: FY 2013/14 Operating Budget and FY 2013/14 – FY 2018/19 Capital Improvement Program Budget Calendar
November 20	Present to School Board and City Council: Five-Year Forecast
December 4	Conduct Public Hearing: FY 2013/14 Operating Budget and FY 2013/14 – FY 2018/19 Capital Improvement Program Budget
December 7	Human Resources: Submit recommendation of part-time hourly rate increases to the Budget Office
December 14	Draft Capital Improvement Program for Superintendent's review
December (3 rd week)	Department of Education: Release state revenue estimates

2013

January 2 –11	Budget Office: Review, refine, and summarize budget requests
January 14	Present to Superintendent and Cabinet Members: Capital Improvement Program
January 14	Present to Superintendent and Cabinet Members: Recommendation of Operating Budget
February 5	Present to the School Board: <i>Superintendent's Estimate of Needs</i> for FY 2013/14
February 5	Present to the School Board: Superintendent's Proposed FY 2013/14 – FY 2018/19 Capital Improvement Program
February 12	School Board Budget Workshop #1: 5:00-8:00 p.m.
February 19	School Board Budget Workshop #2: 2:00-5:00 p.m.
February 19	Conduct Public Hearing: FY 2013/14 <i>Superintendent's Estimate of Needs</i> and FY 2013/14 – FY 2018/19 Capital Improvement Program Budget
February 26	School Board Budget Workshop #3: 5:00-8:00 p.m. (if needed)
March 5	School Board Budget Adoption: FY 2013/14 Operating Budget and FY 2013/14 – FY 2018/19 Capital Improvement Program Budget
March 12	Provide School Board Adopted Budget to City staff
April	Present School Board Approved Budgets to City Council: 2013/14 School Board Operating Budget and FY 2013/14 – FY 2018/19 Capital Improvement Program Budget (Sec. 15.1-163)
No Later Than May 15	City Council: Approve and adopt Operating and CIP budgets (Sec. 22.1-93; 22.1-94; 22.1-115)

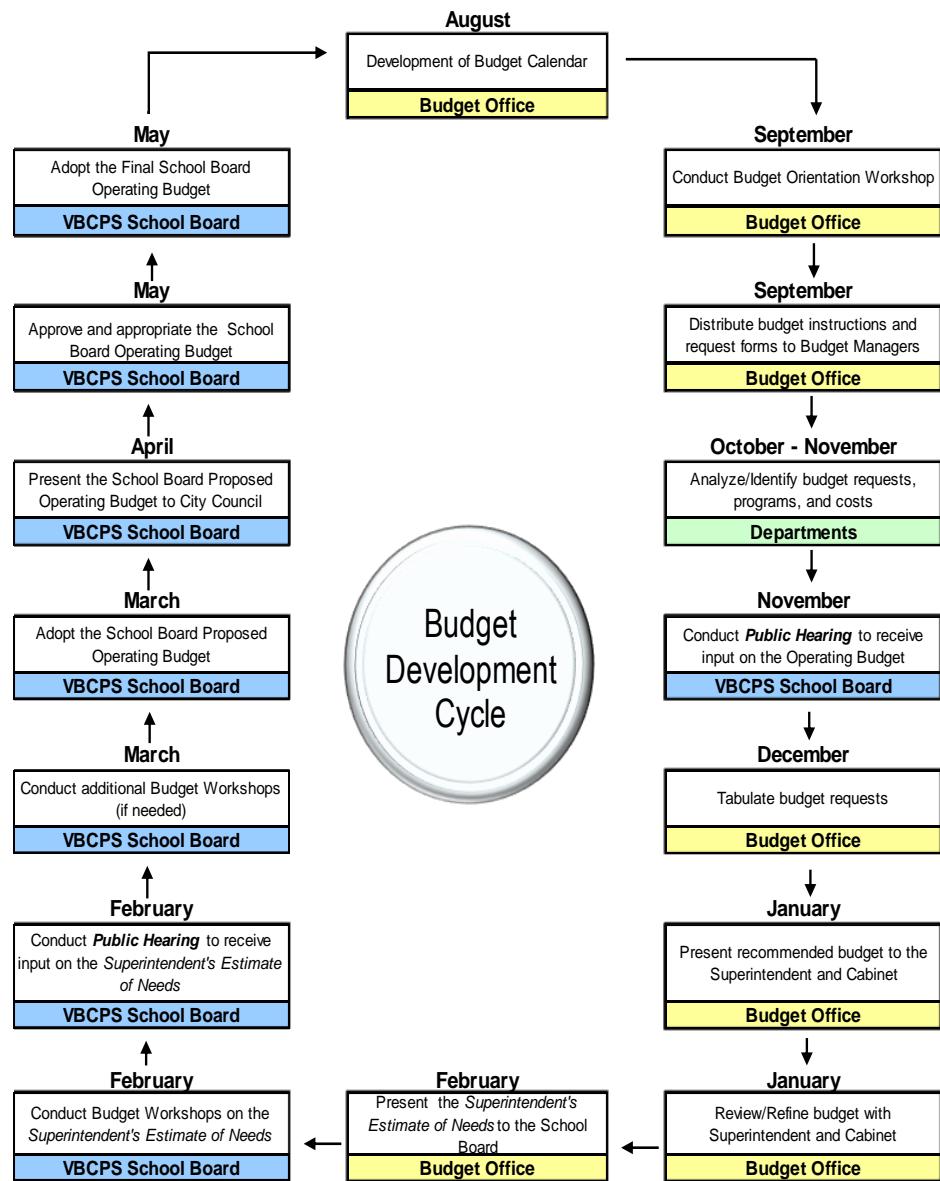
Annual Budget Process

The budget is a resource allocation and policy document that incorporates the best estimate of the school division's revenues and expenditures and describes the program plans and budget priorities for the upcoming year. Modifications are made to reflect changes in programs, priorities, and trends in enrollment and the fluctuations in the economy. The budget also provides a framework for measuring and monitoring revenues and expenses.

The Code of Virginia requires each Superintendent to prepare a budget reflective of the needs of the school division. It is the responsibility of the School Board to balance the needs of the school division against available resources. The School Board, in accordance with the State code, presents a balanced budget to City Council on or before April 1; however, the City Manager requires the School Board's budget to be submitted to city staff during the first part of March.

As depicted in this chart, the annual budget development process begins in August with a budget calendar that establishes the dates for departmental submissions, presentation of the *Superintendent's Estimate of Needs* to the School Board, mandatory public hearings, the proposed date of School Board adoption, the required date of presentation to the City Council, and the required date for City Council appropriation.

Historically, the School Board has balanced its budget based on the most current and best available revenue data from all local, state, and federal sources.



School Board Funds

The FY 2013/14 budget consists of the following major funds that are under the control of the School Board:

Funding Source	Purpose
Athletics	The Athletics fund is a special revenue fund that accounts for revenues and expenditures associated with specific athletic activities.
Capital Improvement	The Capital Improvement Budget is the basic financing plan for capital needs, including school facilities. While the capital budget addresses the current year's needs, the Capital Improvement Program has capital projects programmed over a six-year span.
Categorical Grants	Categorical Grants provide assistance to school divisions for particular program purposes of federal and state interest. These grants encourage recipient divisions to expand expenditures to support certain instructional funds.
Communication Towers Technology	The Communication Towers Technology fund is a special revenue fund to receive payments from leasing of School Board property for commercial wireless communication towers. The funds received from lease payments and the interest earned will be used to acquire and replace technology including computers, software, wiring, training, facsimile, and copy machines.
Equipment Replacement	The Equipment Replacement fund is a special revenue fund that will provide an equipment replacement cycle for selected capital equipment for schools and support departments. Funding is provided from an allocation of either reversion funds or city/schools revenue funding actual over budget funds.
Food Services	The Food Services (Cafeteria) fund is a special revenue fund that supports cafeteria and food services operations. The purpose of the fund is the management and control of resources and funding for cafeteria food services.
Operating Budget	The School Board Operating Budget is the basic funding plan for the schools. It includes funds for the fiscal operation of the school system. The budget is divided into five of the major budget categories: Instruction; Administration, Attendance, and Health; Transportation; Operations and Maintenance; Technology.
Textbooks	The Textbooks fund is a special revenue fund that was historically supported by textbook rental fees and other revenues. A free textbook system presently exists and is financially supported by the state and Operating Budget transfers.
Vending Operations	The Vending Operations fund is a special revenue fund to account for receipts and expenditures relating to the exclusive bottled drinks vending operations in the school division.

NOTE: 1. The Technology fund has been eliminated and a Technology category has been created in the Operating Budget fund.
2. City Council must approve the appropriation of these funds no later than May 15.

Balancing the Budget

The following adjustments were made to balance the expenditures to the projected revenue of \$677,417,460:

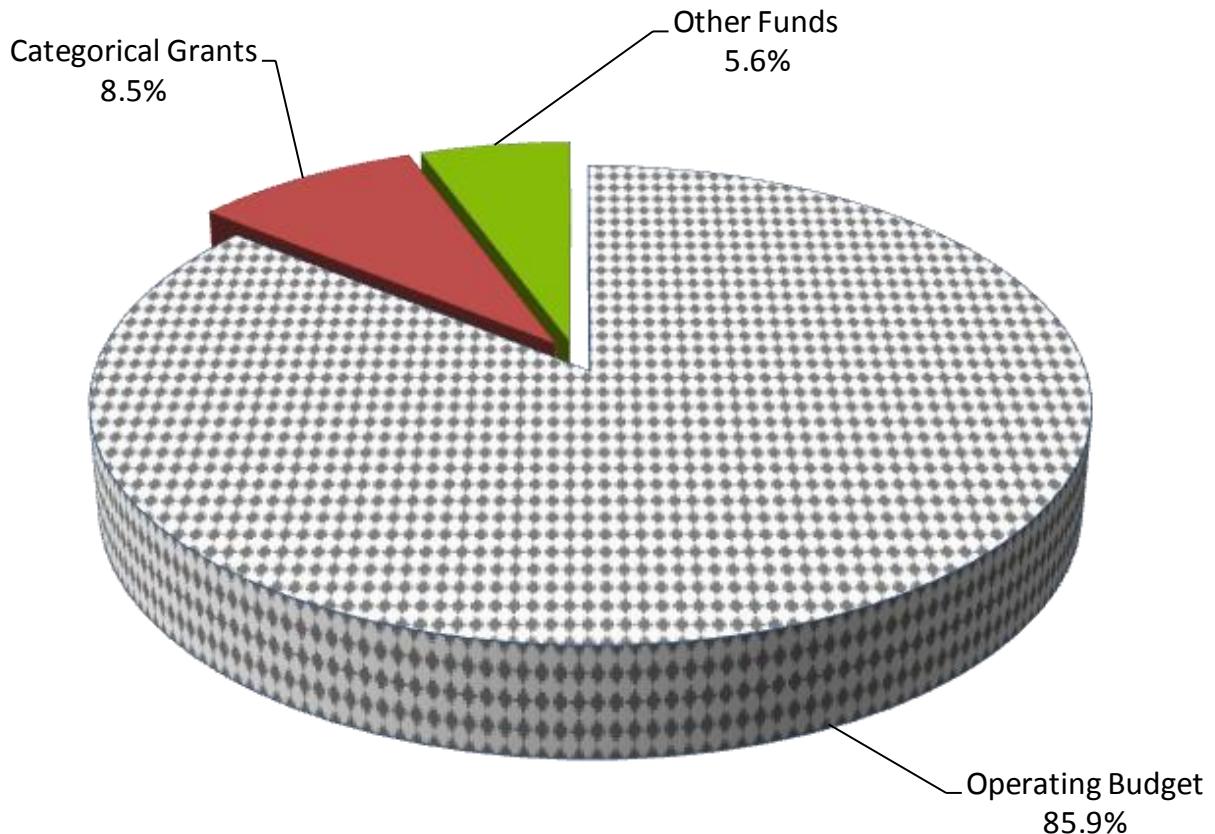
- Adjustment to budget database \$(7,926,119)
- Adjustment for declining enrollment (3,850,539)
- 5 percent non-personnel expenditure reduction across all departments (3,500,000)
- Secondary class-size increased by 0.50 student (3,121,936)
- Adjustment for high school master schedule redesign (1,100,000)
- Reduction in central office positions (eliminate 6 to 10 positions)(302,000)
- Unified Salary Adjustment 2,359,136

Revenue and Expenditures	
Federal	\$ 16,636,723
State	237,023,534
State Sales Tax	70,522,688
Local Contributions	333,909,132
Other Local	3,325,383
	\$ 661,417,460
Special School Reserve	14,000,000
Sandbridge TIF	2,000,000
	\$ 16,000,000
Total Revenue	\$ 677,417,460
Total Expenditures	\$ 677,417,460

There were several budget drivers that impacted the decision-making in preparing this estimate of needs:

- Health Insurance (employer contribution) increased 8 percent from the current fiscal year
- Enrollment loss: 392 students
- Projected increase in utility and fuel costs
- \$9.2 million loss in Local revenue to the Operating Budget
- Increased salaries by 1.34 percent for all employees of which employees must pay an additional 1 percent to VRS leaving a net increase in pay of only 0.34 percent.

Total Budget



\$788,822,488

Components of the Total Budget

Operating Budget	\$ 677,417,460
Categorical Grants	67,040,031
Other Funds	44,364,997
Total Budget	<u>\$ 788,822,488</u>

Total Budget

	Operating Budget	Categorical Grants	Other Funds	Total
Local Revenue	\$ 333,909,132	\$ -	\$ 14,953,340	\$ 348,862,472
State Revenue	237,023,534	15,904,631	4,094,022	257,022,187
State Sales Tax	70,522,688	-	-	70,522,688
Federal Revenue	16,636,723	48,090,933	13,675,982	78,403,638
Fund Balance	-	-	7,235,011	7,235,011
Transfers from Other Funds	-	3,044,467	4,406,642	7,451,109
Other Local Revenue	3,325,383	-	-	3,325,383
Revenue Total	661,417,460	67,040,031	44,364,997	772,822,488
Special School Reserve	14,000,000	-	-	14,000,000
Sandbridge TIF Reallocation	2,000,000	-	-	2,000,000
Additional Funds Total	16,000,000	-	-	16,000,000
Revenue Total	\$ 677,417,460	\$ 67,040,031	\$ 44,364,997	\$ 788,822,488
Percent of Total	85.88%	8.50%	5.62%	100.00%
Personnel Services	\$ 421,445,463	\$ 27,968,743	\$ 11,624,073	\$ 461,038,279
Fringe Benefits	154,024,288	11,209,689	4,748,148	169,982,125
Purchased Services	42,366,595	8,957,052	1,061,551	52,385,198
Other Charges	24,374,914	434,084	297,423	25,106,421
Materials and Supplies	25,873,345	18,411,634	25,648,341	69,933,320
Capital Outlay	1,578,969	58,829	985,461	2,623,259
Transfers to Other Funds	7,513,585	-	-	7,513,585
Land, Structure, & Improvements	240,301	-	-	240,301
Expenditure Total	\$ 677,417,460	\$ 67,040,031	\$ 44,364,997	\$ 788,822,488
Percent of Total	85.88%	8.50%	5.62%	100.00%

Operating Budget

Revenue Sources

	Federal	State	State Sales Tax	Local (City)	Other Local	Special School Reserve	Other Additional Funds
FY 2009/10	2.18%	39.89%	10.86%	46.39%	0.56%	0.12%	0.00%
FY 2010/11	2.60%	37.55%	10.50%	46.71%	0.60%	2.03%	0.00%
FY 2011/12	2.62%	37.00%	11.37%	44.95%	0.52%	2.09%	1.46%
FY 2012/13	2.61%	36.67%	10.51%	47.74%	0.50%	1.67%	0.30%
FY 2013/14	2.45%	34.99%	10.41%	49.30%	0.48%	2.07%	0.30%

\$677,417,460

Components of FY 2013/14 Operating Budget Revenue

- Federal \$ 16,636,723
- State \$237,023,534
Consists of the Standards of Quality (SOQ) payments, incentive funds, and categorical amounts established by the State General Assembly on a biennial basis
- State Sales Tax \$70,522,688
Another source of state revenue consists of funding from 1 1/8 percent State Sales Tax, which is dedicated to public education and distributed to school divisions based on the number of school-aged children residing in the locality.
- Local Contribution \$333,909,132
- Other Local \$3,325,383
Local revenue consists largely of funding from the governing body, the City Council. The City Council must contribute a minimum level of funding referred to as SOQ payments. However, the City of Virginia Beach provides an appropriation for education in excess of the SOQ payments. The amount is based on the Revenue Sharing agreement between the Schools and City.
- Additional Funds (non-recurring) \$16,000,000
Special School Reserve (school reversion/savings) - \$14 M
Sandbridge TIF - \$2 M

Operating Budget

Revenue by Major Sources

	FY 2009/10 Amended	FY 2010/11 Budget	FY 2011/12 Amended	FY 2012/13 Budget	FY 2013/14 Proposed	Percent of Total
Public Law 874 (Operation)	\$ 12,461,723	\$ 14,461,723	\$ 14,461,723	\$ 14,461,723	\$ 14,461,723	2.14%
Department of Defense (P.L. 486)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.22%
Rebates and Refunds (NJROTC)	100,000	100,000	100,000	100,000	100,000	0.01%
Other Federal Funds	575,000	575,000	575,000	1,079,362	575,000	0.08%
Federal Revenue Total	14,636,723	16,636,723	16,636,723	17,141,085	16,636,723	2.45%
Basic School Aid	190,787,341	166,591,426	166,430,660	168,036,256	165,146,295	24.38%
State Sales Tax	72,941,384	67,116,477	72,311,348	69,064,589	70,522,688	10.41%
Foster Home Children	528,797	538,109	564,832	548,362	265,116	0.04%
Gifted and Talented	1,928,540	1,833,196	1,854,776	1,868,432	1,848,624	0.27%
Special Education	21,471,075	19,268,928	19,495,757	18,481,230	18,405,861	2.72%
Special Education (Homebound)	78,174	129,247	89,620	55,766	99,199	0.01%
Special Education (Regional Tuition)	9,823,229	8,748,142	8,490,677	8,104,869	8,643,658	1.28%
Remedial Summer School	1,218,170	1,201,110	1,160,030	1,173,172	299,770	0.04%
Prevention, Intervention, and Remediation	2,871,381	2,770,163	2,802,773	3,330,683	3,295,373	0.49%
Vocational Education	3,642,797	3,014,589	3,050,076	2,518,321	2,491,623	0.37%
Vocational Education (Categorical)	361,764	334,436	299,093	328,986	348,222	0.05%
Social Security	10,671,253	9,980,734	10,098,225	10,073,286	9,966,493	1.47%
Virginia Retirement System	13,756,916	5,906,965	9,150,228	16,815,888	16,637,613	2.46%
State Employee Insurance	385,708	366,639	370,955	649,889	643,000	0.09%
Enrollment Loss	2,059,550	-	-	-	-	0.00%
English as a Second Language	732,806	581,632	571,684	599,483	556,287	0.08%
At-Risk Initiative	1,756,411	1,592,986	1,615,494	1,954,938	1,935,709	0.29%
Class Size Initiative	3,954,621	2,241,253	2,261,346	3,036,295	2,997,943	0.44%
Additional Support	1,767,449	-	-	-	-	0.00%
Supplemental State Support	-	-	5,326,418	3,479,228	3,442,748	0.51%
Composite Index Hold Harmless	-	14,923,023	1,720,723	-	-	0.00%
State Revenue Total	340,737,366	307,139,055	307,664,715	310,119,673	307,546,222	45.40%
Local Contributions*	311,460,699	298,556,120	285,955,817	313,816,166	333,909,132	49.30%
Additional Local Contributions	814,000	712,582	678,838	702,737	722,283	0.11%
Rental of Facilities	450,000	450,000	450,000	450,000	450,000	0.07%
Summer School Tuition	1,197,970	1,197,970	700,000	700,000	700,000	0.10%
General Adult Education Tuition	142,839	142,839	142,839	142,839	142,839	0.02%
Vocational Adult Education Tuition	169,750	169,750	169,750	169,750	169,750	0.03%
Non-Resident Tuition	100,000	100,000	100,000	100,000	100,000	0.01%
Driver Education Tuition	322,125	322,125	322,125	322,125	322,125	0.05%
Licensed Practical Nursing Tuition	25,575	25,575	25,575	25,575	25,575	0.00%
Renaissance Academy Tuition	20,811	20,811	20,811	20,811	20,811	0.00%
Sale of School Vehicles	15,000	15,000	15,000	15,000	15,000	0.00%
Sale of Salvage Equipment	12,000	12,000	12,000	12,000	12,000	0.00%
Other Funds	95,000	95,000	95,000	95,000	95,000	0.01%
Flexible Benefits Forfeitures	15,000	15,000	-	-	-	0.00%
Indirect Costs of Grants	350,000	550,000	550,000	550,000	550,000	0.08%
Local Revenue Total	315,190,769	302,384,772	289,237,755	317,122,003	337,234,515	49.78%
Revenue Total	\$ 670,564,858	\$ 626,160,550	\$ 613,539,193	\$ 644,382,761	\$ 661,417,460	100.00%
Instructional Technology Fund Balance Transfer	-	-	3,793,767	-	-	0.00%
School Risk Management Fund Balance Transfer	-	-	5,500,000	-	-	0.00%
Special School Reserve/EOY Reversion Funds	800,000	13,000,000	13,300,000	11,000,000	14,000,000	2.07%
Sandbridge TIF Reallocation	-	-	-	2,000,000	2,000,000	0.30%
Additional Funds Total	800,000	13,000,000	22,593,767	13,000,000	16,000,000	2.37%
Adjusted Revenue Total	\$ 671,364,858	\$ 639,160,550	\$ 636,132,960	\$ 657,382,761	\$ 677,417,460	100.00%

* FY 14 Local Contribution includes Technology Category funding totaling \$26.7 M. Prior to FY 14, these funds were located in a separate technology fund (106 Fund).

Operating Budget

Revenue

State Revenue:

Part II of the VRS phase-in to employees:

The VRS rate (employer contribution) was reduced by another 1 percent. Along with the phase-in of 1 percent last year, it brings the total to 2 percent.

Rates used for FY 2013/14:

- VRS (Professional) 15.77 percent of salaried dollars
- VRS (Non-Professional) 13.23 percent of salaried dollars

Other significant funding changes:

- Foster Home Children funding reduced by 51.65 percent (\$283.2 K) from the FY 13 budget
- Remedial Summer School funding reduced by 74.45 percent (\$873.4 K) from the FY 13 budget. This was due to the elimination of elementary summer school.
- Special Education (Homebound) increased by 77.88 percent (\$43.4 K)

Local Revenue:

New Revenue Sharing Formula for Local Contribution:

The Virginia Beach School Board approved a revenue sharing agreement with the City of Virginia Beach.

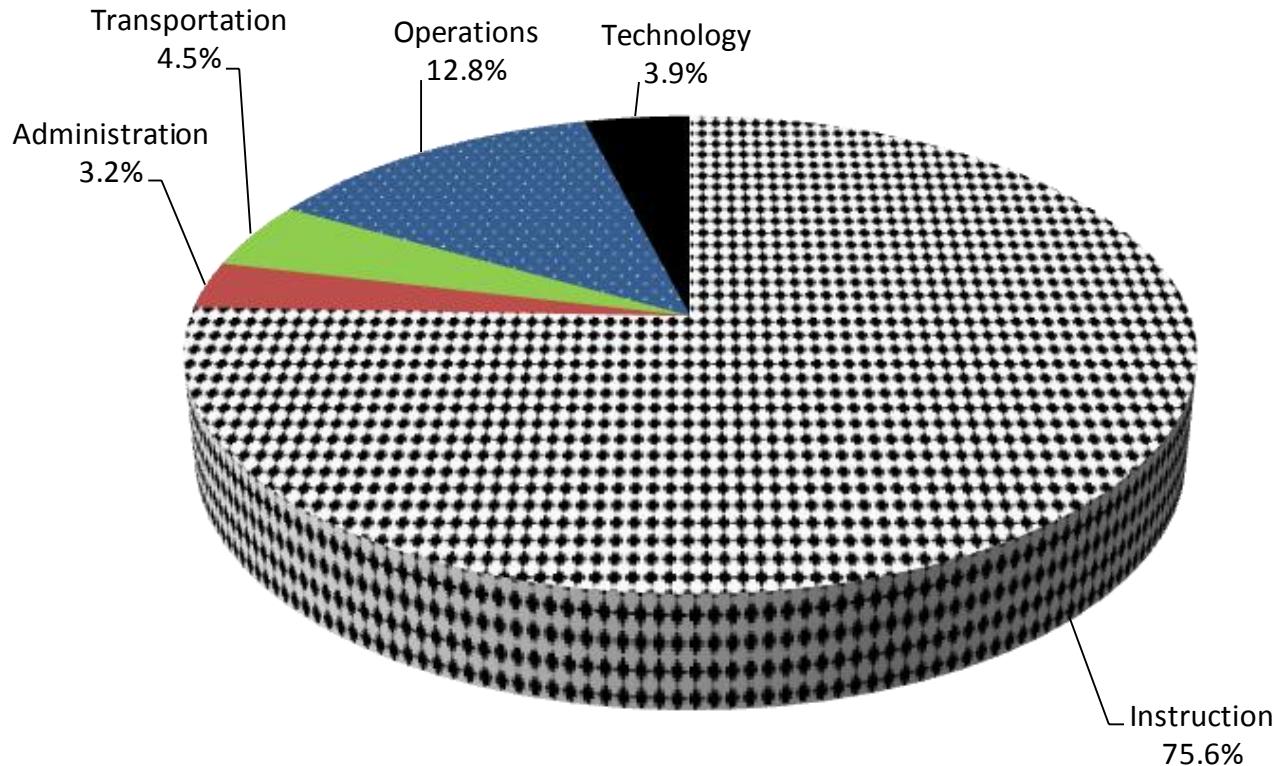
Under the new agreement, the school system will receive funding from twice the amount of revenue streams from the city, but at a lower percentage. The new agreement will give VBCPS 32.37 percent of all of the city's general fund revenue streams generated by non-dedicated local taxes, whereas before the schools had access to only seven revenue streams, but at a rate of 51.3 percent.

Funding used to supplement the budget:

- Special School Reserve (End of Year Reversion funds) \$14 M
 - Sandbridge Tax Increment Financing (TIF) \$ 2 M
- The remaining funds from this TIF in the amount of \$1.6 M will be allocated to the CIP.

Operating Budget

Expenditures



\$677,417,460

	Instruction	Administration	Transportation	Operations	Technology	Total	% of Total
Personnel	\$ 348,106,977	\$ 13,175,059	\$ 16,223,354	\$ 31,863,451	\$ 12,076,622	\$ 421,445,463	62.21%
Fringe Benefits	123,566,451	5,580,276	7,233,611	13,522,626	4,121,324	154,024,288	22.74%
Purchased Services	22,301,368	1,797,715	223,068	12,444,319	5,600,125	42,366,595	6.25%
Other Charges	1,214,698	410,820	847,275	21,659,165	242,956	24,374,914	3.60%
Materials and Supplies	8,601,021	435,428	6,097,971	6,492,753	4,246,172	25,873,345	3.82%
Capital Outlay	1,350,194	-	-	224,598	4,177	1,578,969	0.23%
Improvements and Transfers	7,071,929	-	-	240,301	441,656	7,753,886	1.15%
Total Operating Budget	\$ 512,212,638	\$ 21,399,298	\$ 30,625,279	\$ 86,447,213	\$ 26,733,032	\$ 677,417,460	
Percent of Total	75.61%	3.16%	4.52%	12.76%	3.95%		100.00%

Operating Budget

Expenditure by Major Category

		FY 2009/10 Amended	FY 2010/11 Budget	FY 2011/12 Amended	FY 2012/13 Budget	FY 2013/14 Proposed
50100	Elementary Classroom	\$137,883,315	\$ 130,315,257	\$129,867,309	\$138,163,350	\$135,832,164
50200	Senior High Classroom	78,612,200	73,755,309	69,301,664	76,572,019	70,650,864
50300	Technical and Career Education	20,911,033	19,327,171	18,743,887	17,059,161	18,189,033
50400	Gifted Education and Academy Programs	12,272,081	11,857,067	12,807,859	13,444,417	13,034,898
50500	Special Education	83,947,030	79,366,268	80,425,553	83,926,050	84,303,804
50600	Summer School	3,266,681	3,269,702	3,216,632	1,821,402	1,722,293
50700	General Adult Education	2,254,393	1,868,497	1,889,201	1,816,577	1,709,296
50800	Alternative Education - Renaissance	5,831,595	5,858,305	6,897,291	6,815,879	6,750,975
50900	Student Activities	7,076,489	6,968,086	7,087,206	7,058,556	7,379,388
51000	Office of the Principal - Elementary	23,736,804	22,329,442	22,783,453	23,495,941	24,560,381
51100	Office of the Principal - Senior High	9,632,472	9,306,938	9,218,465	9,493,412	10,118,992
51200	Office of the Principal - Technical & Career Education	521,115	499,960	511,607	537,556	563,198
51300	Guidance Services	16,137,032	15,123,018	15,710,477	15,714,981	15,929,907
51400	Social Work Services	2,507,166	2,394,831	2,465,971	2,614,417	3,017,040
51500	Media & Communications	1,808,031	1,728,781	1,763,301	1,668,146	1,608,220
51700	Instructional Support	12,228,552	12,179,931	13,899,983	13,189,019	12,964,817
51710	Instructional Center for Teacher Leadership	1,448,437	1,709,961	1,941,649	1,685,976	1,523,382
51720	Diversity	-	-	-	10,290	9,775
51800	Special Education Support	2,742,419	2,525,184	2,747,099	2,772,098	2,801,417
51900	Gifted Edu. and Academy Programs Support	2,100,469	2,002,946	2,131,068	2,309,122	2,431,627
52000	Media Services Support	12,706,030	12,264,730	12,490,151	12,572,112	12,188,788
52100	Educational Leadership and Assessment	2,706,100	2,480,326	2,921,988	2,757,671	2,797,032
52200	Middle School Classroom	58,956,074	54,852,599	53,820,332	57,496,793	55,270,262
52300	Remedial Education	7,477,702	8,978,696	9,285,380	9,628,235	9,471,930
52400	Office of the Principal - Middle School	8,493,943	8,145,856	8,326,331	8,269,879	8,475,108
52500	Homebound Services	600,429	602,891	656,962	616,561	508,564
52600	Technical and Career Education Support	984,105	952,986	894,236	933,861	920,754
52700	Student Leadership	1,326,775	1,302,295	1,304,167	1,255,131	1,222,257
52800	Psychological Services	3,283,690	3,081,396	3,161,213	3,366,805	3,344,483
52900	Audiological Services	388,885	375,376	382,697	405,308	408,423
53100	School Administration	1,285,609	1,227,154	1,397,644	1,212,600	1,198,832
53200	Alternative Education	3,751,072	1,863,332	1,361,556	1,299,594	1,304,734
Instruction Total		526,877,728	498,514,291	499,412,332	519,982,919	512,212,638
54100	Board, Legal, and Governmental Services	1,117,541	1,107,334	1,108,457	1,027,612	1,000,367
54200	Superintendent	1,337,648	1,206,082	1,224,530	1,222,914	1,247,985
54300	Budget and Finance	3,701,448	3,493,195	3,655,873	3,756,839	3,658,382
54400	Human Resources	4,548,556	4,343,158	4,984,203	4,800,721	4,752,342
54500	Internal Audit	350,312	338,634	357,012	397,497	396,065
54600	Purchasing Services	1,067,273	991,603	1,030,734	1,024,669	1,008,645
54700	Center for Teacher Leadership	1,946,808	2,088,639	1,162,254	574,121	544,838
55000	Benefits	1,750,830	1,617,275	1,637,154	1,665,655	1,856,303
55200	Health Services	6,568,686	6,274,054	6,418,166	6,855,207	6,934,371
Administration Total		22,389,102	21,459,974	21,578,383	21,325,235	21,399,298
56100	Management	2,042,123	1,830,254	1,911,122	1,952,910	1,954,414
56200	Vehicle Operation	17,385,301	17,538,334	17,041,484	17,135,024	17,760,932
56250	Vehicle Operation - Special Education	5,149,513	5,038,593	4,956,998	4,989,769	5,050,409
56300	Vehicle Maintenance	2,951,312	2,912,739	2,979,487	2,863,388	2,996,996
56400	Monitoring Services	2,798,961	2,606,014	2,707,436	2,859,140	2,862,528
Pupil Transportation Total		30,327,210	29,925,934	29,596,527	29,800,231	30,625,279
57100	Facilities Planning and Construction	743,784	716,215	739,648	696,331	698,396
57200	School Plant	49,169,587	47,625,680	43,818,937	43,661,034	44,178,852
57300	Supply Services	1,368,030	1,305,402	1,598,367	1,598,429	1,542,157
57400	Grounds Services	3,867,990	3,867,990	3,751,950	3,751,950	3,564,352
57500	Custodial Services	27,734,362	26,952,009	26,734,184	27,803,034	27,641,176
58100	Safety and Loss Control	6,224,580	6,224,497	6,392,422	6,583,431	6,647,881
58200	Vehicle Services	1,023,580	1,022,772	995,981	997,652	1,048,128
58300	Telecommunications	1,638,905	1,545,786	1,514,229	1,182,515	1,126,271
Operations and Maintenance Total		91,770,818	89,260,351	85,545,718	86,274,376	86,447,213
60000	Technology*	-	-	-	-	26,733,032
Technology Total		-	-	-	-	26,733,032
Expenditures Total		\$ 671,364,858	\$ 639,160,550	\$ 636,132,960	\$ 657,382,761	\$ 677,417,460

* Effective FY 14, funding for the Technology Category will be reported under the Operating (General Fund) Budget.

Operating Budget

Expenditures

Personnel costs:

Personnel costs are projected to increase by 1.34 percent to provide a salary increase; however, employees will be required to pay another 1 percent towards VRS. The 0.34 percent of the 1.34 percent increase will help offset the reduction of take-home pay due to the VRS offset. This VRS payment is pre-taxable income to employees.

Budget database and declining enrollment adjustments:

This is a required and necessary step to adjust the budget database to bring it more in line with the current projections and assumptions that must be made in building a budget.

Our demographer is projecting a decline in enrollment of 392 students for FY 2013/14. Also, considerable savings resulted from staff turnover and our retirement incentive savings were more than we projected. The collective impact of these circumstances has affected the budget database in multiple ways:

- Reduced personnel
- Fringe benefits costs
- Lower average salaries

5 percent reduction to all non-personnel costs:

This methodology will proportionally affect departments and will require further tightening of the belt at all levels.

Secondary class-size adjustment to the secondary level:

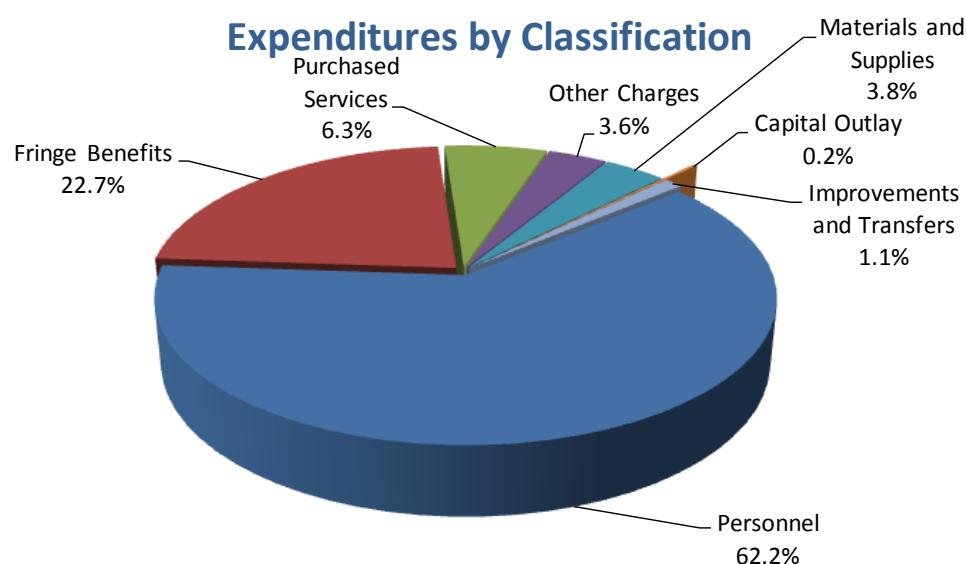
VBCPS administration conducted various meetings with a number of selected groups to gather input regarding the budget shortfall and suggestions for budget-cut options to balance the budget. One of the largest dollar savings strategies (and this was mentioned by every group) was to increase class size by 0.25 student to as much as 1.0 student. For FY 2013/14, class sizes in secondary classrooms will increase by a 0.50 student for a savings of \$2.4 M savings.

Revise high school master schedule:

The School Board approved the redesign of the high school master schedule for FY 2013/14. This will generate an approximate savings of \$1 M.

Reduce central office positions:

Savings are estimated at \$300 K - approximately 6 to 10 positions eliminated.



Per-Pupil Expenditures

The tables below provide average per-pupil expenditures based upon specific state requirement and categories as used in the state funding formula and Annual School Report. The state counts students in special ways and includes revenues from various funds; i.e., operations and food services.

VBCPS Average Per-Pupil Expenditure for Operations*

Sources of Financial Support	FY 2011 (a)	
	State Average	VBCPS
State	\$ 3,375	\$ 3,469
Sales Tax	928	1,009
Federal	1,119	1,128
Local^(b)	5,371	5,167
Total	\$ 10,793	\$ 10,772

Totals may fluctuate due to rounding.

* Includes regular day school, school food services, summer school, adult education, athletics, textbooks, and other educational functions, but does not include facilities, debt service, capital outlay additions, and pre-kindergarten program

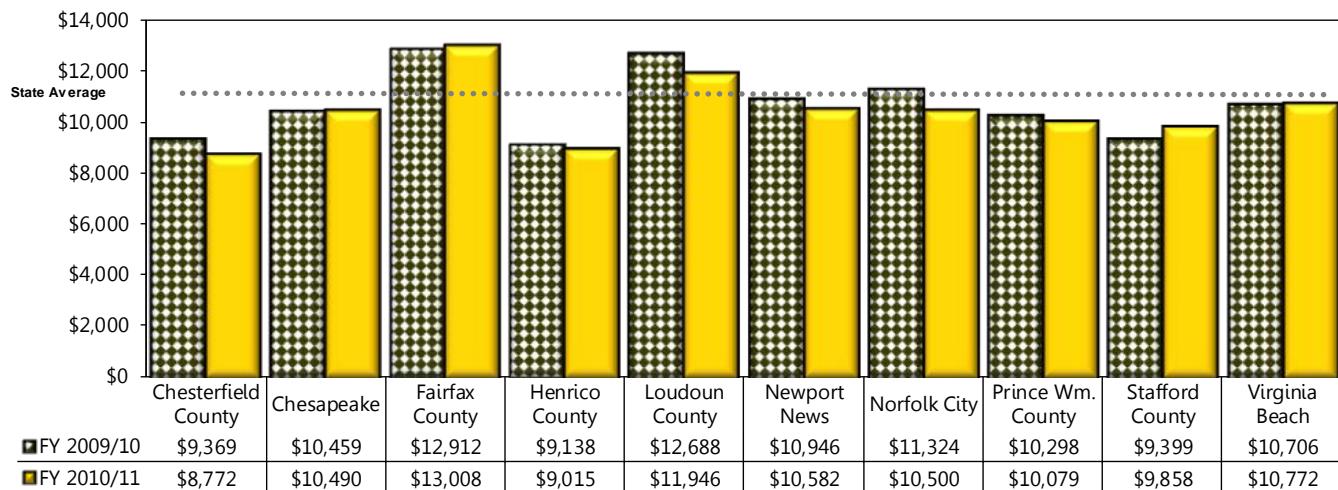
(a) Commonwealth of Virginia, Superintendent's Annual Report for Virginia

(b) Includes City of Virginia Beach and other local sources; i.e., rental of facilities summer school tuition, adult education fees, and food services charges

VBCPS Per-Pupil Expenditure



Per-Pupil Expenditure for the Ten Largest School Divisions



Student Membership

FY 2013/14

The school division uses a cohort survival model to generate base student membership projections. This model essentially compares the number of students in a particular grade to the number of students in the previous grade during the previous year. Ratios are computed for each grade progression over a multi-year period and are then used to project future enrollments. To project kindergarten enrollment, birth data lagged five years behind its respective kindergarten class is used to calculate a cohort ratio. Student projections are further adjusted based on analysis generated in the school division's Geographic Information System (GIS), detailed analysis of residential housing trends, Virginia Beach resident birth rates, and other available data that may impact student enrollment.

For the past several years, the Office of Demographics and Planning has shared how recent economic conditions have had a significant impact on the division's student membership. Factors such as the increasing numbers of students in shared housing and homeless situations, fluctuations in the numbers of students opting to attend private schools, and volatility in the real estate market combined have created instability in VBCPS student enrollment.

The FY 2012/13 actual total division student membership decline was 629 students from FY 2011/12. This is the fifteenth consecutive yearly decline in student membership.

- Elementary student membership declined by 303 students
- Middle school increased by 45 students
- High schools declined by 371 students

FY 2013/14 student membership is projected to decline another 392 students from the FY 2012/13 September 30th student membership.

- Elementary student membership declines by 34 students
- Middle school declines by 57 students
- High schools declines by 301 students

Overall, VBCPS is projecting a continued slow decline in the total division student membership over the six year projection. See the table on the next page.

Student Membership by Grade Level

Virginia Beach City Public Schools
September 30th Historical Student Membership and
Draft September 30th, 2013 to 2022, Student Membership Projections
Grades K-12

Live Births by Residence - Virginia Beach												Live Births by Residence - Virginia Beach															
2002				2003				2004				2005				2006				2007				2008			
VB Births	6,234	6,370	6,865	6,382	6,567	6,513							6,341	6,324	6,143	6,248	6,325	6,325									
% K 5 years later	73.53%	72.29%	72.17%	74.29%	78.85%	78.85%							74.14%	73.86%	73.19%	74.03%	74.03%	74.03%									
	↓	↓	↓	↓	↓	↓							↓	↓	↓	↓	↓	↓									
HISTORICAL STUDENT MEMBERSHIP																											
Elementary												Elementary															
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	K	4,701	4,658	4,624	4,681	4,681	4,681	Sept 30th Projections	2018/19							
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	K	4,605	4,810	4,738	5,047	4,910	1	5,428	5,346	5,293	5,086	5,231	5,285	Sept 30th Projections	2018/19							
1	5,395	5,230	5,264	5,401	5,476	5,587						2	5,501	5,369	5,290	5,205	5,001	5,144									
2	5,347	5,310	5,162	5,308	5,359	5,336						3	5,275	5,441	5,306	5,229	5,145	4,944									
3	5,185	5,398	5,339	5,202	5,248	5,298						4	5,282	5,274	5,430	5,283	5,206	5,123									
4	5,295	5,151	5,383	5,388	5,208	5,196						5	5,188	5,271	5,272	5,400	5,253	5,177									
5	5,357	5,271	5,158	5,401	5,355	5,183						Total	31,356	31,359	31,087	30,827	30,518	30,364									
Total	31,163	30,963	31,124	31,420	31,693	31,390						Change from previous year	-34	3	-272	-260	-309	-154									
Middle												Middle															
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	K	5,178	5,158	5,250	5,278	5,408	5,261	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	K	5,378	5,258	5,278	5,232	5,427	5,344	1	5,386	5,225	5,188	5,281	5,311	5,440	Sept 30th Projections	2018/19						
6	5,481	5,368	5,368	5,251	5,284	5,437						7	5,411	5,360	5,208	5,184	5,257	5,288									
8	5,781	5,389	5,384	5,379	5,296	5,231						Total	15,955	15,743	15,644	15,725	15,976	15,987									
Total	16,621	16,115	16,000	15,862	15,967	16,012						Change from previous year	-57	-213	-99	81	251	11									
High												High															
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	K	9	5,731	5,886	5,825	5,682	5,637	5,739	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19		
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	K	6,515	6,365	6,014	5,985	5,898	5,740	1	5,256	5,229	5,407	5,314	5,184	5,143	Sept 30th Projections	2018/19						
9	5,842	5,749	5,784	5,588	5,452	5,372						10	5,077	4,968	4,943	5,104	5,016	4,894									
11	5,447	5,463	5,461	5,470	5,207	5,212						12	4,855	4,729	4,618	4,611	4,761	4,680									
12	5,094	5,033	5,118	5,030	5,083	4,898						Total	20,919	20,812	20,791	20,712	20,599	20,456									
Total	22,898	22,610	22,375	22,083	21,591	21,220						Change from previous year	-301	-107	-21	-79	-112	-144									
Division												Division															
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	Sept 30th Membership	K	70,682	69,499	69,365	69,251	68,622	67,522	67,093	66,806							
Total	70,682	69,688	-994	-189	-134	-114	-629	Change from Previous Year	-392	-316	-258	-171															
Change from previous year	-1,039	-1,41%	-0.27%	-0.19%	-0.18%	-0.16%	-0.91%	% Change	-0.57%	-0.46%	-0.35%	-0.25%															
% Change from previous year	-1,45%	-1.41%	-0.27%	-0.19%	-0.18%	-0.16%	-0.91%																				

Student Characteristics

Grade levels K-12

	FY 2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
September 30th Membership	73,454	71,752	70,708	69,735	69,469	69,433	69,282
African American	27.6%	27.4%	27.5%	27.3%	27.1%	24.6%	24.1%
Caucasian	57.7%	57.2%	56.3%	55.8%	55.4%	53.1%	52.7%
Hispanic/Latino	5.1%	5.4%	5.7%	6.0%	6.1%	8.8%	9.3%
American Indian/Alaska Native	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%
Asian	5.6%	5.5%	5.7%	5.7%	5.8%	5.6%	5.6%
Native Hawaiian/ Pacific Islander	0.7%	0.8%	0.8%	0.8%	0.9%	0.5%	0.5%
Multi-race	3.0%	3.3%	3.6%	4.0%	4.2%	7.1%	7.5%
Female	49.0%	49.1%	49.1%	49.0%	48.9%	48.9%	48.9%
Male	51.0%	50.9%	50.9%	51.0%	51.1%	51.1%	51.1%
Economically Disadvantaged	25.9%	30.2%	26.5%	29.1%	30.6%	29.9%	34.6%
Gifted	11.2%	11.9%	12.1%	12.3%	12.2%	12.0%	11.8%
Limited English Proficiency	1.7%	1.7%	1.7%	1.9%	1.9%	1.6%	2.0%
Migrant	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%
Students with Disabilities	12.0%	11.9%	11.7%	11.5%	11.4%	10.9%	10.6%

Grants and Other Funds

Revenue Sources

	Local	Fund Balance	State	Federal	Total
Adult Basic Education Funds	\$ 53,472	\$ -	\$ -	\$ 304,345	\$ 357,817
Carl D. Perkins Vocational and Technical Education Act	-	-	-	836,594	836,594
DODEA - MCASP	-	-	-	885,649	885,649
DODEA - MCASP C/O	-	-	-	113,209	113,209
DODEA - SFLEP	-	-	-	97,942	97,942
DODEA - SFLEP C/O	-	-	-	5,750	5,750
McKinney -Vento Homeless Assistance Act (NCLB)	-	-	-	70,000	70,000
McKinney -Vento Homeless Assistance Act (NCLB) - C/O	-	-	-	6,600	6,600
My CAA - ALC	-	-	-	5,000	5,000
My CAA - LPN	-	-	-	10,000	10,000
Preschool Incentive	-	-	-	501,321	501,321
Preschool Incentive - C/O	-	-	-	184,445	184,445
Reserve for Contingency	-	-	-	4,500,000	4,500,000
Startalk	-	-	-	57,866	57,866
Title I - Part A (NCLB)	-	-	-	9,924,221	9,924,221
Title I - Part A (NCLB) - C/O	-	-	-	3,399,259	3,399,259
Title I - Part D - Subpart I	-	-	-	35,103	35,103
Title I - Part D - Subpart I - C/O	-	-	-	21,270	21,270
Title I - Part D Subpart 2	-	-	-	192,039	192,039
Title I - Part D Subpart 2 - C/O	-	-	-	148,654	148,654
Title II - Part A	-	-	-	2,280,681	2,280,681
Title II - Part A - C/O FY12	-	-	-	48,086	48,086
Title II - Part A - C/O FY13	-	-	-	215,741	215,741
Title III Language Instruction for LEP	-	-	-	116,011	116,011
Title III Language Instruction for LEP - C/O FY 12	-	-	-	13,258	13,258
Title III Language Instruction for LEP - C/O FY 13	-	-	-	116,011	116,011
Title IV - Part B - 21st Century Learning Communities	-	-	-	187,820	187,820
Title IV - Part B - 21st Century Learning Communities C/O	-	-	-	49,729	49,729
Title IV - Part B - 21st Century CCLC TriCampus	-	-	-	200,000	200,000
Title IV - Part B - 21st Century CCLC TriCampus C/O	-	-	-	50,780	50,780
Title VI-B (IDEA)	-	-	-	14,920,627	14,920,627
Title VI-B (IDEA) - C/O	-	-	-	8,592,922	8,592,922
Federal Grants Total	53,472	-	-	48,090,933	48,144,405
Advanced Placement Fee Program	-	-	26,050	-	26,050
Algebra Readiness Initiative	328,303	-	470,488	-	798,791
Career Switcher	5,500	-	5,500	-	11,000
Early Intervention Reading Initiative	470,929	-	675,790	-	1,146,719
General Adult Education	-	-	34,586	-	34,586
Individual Student Alternative Educational Plan (ISAEP)	-	-	62,869	-	62,869
Industry Certification Examination	-	-	57,201	-	57,201
Jail Education Program	-	-	218,103	-	218,103
Juvenile Detention Home Grant	-	-	921,713	-	921,713
National Board Certification	-	-	265,000	-	265,000
New Teacher Mentor Program Grant	29,663	-	29,662	-	59,325
Opportunity Inc - STEM	-	-	180,450	-	180,450
Opportunity Inc - STEM C/O	-	-	48,663	-	48,663
Race to GED Activities	-	-	64,188	-	64,188
Reserve for Contingency	-	-	2,700,000	-	2,700,000
Supplemental Technology Initiative	5,256	-	26,280	-	31,536
Technology Initiative	436,400	-	2,182,000	-	2,618,400
Technology Initiative - C/O FY11	-	-	153,825	-	153,825
Technology Initiative - C/O FY12	-	-	2,587,200	-	2,587,200
Technology Initiative - C/O FY13	-	-	2,618,400	-	2,618,400
Virginia Initiative for At-Risk Four-Year-Old Children	1,714,944	-	2,509,056	-	4,224,000
Virginia Initiative for Speech and Language Pathology	-	-	22,607	-	22,607
Virginia Middle School Teacher Corps	-	-	45,000	-	45,000
State Grants Total	2,990,995	-	15,904,631	-	18,895,626
Athletics	4,910,642	-	-	-	4,910,642
Communication Towers Technology	260,000	340,000	-	-	600,000
Equipment Replacement	-	453,782	-	-	453,782
Food Services	13,886,790	431,394	488,000	13,675,982	28,482,166
Textbook	110,000	5,839,338	3,606,022	-	9,555,360
Vending Operations	\$192,550	170,497	-	-	363,047
Other Funds Total	19,359,982	7,235,011	4,094,022	13,675,982	44,364,997
Categorical Grants and Other Funds Total	\$22,404,449	\$ 7,235,011	\$19,998,653	\$61,766,915	\$ 111,405,028

Grants and Other Funds

Expenditures

	Personnel Services	Fringe Benefits	Purchased Services	Other Charges	Materials and Supplies	Capital Outlay	Improv. and Transfers	Total
Adult Basic Education Funds	\$ 269,279	\$ 76,893	\$ 8,007	\$ -	\$ 3,638	\$ -	\$ -	\$ 357,817
Carl D. Perkins Vocational and Technical Education Act	25,000	1,913	277,357	210,666	281,658	40,000	-	836,594
DODEA - MCASP	210,333	64,490	356,279	35,000	219,547	-	-	885,649
DODEA - MCASP C/O	47,004	5,720	17,000	11,000	32,485	-	-	113,209
DODEA - SFLEP	57,690	20,781	10,600	4,500	4,371	-	-	97,942
DODEA - SFLEP C/O	-	-	100	1,000	4,650	-	-	5,750
McKinney -Vento Homeless Assistance Act (NCLB)	-	-	57,800	6,000	6,200	-	-	70,000
McKinney -Vento Homeless Assistance Act (NCLB) - C/O	-	-	5,200	800	600	-	-	6,600
My CAA - ALC	-	-	5,000	-	-	-	-	5,000
My CAA - LPN	-	-	10,000	-	-	-	-	10,000
Preschool Incentive	347,900	119,313	8,297	-	25,811	-	-	501,321
Preschool Incentive - C/O	125,681	41,713	3,592	-	13,459	-	-	184,445
Reserve for Contingency	-	-	-	-	4,500,000	-	-	4,500,000
Startalk	22,948	6,450	18,956	3,350	6,162	-	-	57,866
Title I - Part A (NCLB)	5,721,555	2,104,655	1,146,689	58,900	892,422	-	-	9,924,221
Title I - Part A (NCLB) - C/O	1,580,254	462,802	480,408	7,500	868,295	-	-	3,399,259
Title I - Part D - Subpart I	26,145	8,958	-	-	-	-	-	35,103
Title I - Part D - Subpart I - C/O	8,276	5,068	-	-	7,926	-	-	21,270
Title I - Part D Subpart 2	144,321	26,758	17,255	-	3,705	-	-	192,039
Title I - Part D Subpart 2 - C/O	109,403	24,087	11,948	-	3,216	-	-	148,654
Title II - Part A	1,448,547	518,224	177,291	8,000	128,619	-	-	2,280,681
Title II - Part A - C/O FY12	-	-	43,491	-	4,595	-	-	48,086
Title II - Part A - C/O FY13	111,684	40,964	63,093	-	-	-	-	215,741
Title III Language Instruction for LEP	70,872	21,627	16,004	3,500	4,008	-	-	116,011
Title III Language Instruction for LEP - C/O FY 12	9,304	2,290	753	318	593	-	-	13,258
Title III Language Instruction for LEP - C/O FY 13	70,872	21,627	16,004	3,500	4,008	-	-	116,011
Title IV - Part B - 21st Century Learning Communities	150,429	11,508	5,100	1,750	19,033	-	-	187,820
Title IV - Part B - 21st Century Learning Communities C/O	35,745	2,734	2,600	1,150	7,500	-	-	49,729
Title IV - Part B - 21st Century CCLC TriCampus	164,304	12,569	4,200	2,500	16,427	-	-	200,000
Title IV - Part B - 21st Century CCLC TriCampus C/O	38,021	2,909	3,200	1,150	5,500	-	-	50,780
Title VI-B (IDEA)	8,594,077	4,504,290	989,557	62,000	751,874	18,829	-	14,920,627
Title VI-B (IDEA) - C/O	5,751,015	2,674,539	167,368	-	-	-	-	8,592,922
Federal Grants Total	25,140,659	10,782,882	3,923,149	422,584	7,816,302	58,829	-	48,144,405
Advanced Placement Fee Program	-	-	26,050	-	-	-	-	26,050
Algebra Readiness Initiative	27,000	2,066	568,060	-	201,665	-	-	798,791
Career Switcher	11,000	-	-	-	-	-	-	11,000
Early Intervention Reading Initiative	1,042,366	101,860	85	2,000	408	-	-	1,146,719
General Adult Education	32,128	2,458	-	-	-	-	-	34,586
Individual Student Alternative Educational Plan (ISAEP)	43,513	3,329	13,749	500	1,778	-	-	62,869
Industry Certification Examination	-	-	57,201	-	-	-	-	57,201
Jail Education Program	166,122	34,729	1,500	4,000	11,752	-	-	218,103
Juvenile Detention Home Grant	631,142	228,537	32,834	5,000	24,200	-	-	921,713
National Board Certification	265,000	-	-	-	-	-	-	265,000
New Teacher Mentor Program Grant	59,325	-	-	-	-	-	-	59,325
Opportunity Inc - STEM	74,348	19,571	71,310	-	15,221	-	-	180,450
Opportunity Inc - STEM C/O	8,391	1,915	32,000	-	6,357	-	-	48,663
Race to GED Activities	54,239	4,149	5,800	-	-	-	-	64,188
Reserve for Contingency	-	-	-	-	2,700,000	-	-	2,700,000
Supplemental Technology Initiative	-	-	1,314	-	30,222	-	-	31,536
Technology Initiative	99,170	7,587	-	-	2,511,643	-	-	2,618,400
Technology Initiative - C/O FY11	50,000	3,825	-	-	100,000	-	-	153,825
Technology Initiative - C/O FY12	99,170	7,587	-	-	2,480,443	-	-	2,587,200
Technology Initiative - C/O FY13	99,170	7,587	-	-	2,511,643	-	-	2,618,400
Virginia Initiative For At-Risk Four-Year-Old Children	-	-	4,224,000	-	-	-	-	4,224,000
Virginia Initiative For Speech and Language Pathology	21,000	1,607	-	-	-	-	-	22,607
Virginia Middle School Teacher Corps	45,000	-	-	-	-	-	-	45,000
State Grants Total	2,828,084	426,807	5,033,903	11,500	10,595,332	-	-	18,895,626
Athletics	2,966,905	226,968	701,728	214,750	611,300	188,991	-	4,910,642
Communication Towers Technology	-	-	-	-	600,000	-	-	600,000
Equipment Replacement	-	-	-	-	-	453,782	-	453,782
Food Services	8,593,449	4,495,837	358,323	82,673	14,772,322	179,562	-	28,482,166
Textbook	63,719	25,343	1,500	-	9,464,798	-	-	9,555,360
Vending Operations	-	-	-	-	199,921	163,126	-	363,047
Other Funds Total	11,624,073	4,748,148	1,061,551	297,423	25,648,341	985,461	-	44,364,997
Categorical Grants and Other Funds Total	\$39,592,816	\$ 15,957,837	\$ 10,018,603	\$ 731,507	\$ 44,059,975	\$ 1,044,290	\$ -	\$ 111,405,028

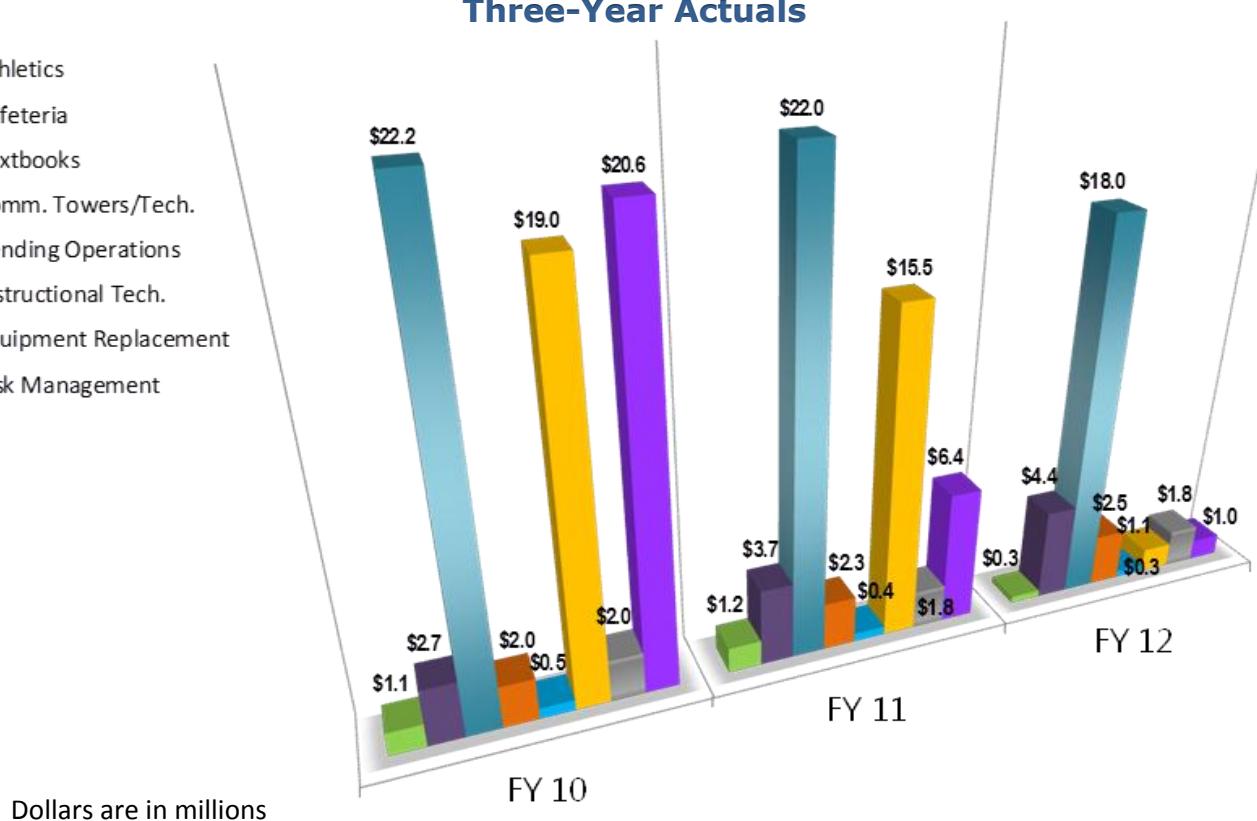
Fund Balance Summary

VBCPS organizes its account code system on a fund basis. A fund is a self-balancing set of accounts which is segregated for specific purpose or activity. The charts below represent the fund balance for each major fund ending balances as of June 30th of the fiscal year. The fund balance is increased or decreased based on the fund's net revenue over (or under) expenditures for the fiscal year. The division has developed and implemented a spending plan for the fund balances that is in alignment with the schools' Strategic Plan and the projected expenditures for each of these funds.

NOTE: The Instructional Technology Fund has been depleted due to the city-required transfer of part of these funds to the Operating Budget for FY 2011/12.

Three-Year Actuals

- Athletics
- Cafeteria
- Textbooks
- Comm. Towers/Tech.
- Vending Operations
- Instructional Tech.
- Equipment Replacement
- Risk Management



Actuals and Projections Based on the Spending Plan

	Historical			Projected fund balance <u>after</u> anticipated spending plan		
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Athletics	\$1.1	\$1.2	\$0.3	\$0	\$0	\$0
Cafeteria	\$2.7	\$3.7	\$4.4	\$4.2	\$4.2	\$4.2
Textbooks	\$22.2	\$22.0	\$18.0	\$6.8	\$0.9	\$0
Communication Towers/Tech.	\$2.0	\$2.3	\$2.5	\$1.3	\$0.2	\$0.1
Vending Operations	\$0.5	\$0.4	\$0.3	\$0.1	\$0	\$0
Instructional Technology	\$19.0	\$15.5	\$1.1	\$0	\$0	\$0
Equipment Replacement	\$2.0	\$1.8	\$1.8	\$0.9	\$0.5	\$0
Risk Management	\$20.6	\$6.4	\$1.0			

Capital Improvement Plan

FY 2013/14 – 2018/19 Capital Improvement Program (CIP)

The VBCPS School Board develops a multi-year Capital Improvement Program (CIP) that is updated annually to address facility needs. The CIP process begins in September with a preliminary meeting with the city staff. The CIP is presented to the School Board for information in February, is adopted in March, and then sent to the city for review and approval. The city adopts the CIP in May along with the Operating Budget.

The FY 2013/14 – 2018/19 CIP proposes funding in the amount of \$432 million. The proposed amount includes approximately \$240 million for the modernization and/or replacement of some of the oldest schools in the division. The primary funding source for the current modernization program is city-issued Charter Bonds.

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

Capital Improvement Plan

FY 2013/14 – 2018/19 Capital Improvement Program (CIP)

Virginia Beach City Public Schools
Capital Improvement Program 2013-14/2018-19
February 5, 2013

Funding Sources	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Charter Bonds	\$ 28,800,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000
Sandbridge	\$ 1,591,000	\$ 1,591,000	\$ 2,591,000	\$ 2,591,000	\$ 3,591,000	\$ 3,591,000
Public Facility Revenue Bonds	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
PayGo	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000
State Construction Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lottery Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 36,391,000	\$ 33,891,000	\$ 35,891,000	\$ 35,891,000	\$ 37,391,000	\$ 37,891,000

School Board Funding Summary
Virginia Beach City Public Schools
Capital Improvement Program FY2012-2013/FY2017-2018

Project Category	Total Project	Six Year	Appropriations	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
	Cost	Appropriations	to Date	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
1-001 Renovations and Replacements - Energy Management	16,076,286	16,076,286	10,201,286	500,000	750,000	800,000	1,325,000	1,000,000	1,500,000	
1-035 John B. Dey Elementary School Modernization	21,789,241	21,789,241	-	-	-	6,887,000	14,502,241	400,000	-	
1-043 Thoroughgood Elementary School Replacement	28,270,000	22,438,759	-	-	-	-	4,438,759	10,000,000	8,000,000	
1-056 Princess Anne Middle School Replacement	81,000,000	20,716,000	-	-	-	-	3,000,000	8,500,000	9,216,000	
1-099 Renovations and Replacements - Grounds - Phase II	11,950,000	11,950,000	5,750,000	750,000	800,000	900,000	1,175,000	1,250,000	1,325,000	
1-103 Renovations and Replacements - HVAC - Phase II	51,218,702	51,218,702	23,243,702	2,000,000	4,000,000	4,300,000	5,625,000	5,700,000	6,350,000	
1-104 Renovations and Replacements - Reroofing - Phase II	40,476,639	40,476,639	19,938,339	1,213,300	3,400,000	3,500,000	3,975,000	4,000,000	4,450,000	
1-105 Renovations and Replacements - Various - Phase II	16,710,000	16,710,000	7,760,000	1,100,000	1,250,000	1,350,000	1,650,000	1,750,000	1,850,000	
1-106 Kellam High School Replacement	102,000,000	102,000,000	78,287,300	23,712,700	-	-	-	-	-	
1-107 Princess Anne High School Replacement	105,000,000	9,591,000	-	-	-	-	-	4,591,000	5,000,000	
1-109 Energy Performance Contracts	14,149,705	14,149,705	11,649,705	2,500,000	-	-	-	-	-	
1-195 Student Data Management System	12,187,001	12,187,001	12,187,001	-	-	-	-	-	-	
1-196 Instructional Technology	25,407,930	25,407,930	25,407,930	-	-	-	-	-	-	
1-232 Tennis Court Renovations	3,990,000	3,990,000	2,690,000	300,000	200,000	200,000	200,000	200,000	200,000	
1-233 Old Donation Center/Kemps Landing Magnet	63,360,000	63,360,000	17,600,000	4,315,000	23,491,000	17,954,000	-	-	-	
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6		
			Total	Appropriations	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
GRAND TOTAL (all projects)	593,585,504	432,061,263	214,715,263	36,391,000	33,891,000	35,891,000	35,891,000	37,391,000	37,891,000	
TARGETS		217,346,000		36,391,000	33,891,000	35,891,000	35,891,000	37,391,000	37,891,000	
DIFFERENCE		-		-	-	-	-	-	-	

Adopted by the School Board October 21, 2008

Our Strategic Goal

Recognizing that the long range goal of the VBCPS is the successful preparation and graduation of every student, the near term goal is that by 2015, 95 percent or more of VBCPS students will graduate having mastered the skills that they need to succeed as 21st century learners, workers, and citizens.

Our Outcomes for Student Success

Our primary focus is on teaching and assessing those skills our students need to thrive as 21st century learners, workers, and citizens. All VBCPS students will be:

- Academically proficient;
- Effective communicators and collaborators;
- Globally aware, independent, responsible learners and citizens; and
- Critical and creative thinkers, innovators and problem solvers.

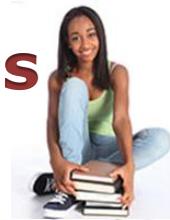
Our Strategic Objectives

1. All teachers will engage every student in meaningful, authentic, and rigorous work through the use of innovative instructional practices and supportive technologies that will motivate students to be self-directed and inquisitive learners.
2. VBCPS will develop and implement a balanced assessment system that accurately reflects student demonstration and mastery of VBCPS outcomes for student success.
3. Each school will improve achievement for all students while closing achievement gaps for identified student groups, with particular focus on African American males.
4. VBCPS will create opportunities for parents, community and business leaders to fulfill their essential roles as actively engaged partners in supporting student achievement and outcomes for student success.
5. VBCPS will be accountable for developing essential leader, teacher, and staff competencies and optimizing all resources to achieve the school division's strategic goal and outcomes for student success.





Key Operating Measures



EDUCATIONAL RESOURCES	08-09	09-10	10-11	11-12
Student Enrollment (as of September 30)	69,735	69,469	69,433	69,282
Elementary School Pupil-Teacher Ratios (excluding resource teachers)	19:1	19:1	20:1	22:1
Secondary School Average Class Size	22.2	23.0	22.5	23.4
Number of Portables (overall)	320	310	258	236
Number of Temporary Allocated Portables Due to Construction	62	56	17	12
Per Pupil Expenditure (total)	\$11,020	\$10,706	\$10,772	†
Per Pupil Expenditure (local)	\$4,790	\$4,891	\$5,167	†
Percentage of Students Receiving Special Education Services	11.5%	11.4%	10.9%	10.6%
Percentage of Gifted Program Student Membership	12.3%	12.2%	12.0%	11.8%
WORK FORCE				
Percentage of Core Courses Taught by Highly Qualified Teachers	99.13%	99.75%	99.82%	98.78%
Percentage of Highly Qualified Teacher Assistants	80.05%	81.69%	82.68%	82.91%
Number of Professional Development Courses Offered	3,219	3,500	3,645	2,826
Average Years of Teaching Experience	14.6	15.2	15.2	15.2
Percentage of Teachers With Graduate Degrees	52%	53%	54%	52%
Number of Teachers With National Board Certification	73	90	93	101
Number of Teachers With the Division Designation of Career Teacher	1,213	1,256	1,224	1,376
RECOGNITION OF DIVERSITY				
Percentage of Minority Staff (overall)	24.91%	24.93%	24.99%	24.91%
Percentage of Minority <u>Instructional</u> Staff	14.77%	14.60%	14.99%	14.91%
Number of Student Diversity Ambassadors	92	71	110	192
Number of Faculty Diversity Advisors	24	19	35	71
Percentage of Employees Completing On-Line Diversity Awareness Training (full- and part-time)	97.1%	99.0%	97.9%	98.0%
USE OF TECHNOLOGY				
Ratio of Students to Instructional Computers	19:1	18:1	15:1	14:1
Number of Distance Learning Classes (being sent)	89	94	99	106
Number of Online Courses Taken by Students	507	727	891	978
Standards of Learning Subject Area Tests Administered Online	23	25	28	31
SAFE SCHOOLS				
Number of Persistently Dangerous Schools	0	0	0	0
Dollars Spent on Security Infrastructure	\$568,589	\$1,926,010	\$1,446,645	\$1,446,173
Number of School Security Assistants/Night Security	197	199	205	205
Number of School Resource Officers	28	29	29	29
Percentage of Students, Teachers, Building Administrators, and Parents Indicating That Schools Are a Safe and Orderly Place to Learn	86.3%	†	87.8%	†
Percentage of Students Referred for Discipline Infractions	22.9%	21.5%	20.2%	19.8%
Number of OSHA Incidents Per 100 VBCPS Employees	1.6	1.3	3.2††	3.2
Workers' Compensation Costs	\$1,188,637	\$681,683	\$958,308	\$989,227
Number of Student Safety Incidents	550	465	567	586
Number of Vehicle Crashes Per 100 Vehicles in Service	16.5	14.7	15.4	18.3
COMMUNITY INVOLVEMENT				
PTA/PTSA Membership/Percent of Student Enrollment	41,580/59.6%	40,568/58.4%	38,362/55.3%	35,828/51.7%
Number of Volunteers in Education	19,222	18,945	22,268	24,918
Partners in Education	1,474	1,491	1,744	1,871
Schoolwide and Teacher Grants Awarded by Virginia Beach Education Foundation	\$132,000	\$100,000	\$100,000	\$100,000
Scholarships Awarded by Virginia Beach Education Foundation	\$24,610	\$33,350	\$34,926	\$29,200
Number of ACCESS Scholarships Granted	219	244	206	218
Dollar Value of ACCESS Scholarships	\$147,214	\$179,447	\$162,377	\$157,089

Awards, Recognitions, and Achievements

Association of School Business Officials International (ASBO)
Meritorious Budget Award

Association of School Business Officials International



This Meritorious Budget Award is presented to

VIRGINIA BEACH CITY PUBLIC SCHOOLS

*For excellence in the preparation and issuance of its school entity's budget
for the Fiscal Year 2012-2013.*

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



Brian L. Mee

Brian L. Mee, SFO, RSBA
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

Awards, Recognitions, and Achievements

Government Finance Officers Association of the United States
and Canada (GFOA)

Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Virginia Beach City Public Schools
Virginia**

For the Fiscal Year Beginning

July 1, 2012

Christopher A. Morrell *Jeffrey P. Evans*

President

Executive Director

AWARDS, RECOGNITIONS, and ACHIEVEMENTS

Virginia Beach City Public Schools



Dr. James G. Merrill
2013 Virginia
Superintendent of the Year

VISION

Every student is achieving at his or her maximum potential in an engaging, inspiring and challenging learning environment.



MISSION

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

- ◆ The VBCPS website, vbschools.com, is among 214 of more than 6,000 government websites which received a *Sunny Award* for transparent government websites. It is presented by the Editors of *Sunshine Review*.
- ◆ *GreatSchools*, a national non-profit group that studies public and private school education, ranked VBCPS the fifth best large city school division in the nation.
- ◆ 10 (of 11) VBCPS high schools were ranked in the top nine percent nationwide by *The Washington Post* newspaper.
- ◆ VBCPS once again led the region with its strong performance on the SAT. The total mean SAT score for VBCPS seniors was 19 points higher than the next highest mean SAT score among the seven Hampton Roads school divisions.
- ◆ VBCPS has outperformed the state for five consecutive years on an important key academic measure — the 2012 cohort-based Dropout Rate (VBCPS 5.9%, VA 6.5%).
- ◆ The VBCPS' Department of Budget and Finance received the following prestigious awards: The *Distinguished Budget Presentation Award* (GFOA) for fiscal year beginning July 1, 2012; the *Meritorious Budget Award* (MBA) for excellence in preparation of the annual budget for 2012-2013; the *Achievement of Excellence in Procurement Award* which is awarded for four years, 2010-2014; and the *Comprehensive Annual Financial Report* (CAFR) for fiscal year ending June 30, 2011.
- ◆ The Initiative for Military Families (IMF) has included five VBCPS high schools in its expansion. As a result of their inclusion in the IMF, Bayside, Green Run, Kellam, Salem and Tallwood are able to increase the number of students enrolled in AP courses in math, science and English by providing intensive training for AP teachers, student tutorials, and underwriting a portion of the cost of AP tests for students.
- ◆ Bayside Middle School was awarded an \$184,870 21st Century Community Learning Centers Grant to fund programming in the STEM, media arts, culinary arts/nutrition, military, and public service areas.
- ◆ W.T. Cooke Elementary earned the 2012 "*Title I Distinguished School*" honors from the Virginia Department of Education.
- ◆ Enrollment in Advanced Placement (AP) courses increased by 7% .
- ◆ The Chesapeake Bay Foundation, NOAA, and CSX Transportation are providing a \$120,000 grant to initiate a model Environmental Literacy Program in VBCPS secondary schools.
- ◆ VBCPS has the most extensive inventory of online courses in Hampton Roads.
- ◆ Kemps Landing Magnet School has been honored with the distinction of being named a *2011 Blue Ribbon School* by the U.S. Department of Education.
- ◆ VBCPS' Department of Media and Communications Development earned 14 awards for a variety of print, mixed media and electronic media projects from the National School Public Relations Association (NSPRA).

AWARDS, RECOGNITIONS, and ACHIEVEMENTS, continued



Angela German
2013 Teacher of the Year
Plaza Middle School
8th Grade English



Blue Angels
Visit First Colonial High School



**STEM
Robotic Challenge
Training**



**Administrators Conference
2012-2013**

- ◆ For the second year in a row, VBCPS earned a Platinum Certification from the *Virginia School Board Association (VSBA) Green Public Schools Challenge*, a friendly competition to encourage school systems to implement policies and practices that will reduce carbon emissions generated by both the division and the community.
- ◆ Seven schools earned the prestigious *2012 Governor's Award for Educational Excellence*. (Creeds, Kingston, Red Mill, Salem, and Thoroughgood elementary schools and Old Donation Center and Kamps Landing Magnet). Eight of the division's schools earned the *2012 Board of Education Excellence Award* (Corporate Landing, John B. Dey, Malibu, New Castle, North Landing, Princess Anne, Trantwood, and W.T. Cooke elementary schools).
- ◆ Five of the division's schools earned the *2012 Board of Education Competence to Excellence Award* (Christopher Farms, Hermitage, Indian Lakes, and Rosemont elementary schools, and Princess Anne High School).
- ◆ The Class of 2012 accepted \$32,788,893 in scholarships.
- ◆ 4,541 TCE credentials were earned by VBCPS students out of a total of 6,075 tests administered, making the division a leader in the state.
- ◆ The Renaissance Academy is the first center of its kind in the nation – housing six alternative education programs and a museum commemorating the former African American school that once stood on the site.
- ◆ Ninety-eight percent of VBCPS schools have earned full SOL accreditation based on 2011-2012 data.
- ◆ Bayside, First Colonial, Frank W. Cox, Green Run, Landstown, Ocean Lakes, Princess Anne, and Salem high schools were among 34 high schools from across the state awarded the *2012 Claudia Dodson VHSL Sportsmanship, Ethics and Integrity Award* for demonstrating that sportsmanship is a priority.
- ◆ The Adult Learning Center (ALC) leads the state in the number of students who were successful on the GED, testing more students than any other division (1,603). Of that number, 66.8 percent passed. The state average is 61.4 percent.

AWARDS, RECOGNITIONS, and ACHIEVEMENTS, continued

Office of Communications and Community Engagement

For Information Call 757.263.1936



VA STAR



Military
Child Initiative

AWARDS, RECOGNITIONS, and ACHIEVEMENTS, continued

Facilities Planning and Construction; Green and Recycling Initiatives

For Information Call 757.263.1090



Performance Contracting



Sustainable Cafeterias



Green Cleaning



Bike Share Program



On-line Film Festival



Recycling

- ◆ VBCPS was recognized by the *U.S. Green Building Council* (USGBC) as the recipient of the best Green School District nationwide for 2012.
- ◆ VBCPS received the *2011 Exhibition of School Architecture Platinum Award* from Virginia School Boards Association for a new Virginia Beach Middle School.
- ◆ Virginia Beach City Public Schools was honored for being the *Best Green Organization and Best Green Institutional Project* by the Virginia Sustainable Building Network.
- ◆ VBCPS received the *2011 Doing Big Things Award* from the Hampton Roads Alliance for Environmental Education.
- ◆ The Renaissance Academy building supports the region's first green roof on a K-12 academic building – a rainwater harvesting system which stores water in a 50,000 gallon cistern used for flushing toilets and saving approximately one million gallons of treated water per year.
- ◆ The 289,000 square foot Renaissance Academy became the first LEED Gold Alternative Education Facility in the country.
- ◆ While divisionwide square footage has increased to more than ten million square feet, VBCPS utility costs have decreased.
- ◆ Since September 2008, the school division has diverted more than 4,869 tons from the waste stream which is equivalent to saving :
 - ◊ 97,016 trees
 - ◊ 2,168,592 gallons of oil
 - ◊ 17,120 cubic yards of landfill space
 - ◊ 22,827,280 kilowatts of energy (enough to power 2,853 homes for one year)
 - ◊ 39,947,740 gallons of water
- ◆ VBCPS is one of 11 recipients in the U.S. Environmental Protection Agency's mid-Atlantic Region – and the only school division in Virginia – to be awarded for exemplary achievements in environmental excellence and pollution prevention.
- ◆ The *Virginia School Boards Association* recognized the Office of Facilities Planning and Construction for being a Platinum Level Certified Green School Division.
- ◆ The Office of School Plant Services received the Platinum Level Award from the *Virginia School Plant Managers Association* for implementing best practices and processes for excellence in school facility maintenance .
- ◆ VBCPS received the Maintenance Solutions Achievement Award from the national magazine, *Maintenance Solutions*.
- ◆ Each of the school division's 85 schools has an appointed Sustainable School Liaison.
- ◆ Fifty-four schools have outdoor teaching gardens.

Mobility Indices – All Schools

The mobility indicator reflects the number of entries and withdraws that occur within a given school during the school year. The mobility index expresses this value as a function of the September 30th membership count. First time entries within the school are not included in the calculations. For example, a school with a September 30th membership count of 100 and a total number of entries (excluding first time entries) and withdraws of 10 during the course of the school year would have a mobility index of 0.10. For calculation purposes, the school year begins with the first official day for students and ends with their last official day.

School Name	Number of Entries and Withdraws	Mobility Index 2011-2012	Rank Among All Schools
Alanton Elementary	149	0.2517	64
Arrowhead Elementary	94	0.2017	49
Bayside Elementary	170	0.3484	77
Bayside High	613	0.3292	75
Bayside Middle	303	0.3003	72
Bettie F. Williams Elementary	108	0.2477	61
Birdneck Elementary	260	0.4127	81
Brandon Middle	190	0.1515	25
Brookwood Elementary	196	0.2500	62
Centerville Elementary	107	0.1644	33
Christopher Farms Elementary	90	0.1275	16
College Park Elementary	95	0.2442	58
Corporate Landing Elementary	101	0.1772	38
Corporate Landing Middle	229	0.1700	35
Creeds Elementary	36	0.1125	11
Diamond Springs Elementary	187	0.3351	76
Fairfield Elementary	59	0.1202	14
First Colonial High	480	0.2465	59
Frank W. Cox High	302	0.1560	29
Glenwood Elementary	201	0.2318	55
Great Neck Middle	217	0.1960	46
Green Run Elementary	128	0.2540	65
Green Run High	432	0.2644	68
Hermitage Elementary	222	0.3581	78
Holland Elementary	133	0.2477	60
Independence Middle	275	0.2150	53
Indian Lakes Elementary	115	0.2028	51
John B. Dey Elementary	123	0.1449	23
Kellam High	201	0.1117	10
Kemps Landing Magnet	13	0.0225	2
Kempsville Elementary	72	0.1516	26
Kempsville High	246	0.1434	21
Kempsville Meadows Elementary	84	0.1631	32

School Name	Number of Entries and Withdraws	Mobility Index 2011-2012	Rank Among All Schools
Kempsville Middle	143	0.1671	34
King's Grant Elementary	103	0.1612	31
Kingston Elementary	62	0.1117	9
Landstown Elementary	90	0.1231	15
Landstown High	312	0.1347	19
Landstown Middle	189	0.1280	17
Larkspur Middle	307	0.2010	47
Linkhorn Park Elementary	160	0.2023	50
Luxford Elementary	129	0.2710	70
Lynnhaven Elementary	113	0.2586	67
Lynnhaven Middle	227	0.2011	48
Malibu Elementary	49	0.1565	30
New Castle Elementary	80	0.1022	7
Newtown Elementary	169	0.3603	80
North Landing Elementary	36	0.0699	3
Ocean Lakes Elementary	107	0.1877	44
Ocean Lakes High	273	0.1190	12
Old Donation Center	10	0.0198	1
Parkway Elementary	70	0.1362	20
Pembroke Elementary	126	0.2368	57
Pembroke Meadows Elementary	135	0.3027	73
Plaza Middle	188	0.1764	37
Point O'View Elementary	120	0.2299	54
Princess Anne Elementary	45	0.0881	5
Princess Anne High	220	0.1194	13
Princess Anne Middle	106	0.0767	4
Providence Elementary	89	0.1725	36
Red Mill Elementary	97	0.1474	24
Renaissance Academy (6-8)	313	2.3015	83
Renaissance Academy (9-12)	1,117	2.2385	82
Rosemont Elementary	94	0.2500	62
Rosemont Forest Elementary	78	0.1520	28
Salem Elementary	76	0.1788	41
Salem High	273	0.1519	27
Salem Middle	137	0.1297	18
Seatack Elementary	137	0.3270	74

School Name	Number of Entries and Withdraws	Mobility Index 2011-2012	Rank Among All Schools
Shelton Park Elementary	117	0.2962	71
Strawbridge Elementary	74	0.0993	6
Tallwood Elementary	107	0.1780	40
Tallwood High	356	0.1799	42
Thalia Elementary	169	0.2666	69
Thoroughgood Elementary	95	0.1435	22
Three Oaks Elementary	87	0.1110	8
Trantwood Elementary	89	0.1773	39
Virginia Beach Middle	178	0.2321	56
W. T. Cooke Elementary	246	0.3581	79
White Oaks Elementary	187	0.2562	66
Windsor Oaks Elementary	116	0.1810	43
Windsor Woods Elementary	74	0.1888	45
Woodstock Elementary	144	0.2096	52

Budget Manager and Signature Authority

Each Superintendent's Cabinet Member is responsible for designated budget categories, including departmental spending and line item compliance. The Cabinet Member has signature authority for his/her budget categories, including all expenditures, but may share such authority, if so designated. Delegating signature authority *does not nullify* the Cabinet Member's accountability for fiscal responsibility.

Unit Code	Budget Name	Cabinet Member(s)	Budget Manager(s)	Signature Authority
INSTRUCTION				
50100	Elementary Classroom	Jeanne Crocker Shirann Lewis Sheila Magula	Jeanne Crocker Shirann Lewis	Jeanne Crocker Shirann Lewis Sheila Magula Principal (Draw only)
50100	School Draw Account			
50200	Senior High Classroom	Jobynia Caldwell Sheila Magula	Jobynia Caldwell	Jobynia Caldwell Sheila Magula Principal (Draw only)
50200	School Draw Account			
50300	Technical and Career Education	Rodney Burnsworth Sheila Magula	Patrick Konopnicki	Rodney Burnsworth Sheila Magula Principal (Draw only)
50300	School Draw Account			
50400	Gifted Education and Academy Programs	Rodney Burnsworth Sheila Magula	Kelly Hedrick Christopher Tarkenton	Rodney Burnsworth Sheila Magula Principal (Draw only)
50400	School Draw Account			
50500	Special Education	Sheila Magula	Daisy Wood	Sheila Magula Principal (Draw only)
50500	School Draw Account			
50600	Summer School	Rodney Burnsworth Sheila Magula	Jennifer Born	Rodney Burnsworth Sheila Magula
50700	General Adult Education	Jobynia Caldwell Sheila Magula	Paul Palombo	Jobynia Caldwell Sheila Magula
50800	Alternative Education – Renaissance	Jobynia Caldwell Sheila Magula	Kay Thomas	Jobynia Caldwell Sheila Magula Principal (Draw only)
50800	School Draw Account			
50900	Student Activities	Jobynia Caldwell Sheila Magula	Michael McGee	Jobynia Caldwell Sheila Magula
51000	Office of the Principal – Elementary	Jeanne Crocker Shirann Lewis Sheila Magula	Jeanne Crocker Shirann Lewis	Jeanne Crocker Shirann Lewis Sheila Magula Principal (Draw only)
51000	School Draw Account			
51100	Office of the Principal – Senior High	Jobynia Caldwell Sheila Magula	Jobynia Caldwell	Jobynia Caldwell Sheila Magula Principal (Draw only)
51100	School Draw Account			
51200	Office of the Principal – Technical and Career Education	Rodney Burnsworth Sheila Magula	Patrick Konopnicki	Rodney Burnsworth Sheila Magula Principal (Draw only)
51200	School Draw Account			
51300	Guidance Services	Rodney Burnsworth Sheila Magula	Alveta Mitchell	Rodney Burnsworth Sheila Magula
51400	Social Work Services	Sheila Magula	Daisy Wood	Sheila Magula
51500	Media and Communications	Kathleen O'Hara James Merrill	Kathleen O'Hara	Kathleen O'Hara Eileen Cox James Merrill
51600	Instructional Technology	Ramesh Kapoor Sheila Magula	William Johnsen Michael Nicolaides	William Johnsen Michael Nicolaides Ramesh Kapoor Sheila Magula Principal (Draw only)
51600	School Draw Account			
51700	Instructional Support	Rodney Burnsworth Sheila Magula	Christopher Tarkenton Kelly Hedrick	Rodney Burnsworth Sheila Magula

Unit Code	Budget Name	Cabinet Member(s)	Budget Manager(s)	Signature Authority
51710	Instructional Center for Teacher Leadership	Donald Robertson James Merrill	Donald Robertson	Donald Robertson James Merrill
51720	Diversity	James Merrill Ester Monclova-Johnson	James Merrill	James Merrill Sheila Magula
51800	Special Education Support	Sheila Magula	Daisy Wood	Sheila Magula
51900	Gifted Education and Academy Programs Support	Rodney Burnsworth Sheila Magula	Kelly Hedrick Christopher Tarkenton	Rodney Burnsworth Sheila Magula
52000	Media Services Support	Ramesh Kapoor Sheila Magula	William Johnsen	Ramesh Kapoor William Johnsen Joseph Damus Sheila Magula Principal (Draw only)
52000	School Draw Account			
52100	Educational Leadership and Assessment	Donald Robertson James Merrill	Donald Robertson	Donald Robertson James Merrill
52200	Middle School Classroom	Maynard Massey Sheila Magula	Maynard Massey	Maynard Massey Sheila Magula Principal (Draw only)
52200	School Draw Account			
52300	Remedial Education	Rodney Burnsworth Sheila Magula	Jennifer Born	Rodney Burnsworth Sheila Magula
52400	Office of the Principal – Middle School	Maynard Massey Sheila Magula	Maynard Massey	Maynard Massey Sheila Magula Principal (Draw only)
52400	School Draw Account			
52500	Homebound Services	Maynard Massey Sheila Magula	Michael McGee Maynard Massey	Maynard Massey Sheila Magula
52600	Technical and Career Education Support	Rodney Burnsworth Sheila Magula	Patrick Konopnicki	Rodney Burnsworth Sheila Magula
52700	Student Leadership	Jobynia Caldwell Sheila Magula	Michael McGee	Jobynia Caldwell Sheila Magula
52800	Psychological Services	Sheila Magula	Daisy Wood	Sheila Magula
52900	Audiological Services	Sheila Magula	Daisy Wood	Sheila Magula
53100	School Administration	Maynard Massey Sheila Magula	Maynard Massey Jobynia Caldwell Jeanne Crocker Shirann Lewis	Maynard Massey Sheila Magula
53200	Alternative Education	Jobynia Caldwell Sheila Magula	Kay Thomas Jobynia Caldwell	Jobynia Caldwell Maynard Massey Sheila Magula

ADMINISTRATION, ATTENDANCE, AND HEALTH

54100	Board, Legal, and Governmental Services	James Merrill	James Merrill	James Merrill Sheila Magula
54200	Office of the Superintendent	James Merrill	James Merrill	James Merrill Shelia Magula
54300	Budget and Finance	Farrell Hanzaker James Merrill	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate James Merrill
54400	Human Resources	John Mirra James Merrill	John Mirra	John Mirra James Merrill
54500	Internal Audit	James Merrill	Terrie Pyeatt	Terrie Pyeatt Farrell Hanzaker
54600	Purchasing Services	Farrell Hanzaker	Kevin Beardsley	Kevin Beardsley Farrell Hanzaker John Manzella
54700	Center for Teacher Leadership	Donald Robertson James Merrill Sheila Magula	Donald Robertson	Donald Robertson James Merrill Sheila Magula
54900	Office of Technology	Ramesh Kapoor Sheila Magula	Joseph Damus Michael Nicolaides	Joseph Damus Michael Nicolaides Ramesh Kapoor Sheila Magula

Unit Code	Budget Name	Cabinet Member(s)	Budget Manager(s)	Signature Authority
55000	Benefits	Farrell Hanzaker	Linda Matkins	Linda Matkins Farrell Hanzaker Sammy Cohen Susan Scofield
55200	Health Services	Maynard Massey Sheila Magula	Maynard Massey Michael McGee	Maynard Massey Sheila Magula
PUPIL TRANSPORTATION				
56100	Management	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56200	Vehicle Operations	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56250	Vehicle Operations – Special Education	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56300	Vehicle Maintenance	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
56400	Monitoring Services	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
OPERATIONS AND MAINTENANCE				
57100	Facilities Planning and Construction	Dale Holt Sheila Magula	Anthony Arnold	Dale Holt Sheila Magula
57200	School Plant	Dale Holt Sheila Magula	Brian Baxter	Brian Baxter Dale Holt Sheila Magula
57300	Supply Services	Dale Holt Sheila Magula	Eric Woodhouse	Eric Woodhouse Dale Holt Sheila Magula
57400	Grounds Services	Dale Holt Sheila Magula	Steven Proffitt	Dale Holt Sheila Magula
57500	Custodial Services	Dale Holt Sheila Magula	Larry Ames	Larry Ames Dale Holt Sheila Magula
58100	Safety and Loss Control	Dale Holt Sheila Magula	Richard Ponti	Dale Holt Sheila Magula
58200	Vehicle Services	Dale Holt Sheila Magula	David Pace	David Pace Dale Holt Sheila Magula
58300	Telecommunications	Ramesh Kapoor Sheila Magula	Michael Nicolaides Michael Combs	Michael Nicolaides Michael Combs Ramesh Kapoor Sheila Magula
58400	Technology Maintenance	Ramesh Kapoor Sheila Magula	Michael Nicolaides	Michael Nicolaides Ramesh Kapoor William Johnsen Sheila Magula
OTHER FUNDS				
106	Technology Category (assigned by unit code)	As Assigned		
107	Equipment Replacement Fund	Farrell Hanzaker James Merrill	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate James Merrill
108	Instructional Technology Fund	Ramesh Kapoor Sheila Magula	Ramesh Kapoor	Ramesh Kapoor William Johnsen Sheila Magula

Unit Code	Budget Name	Cabinet Member(s)	Budget Manager(s)	Signature Authority
109	Vending Operations Fund	Farrell Hanzaker James Merrill	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate James Merrill
112	Communication Towers Technology Fund	Ramesh Kapoor Sheila Magula	Joseph Damus William Johnsen	Joseph Damus William Johnsen Ramesh Kapoor Sheila Magula
114	Food Services Fund	Dale Holt Sheila Magula	John Smith	John Smith Dale Holt Sheila Magula
116	Categorical Grants (Determined by the applicable Cabinet Member)			
	Curriculum and Instruction	Rodney Burnsworth		Rodney Burnsworth
	DOSA	Maynard Massey		Maynard Massey
	Technology	Ramesh Kapoor		William Johnsen Ramesh Kapoor
	Adult Learning Center (ALC)	Jobynia Caldwell		Jobynia Caldwell
	Renaissance	Jobynia Caldwell		Jobynia Caldwell
	Juvenile Detention Center (JDC)	Maynard Massey		Maynard Massey
117	Textbook Fund	Rodney Burnsworth Sheila Magula	Rodney Burnsworth	Rodney Burnsworth Sheila Magula
119	Athletic Fund	Jobynia Caldwell Sheila Magula	Michael McGee	Jobynia Caldwell Sheila Magula
614	Risk Management Fund	Farrell Hanzaker James Merrill	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate James Merrill
615/ 617	Health Insurance Fund	Farrell Hanzaker James Merrill	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate James Merrill
Proj. CIP PROJECTS				
1195	Student Data Management System	Ramesh Kapoor	Michael Nicolaides	Michael Nicolaides Ramesh Kapoor Sheila Magula
1196	Instructional Technology	Ramesh Kapoor Sheila Magula	William Johnsen Michael Nicolaides	William Johnsen Michael Nicolaides Ramesh Kapoor Sheila Magula
1211	School Operating Budget Support (assigned by unit code)	As Assigned		
1237	Schools Human Resources Payroll System	Farrell Hanzaker	Farrell Hanzaker	Farrell Hanzaker Sammy Cohen Crystal Pate James Merrill
	All Other CIP Projects except those listed above	Dale Holt Sheila Magula	Anthony Arnold	Dale Holt Anthony Arnold Sheila Magula

To update this document, complete the Signature Authority Authorization form located on the Intranet under Forms > Budget and Finance.

In emergency situations, where none of the signature authority individuals are available, a Signature Authority Authorization must be submitted by an authorized individual in that department or school.

Allocated Positions

Position review is a part of the budget process and adjustments are subject to School Board approval. The chart below reflects the overall changes in the number of positions within the major budget category and the categorical grants and other funds. Total allocated positions are projected to decrease by a net total of 135.6 from the adopted FY 2012/13 budget. The reduction in positions reflects enrollment decline and class-size adjustments.

	FY 2009/10 Amended	FY 2010/11 Budget	FY 2011/12 Amended	FY 2012/13 Budget	FY 2013/14 Proposed	Variance
Instruction						
50100 Elementary Classroom	2,107.90	2,109.90	2,065.40	2,115.10	2,084.60	(30.50)
50200 Senior High Classroom	1,074.40	1,074.40	1,007.60	1,022.20	982.60	(39.60)
50300 Technical and Career Education	271.20	271.20	254.90	225.40	211.45	(13.95)
50400 Gifted Ed. and Academy Programs	156.00	156.00	156.00	156.00	156.00	-
50500 Special Education	1,180.00	1,180.00	1,178.00	1,178.00	1,178.00	-
50700 General Adult Education	24.00	22.00	22.00	20.00	20.00	-
50800 Alternative Education - Renaissance Academy	83.80	83.80	96.60	96.60	96.60	-
50900 Student Activities	29.50	29.50	30.50	30.50	30.50	-
51000 Office of the Principal - Elementary	349.00	343.00	343.00	337.00	336.00	(1.00)
51100 Office of the Principal - High School	127.50	128.50	127.50	124.00	122.00	(2.00)
51200 Principal - Technical and Career Education	7.00	7.00	7.00	7.00	7.00	-
51300 Guidance Services	214.60	212.40	215.40	209.40	209.60	0.20
51400 Social Work Services	31.25	31.25	31.25	31.00	31.00	-
51500 Media and Communications	15.00	15.00	15.00	15.00	15.00	-
51700 Instructional Support	57.00	56.00	57.00	51.00	51.00	-
51710 Instructional Center for Teacher Leadership	-	-	7.00	8.00	8.00	-
51800 Special Education Support	30.00	30.00	32.00	32.00	32.00	-
51900 Gifted Ed. and Academy Programs Support	19.00	19.00	19.00	19.50	20.00	0.50
52000 Media Services Support	201.50	200.50	199.50	200.50	196.50	(4.00)
52100 Educational Leadership and Assessment	17.00	17.00	19.00	19.00	19.00	-
52200 Middle School Classroom	778.00	768.60	746.40	761.40	740.75	(20.65)
52300 Remedial Education	74.50	102.50	104.50	104.50	106.50	2.00
52400 Office of the Principal - Middle School	117.00	117.00	115.00	115.00	112.00	(3.00)
52500 Homebound Services	1.00	1.00	1.00	1.00	1.00	-
52600 Office of the Principal - Tech. and Career Ed. Support	9.40	9.40	8.40	8.60	9.00	0.40
52700 Student Leadership	7.00	7.00	7.00	7.00	7.00	-
52800 Psychological Services	38.00	38.00	38.00	38.00	38.00	-
52900 Audiological Services	4.00	4.00	4.00	4.00	4.00	-
53100 School Administration	9.00	9.00	9.00	8.00	8.00	-
53200 Alternative Education	49.00	22.00	15.00	15.00	15.00	-
Instruction Total	7,082.55	7,064.95	6,931.95	6,959.70	6,848.10	(111.60)
54100 Board, Legal, and Governmental Services	13.00	13.00	13.00	12.00	12.00	-
54200 Superintendent	8.00	7.00	7.00	7.00	7.00	-
54300 Budget and Finance	43.00	43.00	43.00	43.00	43.00	-
54400 Human Resources	44.50	44.50	47.30	47.30	47.30	-
54500 Internal Audit	4.00	4.00	4.00	4.00	4.00	-
54600 Purchasing Services	13.00	13.00	13.00	13.00	13.00	-
54700 Center for Teacher Leadership	15.80	16.80	8.00	6.00	6.00	-
55000 Benefits	15.00	15.00	15.00	15.50	15.50	-
55200 Health Services	132.00	131.00	131.00	131.00	131.00	-
Administration, Attendance, & Health Total	288.30	287.30	281.30	278.80	278.80	-
56100 Management	26.00	26.00	26.00	27.00	27.00	-
56200 Vehicle Operation	354.69	354.69	354.69	354.69	354.69	-
56250 Vehicle Operation - Special Education	122.56	122.56	122.56	122.56	122.56	-
56300 Vehicle Maintenance	57.00	57.00	57.00	56.00	56.00	-
56400 Monitoring Services	106.88	106.88	106.88	106.88	106.88	-
Pupil Transportation Total	667.13	667.13	667.13	667.13	667.13	-
57100 Facilities Planning and Construction	6.00	6.00	6.00	6.00	6.00	-
57200 School Plant	197.00	197.00	197.00	197.00	197.00	-
57300 Supply Services	23.50	23.50	23.50	23.50	23.50	-
57500 Custodial Services	732.00	726.00	726.00	709.00	709.00	-
58100 Safety and Loss Control	198.00	197.00	197.00	197.00	197.00	-
58200 Vehicle Services	4.00	4.00	4.00	4.00	4.00	-
58300 Telecommunications	3.00	3.00	3.00	3.00	3.00	-
Operations and Maintenance Total	1,163.50	1,156.50	1,156.50	1,139.50	1,139.50	-
61600 Instructional Technology	-	-	-	-	110.00	110.00
64900 Technology	-	-	-	-	7.00	7.00
68400 Technology Maintenance	-	-	-	-	71.00	71.00
Technology^b Total	-	-	-	-	188.00	188.00
Operating Budget Total^a	9,201.48	9,175.88	9,036.88	9,045.13	9,121.53	76.40
State Grants	15.00	12.00	13.00	14.00	14.00	-
Federal Grants	483.50	639.00	646.50	574.50	549.50	(25.00)
Food Services Fund	492.89	492.89	492.89	492.89	492.89	-
Risk Management Fund	5.00	5.00	5.00	5.00	5.00	-
Health Insurance Fund	4.50	4.50	4.50	6.50	6.50	-
Technology Category ^b	189.00	186.00	187.00	187.00	-	(187.00)
Textbook Fund	1.50	1.50	1.50	1.50	1.50	-
Categorical Grants and Other Funds Total	1,191.39	1,340.89	1,350.39	1,281.39	1,069.39	(212.00)
All Funds Total	10,392.87	10,516.77	10,387.27	10,326.52	10,190.92	(135.60)

^a An elimination of 6 to 10 positions is not reflected in the totals above, as they are to be determined at the end of this fiscal year.

^b Effective FY 2013/14, the Technology (fund 106) Category will be located in the Operating fund.

Staffing Standards and Guidelines

FY 2013/14

The allocations of instructional personnel in Virginia Beach are based on guidelines that meet or exceed the SOQ, the accreditation requirements of Virginia, and core class size caps as adopted by the School Board.

NOTE: These standards represent current information and may be subject to change because of the Standards of Accreditation and Standards of Learning implementation requirements and local operating budget.

Elementary School

Grade Level [see Note (5)]	Virginia SOQ Accreditation Standard Division-wide Ratios [See Note (3)]	VBCPS Classroom Teacher Allocation	VBCPS Target Class Size Ratio [see Note (1)]	VBCPS Class Size Cap [see Note (1)]
K	24:1 without assistant; no class larger than 29; with a full-time assistant if ADM is greater than 24:1	24:1	24:1	26
1	24:1 no class larger than 30	24:1	24:1	26
2	24:1 no class larger than 30	24:1	24:1	26
3	24:1 no class larger than 30	24:1	24:1	26
4	25:1 no class larger than 35	25:1	25:1	26
5	25:1 no class larger than 35	25:1	25:1	26

These standards do not include teachers for resource programs, itinerant services, special education, Title I, guidance counselors, and library media specialists.

NOTES TO STAFFING STANDARDS:

- (1) Schools are monitored throughout the year for compliance with pupil/teacher ratios. An additional teacher will be added at a grade level when the average class-size of all sections on the grade level reaches the class-size cap as shown above. In all cases, adequate funds must be available.
- (2) Exceptions to student/teacher target ratios can be requested on the basis of existing staff. The written request for exception must include the program rationale for the exception, as it relates specifically to student achievement and/or an objective in the school's strategic plan. A cost analysis will be completed after the assistant superintendent/directors receive the request.
- (3) Twenty one elementary schools in Virginia Beach participate in the state K-3 Class-Size Initiative. The Virginia Department of Education (VDOE) determines the ratio for each school based on the percentage of students who receive free lunch. Allocations for 2013/14 reflect these ratios.
Schools that participate in the Virginia K-3 Class-Size Initiative must maintain a K-3 class-size average as listed below.

13 schools @ 19 to 1 with no class in K-3 larger than 24
5 schools @ 18 to 1 with no class in K-3 larger than 23
2 schools @ 17 to 1 with no class in K-3 larger than 22
1 school @ 16 to 1 with no class in K-3 larger than 21

- (4) Principals are asked to schedule planning periods for elementary grade levels at the same time each day, whenever possible, to provide opportunities for collaborative planning and staff development.
- (5) 0.5 EDK FTE assigned per school; additional FTE based on established eligibility criteria.

Resource Teachers, Library Media Specialists, and Guidance Counselor Allocations
Full-time resource teachers should be scheduled for a daily, unencumbered planning time.

Art/Grades 1-5	40-minute instructional period on a regular basis per class; plus 1 class period for display and dissemination of materials per week; initial staffing equal to music staffing; additional staffing based on number of classes taught*
Music/Kindergarten	30-minute instructional period on a regular basis per class*
Music/Grades 1-5	40-minute instructional period on a regular basis per class; plus 1 class period for chorus per week*
Physical Education/Grades 1-5	40-45 minute period recommended daily per class; a second P.E. teacher will be allocated after the 6th P.E. assistant, if teacher positions are available
Reading Specialist	1 per school [SOQ]; .20 additional RRS for each 100 students in membership after 500 (VBCPS)
Library Media Specialist	1 per school
Guidance	1 per school; .20 additional guidance per 100 students in membership after 500 [SOQ]
English as a Second Language	Itinerant based on number of students and level of proficiency [Federal]
Computer Resource	1 per school
Strings	Itinerant based on enrollment and levels
Gifted/Talented	Itinerant resource based on identified enrollment

*Principals are expected to adhere to recommended instructional times for Kindergarten and Grades 1-5 Music and for Grades 1-5 Art. Staffing standards are:

Art (1-5) and Music (K-5) Teachers	1 – 6 classes	0.2 FTE
	7-12 classes	0.4 FTE
	13-18 classes	0.6 FTE
	19-24 classes	0.8 FTE
	25-30 classes	1.0 FTE
	31-36 classes	1.2 FTE
	37-42 classes	1.4 FTE
	43-48 classes	1.6 FTE
	49-54 classes	1.8 FTE
	55-60 classes	2.0 FTE

School Health Allocations

Nurse	1 per school; additional nurse assigned on a special needs basis
Clinic Assistant	Special needs basis

Teacher Assistant Allocations (VBCPS)

Kindergarten	1 per kindergarten teacher
Physical Education	1 for each 6 classes exceeding the P.E. teacher's initial 6 classes; 1 assistant per 6 additional classes*
General Assistants	1 500 students 1.5 650 students 2 800 students 2.5 950 students Special needs basis (Additional FTE for Christopher Farms Spanish Immersion Program as needed)
Primary Assistants	Allocated as needed to primary grades

*Physical Education Teacher Assistants (Grades 1-5)

7-9 classes	0.5 FTE
10-12 classes	1.0 FTE
13-15 classes	1.5 FTE
16-18 classes	2.0 FTE
19-21 classes	2.5 FTE
22-24 classes	3.0 FTE
25-27 classes	3.5 FTE
28-30 classes	4.0 FTE
31-33 classes	4.5 FTE
34-36 classes	5.0 FTE
37-39 classes	5.5 FTE
40-42 classes	6.0 FTE

Security Assistant Allocations (VBCPS)

Security Assistants	1 per school
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Non-Instructional – Secretarial/Clerical Allocations

School Administrative Associate I/12 mo.	1 per school
School Office Associate II/12 mo.	1 per school and special education centers
School Office Associate II/10 mo.	1 per school
Data Support Specialist/12 mo.	1 per school; plus 1 additional DSS in schools exceeding 900 students
Library Media Assistant/10 mo.	1 per school (.50 Creeds Elementary)
Extra Secretarial Days	7 per school 20 per new school

Administrative Allocations

Principal	1 per school
Assistant Principal	1 300-899 students 2 900-1,499 students 3 1,500 students

Other School Administrator Allocations

Coordinators	Assigned to special programs
Administrative Assistant	Special needs basis

Custodial Allocations

Custodian	1 per 17,000 square feet
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Staffing Standards and Guidelines

FY 2013/14

The allocations of instructional personnel in Virginia Beach are based on guidelines that meet or exceed the SOQ and the accreditation requirements of Virginia and core class caps as adopted by the School Board.

NOTE: These standards represent current information and may be subject to change because of the Standards of Accreditation and Standards of Learning implementation requirements and local operating budget.

Middle School

Grade Level	SOQ Accreditation Standard Division-wide Ratios	VBCPS Standard Classroom Teacher Allocation
Middle School (Grades 6-8)		20.25:1(a)
Grades 6	25:1[SOQ]	
English	24:1[SOQ]	
Courses	VBCPS Target Class Size Ratio [see Note (1)]	Allocation Adjustments will be Considered as Follows: (Additional Teachers Subject to Availability of Funds) (b)
Core Courses-Math, Science, and Social Studies	25:1	Class size minimum: 20:1 Class size maximum: 35:1
Core Course-English	24:1	Class size minimum: 20:1 Class size maximum: 35:1
Exploratory Courses and Electives	25:1	Class size minimum: 16:1 Band and chorus: 37:1 for all sections Other electives: 30:1 for all sections
Career and Technical Education Courses	20:1 or number of work stations (c)	Class size minimum: 16:1 Class size maximum: 20:1 or number of work stations (See VDOE listings)
Physical Education	35:1	Class size maximum: 37:1 average for all sections Class size minimum: 25:1
Distance Learning	25:1	Class size minimum: N/A Class size maximum: 30:1

- (a) This standard includes all instructional personnel other than teachers for gifted education, in-school suspension, special education, guidance counselors, library media specialists, student activity coordinators, reading specialists, SOL improvement specialists, and computer resource specialists.
- (b) Courses not meeting minimums may be dropped. Waivers may be granted, depending on the course and the extenuating circumstances.
- (c) Career and Technical Education laboratory classes that use equipment that has been identified by the U.S. Department of Labor for hazardous occupations shall be limited to a maximum of 20 students per laboratory.

NOTES TO STAFFING STANDARDS:

- (1) Instructional allocations may be decreased and a teacher reassigned when the school-wide student/teacher ratio is 20.25:1 or less with the elimination of the position.
- (2) Exceptions to student/teacher target ratios can be requested on the basis of existing staff. The written request for exception must include the program rationale for the exception, as it relates specifically to

student achievement and/or an objective in the school's strategic plan. A cost analysis will be completed by the Department of Human Resources after the appropriate assistant superintendent receives the request.

- (3) The classroom teacher allocation of 20.25:1 is based on all core teachers being assigned to four (4) teaching periods. Elective teachers will be assigned to five (5) teaching periods a day with one period designated for individual planning.
- (4) Each day, core teachers will have one individual planning period scheduled during the students' instructional day. Core teachers have one core team work/planning period during the contractual day. [Note: The team work/planning period may include such activities as remediation/academic support; professional learning; planning with team members; conferring with parents, resource staff, and educational professionals; providing special assistance to individual students or groups; completing other tasks necessary for efficient, effective team operation.]
- (5) Principals are encouraged to schedule the core team-planning period for each team on a grade level at the same time each day.
- (6) Full-time teachers of non-core classes will have one planning period per day.

**Resource Teachers, Library Media Specialists, and Guidance Counselors Allocations
(Kemps Landing Magnet School is staffed using appropriate modifications to all established standards.)**

Computer Resource	1 per school; plus 1 additional for each school with membership exceeding 1,100 students
Distance Learning	.20 per school (for schools that send transmissions)
Gifted Education	1 per school (excluding Kemps Landing Magnet School)
Student Activities	1 per school (.50 to Kemps Landing Magnet School)
Library Media Specialist	.50 for < 300 students; 1 for 300 students; 2 for 1,000 students [SOQ]
Guidance	Guidance Department Chair, 1 per school (300 students); Counselors, 1 per 350 students (after first 300)
Reading Specialist	1 per school (.50 to Kemps Landing Magnet School)
English as a Second Language	Itinerant based on number of students and level of proficiency [Federal Standard]

Paraprofessional Allocation

In-School Suspension	1 per school (excluding Kemps Landing Magnet School)
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VBCPS Non-Instructional – Secretarial/Clerical Allocations

School Admin Associate I/Office Manager /12 mo.	1 per school
Bookkeeper/12 mo.	1 per school
School Office Assoc. II/Attendance Secretary 10 mo.	1 per school
School Office Assoc. II/Discipline Secretary/10 mo.	1 for 1,000 students
School Office Associate II/10 mo.	2 for 1,600 students
School Office Associate II/10 mo.	3 for 2,200 students
School Office Associate II/12 mo./Data Tech	1 per school
Library Media Assistant	1 per school (750 enrollment) [SOQ]

School Office Assoc. II/Guidance Secretary/12 mo.	1 per school
Additional Secretarial Days	21 per school (7 for Kemps Landing Magnet School)
Security Assistant Allocations	
Security	3 per school; additional staff is based on special need
Distance Learning Teacher Assistant Allocations	
Teacher Assistant	1 per school (excluding Kemps Landing Magnet School)
General Assistant Allocations	
General Assistant	Kemps Landing Magnet School (1)
School Health Allocations	
Nurse	1 per school
Clinic Assistant	1 per school at 1,000 students (This standard will be adjusted and additional assistants assigned based on student needs, usage and programs.)
Administrative Allocations	
Principal	1 per school [SOQ]
Assistant Principal	1 per school 2 for 900 students 3 for 1,200 students 4 for 1,800 students 5 for 2,400 students
Other School Administrator Allocations	
Coordinators	Assigned to special programs
Administrative Assistant	Special needs basis
Custodial Allocations	
Custodians	1 per 17,000 square feet

Staffing Standards and Guidelines

FY 2013/14

The allocations of instructional personnel in Virginia Beach are based on guidelines that meet or exceed the SOQ, the accreditation requirements of Virginia (State), and core class size caps as adopted by the School Board.

NOTE: These standards represent current information and may be subject to change because of the Standards of Accreditation and Standards of Learning implementation requirements and local operating budget.

High School

Grade Level	SOQ Accreditation Standard Division-wide Ratios	VBCPS Standard Classroom Teacher Allocation
High School (9-12)		20.25:1(a)
High School English	24:1 [SOQ]	
Courses	VBCPS Target Class Size Ratio [see Note (1)]	Allocation Adjustments will be Considered as Follows: (Additional Teachers Subject to Availability of Funds) (b)
Core Courses-Math, Science, and Social Studies	25:1	Class size minimum: N/A Class size average: 28 with no class higher than 30
Core Course-English	24:1	Class size minimum: N/A Class size average: 28 with no class higher than 30
Electives	25:1	Class size minimum: 17 Class size average: 28 with no class higher than 30 Band and chorus: 38:1 average for all sections Other electives: 28:1 for all sections
Advanced Placement/ Academy Courses	24:1	Class minimum: 15
Honors Academic Courses	25:1	Class size minimum: 17
High Level Academic Language Electives	25:1	Class size minimum: 17 Class size average: 28 with no class larger than 30
Career and Technical Education Courses	20:1 or number of Workstations (c)	Class size minimum: 17 Class size maximum: determined by number of workstations (see VDOE listing)
Physical Education	35:1	Class size minimum: 25:1 [Division] Class size maximum: 38:1 average for all sections with no class higher than 40

- (a) This standard includes all instructional personnel other than teachers for gifted education, in-school suspension, Education for Employment, NJROTC, special education, guidance counselors, library media specialists, testing specialists, computer resource specialists, and student activity coordinators.
- (b) Courses not meeting minimums may be dropped. Waivers may be granted by the assistant superintendent, depending on the course and the extenuating circumstances.
- (c) Career and Technical Education laboratory classes that use equipment that has been identified by the U.S. Department of Labor for hazardous occupations shall be limited to a maximum of 20 students per laboratory.

NOTES TO STAFFING STANDARDS:

- (1) International Baccalaureate Program, Mathematics and Science Academy, Health Sciences Academy, Technology Academy, Legal Studies Academy, Visual and Performing Arts Academy, Global and World Languages Academy, Technical and Career Education Center, Renaissance Academy, and Advanced Technology Center are staffed using appropriate modifications to all established standards.
- (2) Staffing for Green Run Collegiate Charter School will be based on the Memorandum of Agreement (MOA) between the Governing Board of Green Run Collegiate Charter School and the School Board of Virginia Beach City Public Schools.
- (3) Instructional allocations may be decreased and a teacher reassigned when the school-wide student/teacher ratio would be 20.25:1 or less with the elimination of the position.
- (4) Exceptions to student/teacher target ratios can be requested on the basis of existing staff. The written request for exception must include the program rationale for the exception as it relates specifically to student achievement and/or an objective in the school's strategic plan. A cost analysis will be completed by the Department of Human Resources after the appropriate assistant superintendent receives the request.
- (5) High school teachers will have a minimum of 250 minutes of planning time per week (SOQ).
- (6) Throughout September, the principal will monitor the number of students in classes to ensure the most effective use of division resources in staffing.

Resource Teachers, Library Media Specialists, Special Education, and Guidance Counselors Allocations

Distance Learning	.20 per school (for schools that send transmissions)
Gifted Education	1 per school excluding Renaissance Academy
Student Activities	1 per school (with interscholastic program)
Library Media Specialist and Computer Resource	3:1 and 2:2 beginning FY 2001/02 when the Board approved staffing modifications, which allocated 2 Computer Resource Specialists and 2 Library Media Specialists to each school, and one (1) Computer Resource Specialist for Technical and Career Education Center. (Schools were required to eliminate 1 Library Media Specialist upon a vacancy of a Library Media position by a FY 2000/01 agreement.)
Guidance	1 Guidance Department Chair per school (300 students) 1 Counselor per 350 students (after first 300)
English as a Second Language	Itinerant based on number of students and level of proficiency [Federal]
Reading Specialist	1 per school; exceptions include Renaissance Academy (2) and Technical and Career Education Center (0)

Paraprofessional Allocations

In-School Suspension	1 per school
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Non-Instructional – Secretarial/Clerical Allocations

(Appropriate modifications to established standards are made for the Advanced Technology Center, Princess Anne High School (Special Education Wing), Renaissance Academy, and Technical and Career Education Center.)

School Admin Office Assoc II/12 mo. (Office Manager)	1 per school
Bookkeeper/12 mo.	1 per school
School Office Assoc II/10 mo. (Attendance Secretary)	1 per school
School Office Assoc II/10 mo. (Discipline Secretary)	1 1,000 students
School Office Assoc II/12 mo.	2 1,600 students [State]
School Office Assoc II/10 mo.	3 2,200 students [State]
School Office Assoc II/12 mo. (Data Tech)	1 per school
Library Media Assistant	1 per school (750 students) [SOQ]
School Office Assoc II/12 mo. (Guidance)	1 per school
Extra Secretarial Days	21 per comprehensive high school 20 for Renaissance Academy 7 for Adult Learning Center 7 for Advanced Technology Center 7 for Technical and Career Education Center

Security Assistant Allocations

Security Assistants - Day	5 per school; additional staff is based on special needs
Security Assistants - Night	1 per school; additional staff is based on special needs

Distance Learning Assistant Allocations

Distance Learning	1 per high school
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School Health Allocations

Nurse	1 per school
Clinic Assistant	1 per school at 1,000 students This standard will be adjusted and additional assistants assigned based on student needs, usage and programs.

Administrative Allocations

Principal	1 per school [State]
Assistant Principal	2 below 1,200 students 3 1,200 students 4 1,800 students

Other School Administrator Allocations

Coordinators	Assigned to special programs
Administrative Assistant	Special needs basis

Custodial Allocations

Custodian	1 per 17,000 square feet
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City Council and School Board Policy

Title: City/School Revenue Sharing Policy	Index Number:	
Date of Adoption: October 23, 2012	Date of Revision:	Page: 1 of 6

1. Purpose:

- 1.1. This policy ("Policy") is to establish a procedure for allocating to the City and to the Public School System revenues estimated to be available in any given fiscal year. It is the intent of this Policy to provide sufficient funding to maintain Virginia Beach City Public Schools' academic success as well as the City's strategic goals.
- 1.2. This Policy is designed to accomplish these goals by providing better planning for school funding by clearly and predictably sharing local revenues. It provides a balance between the funding requirements for School and City programming. This Policy seeks to provide a diverse stream of revenues that mitigates dramatic changes in the economy by relying upon all local tax revenues that are under the City Council's control rather than a subset of those revenues. It also recognizes decisions by the City Council to dedicate some of these same revenues to City and School priorities outside of the formula discussed herein. This Policy seeks to rectify some of the concerns with the past formula by linking City funding to the School directly to the State Standards of Quality ("SOQ") which periodically takes into account changes in student enrollment, true property value, adjusted gross income, taxable retail sales, and population.

2. Definitions:

- 2.1. "City" refers to the City of Virginia Beach exclusive of the Virginia Beach City Public Schools
- 2.2. "Schools" refer to the Virginia Beach City Public Schools.
- 2.3. "Local Tax Revenues" refers to all General Fund revenues generated by non-dedicated local taxes: real estate (less dedications such as the FY 2013 dedication for Schools and road construction, the Outdoor Initiative, the Agricultural Reserve Program, and the Recreation Centers); Personal Property; General

Sales; Utility; Utility-Consumption; Virginia Telecommunications; Business License (BPOL); Cable Franchise; Cigarette (less dedication for Economic Development Incentive Program (EDIP); Hotel Room; Restaurant Meals; Automobile License; Bank Net Capital; City Tax on Deeds; and City Tax on Wills.

- 2.4. "Dedicated Local Tax" refers to taxes that have been previously obligated by the City Council or State law to support specific projects or programs. Examples of dedicated local taxes that are excluded from this Policy include, but are not limited to: Tax Increment Financing District Revenues; Special Services Districts Revenues; the FY 2013 dedications to Schools (4 cents of the real estate tax) and Transportation (2 cents of the real estate tax); taxes established to support Open Space; Agricultural Reserve Program; Recreation Centers; Outdoor Initiative; Economic Development Incentive Program; Tourism Advertising Program; Tourism Investment Program; referendum related taxes; and taxes used to support the BRAC project. A more complete discussion of such dedications is found at page 60 of the Executive Summary in the FY 2013 Budget and pages 1-39 and 1-40 of the FY 2013 Operating Budget.
- 2.5. "Revenue Sharing Formula" refers to the method of sharing Local Tax Revenues between the City and the Schools.
- 2.6. "Budgeted Local Tax Revenues" refers to the appropriation of revenues by City Council in May each year for the upcoming fiscal year beginning July 1.
- 2.7. "Actual Local Tax Revenues" refers to the actual collected revenues reflected in the Comprehensive Annual Financial Report (CAFR).
- 2.8. "School Reversion Funds" refers to unused expenditure appropriations and end of the year adjustments to the Revenue Sharing Formula revenues based on actual collections.
- 2.9. "Discretionary Local Match" refers to the funding level set by the Revenue Sharing Formula and the FY 2013 real estate tax dedication.
- 2.10. "Required Local Match" refers to the City funding required by the SOQ.

3. Procedure to Calculate the Revenue Sharing Formula:

3.1. Initial Estimate

- 3.1.1. In October, Management Services will provide an estimate of local tax revenue for the upcoming fiscal year.
- 3.1.2. The Required Local Match calculation - Using the SOQ for each of the State Biennial years, Management Services will deduct this amount from the projection of Local Tax Revenues and set it aside as the first step.

- 3.1.3. Discretionary Local Match calculation – The Discretionary Local Match has two components: the formula component and the FY 2013 four cent real estate dedication.
 - 3.1.3.1. The formula component: Management Services will then allocate to Schools 32.37% of the remaining Local Tax Revenues.
 - 3.1.3.2. The FY 2013 dedication component: In FY 2013 Operating Budget the City Council increased the real estate tax rate by four cents and dedicated it to the Schools' Operating Budget. This dedication amount will be added back to the Discretionary Local Match. This dedication shall exist until such time as the State restores funding for education to the average level provided from FY 2006 to FY 2012 of \$350 million (net of School facility funds) The City Council has directed the City Manager to recommend, as a part of the City's Proposed Operating Budget, reductions in whole or in part to the four cents real estate dedication in an amount roughly equal to the increased State funding above \$350 million (per annum) as reflected by a decrease in the local composite index below the current FY 2013 level of 0.4110.
 - 3.1.4. The combination of the required local match and the discretionary local match shall comprise the funding for Schools pursuant to this Policy.

3.2. Final Estimate

- 3.2.1. In February, Management Services will provide a final estimate of the Local Tax Revenues. This will be the estimate included in the City's Proposed Operating Budget.
- 3.2.2. Required Local Match calculation - By February the final SOQ required local match should be known from the Virginia Department of Education and this figure will be used to set aside the first allocation of revenues.
- 3.2.3. Discretionary Local Match calculation - Management Services will then allocate to Schools the formula component (32.37% of the remaining estimated Local Tax Revenues) plus the FY 2013 dedication component (four cents of the real estate tax provided no adjustments are required).
- 3.2.4. The combination of the Required Local Match and the Discretionary Local Match shall comprise the total local funding of the Schools under the Revenue Sharing Formula.
- 3.2.5. Estimates of the revenues contained in the Revenue Sharing Formula shall be clearly presented in the City's Operating Budget.

4. Procedure to Request an Increase in the Discretionary Local Funding Match:

- 4.1. After receiving the Superintendent's Estimate of Needs, the School Board will notify the City Council by resolution that it has determined additional local funding is required to maintain the current level of

operations or to provide for additional initiatives. The School Board's resolution will provide the following: 1) that additional funding is required; 2) the amount of additional funding requested; 3) the purpose for the additional funding; and 4) that the School Board supports an increase in the real estate tax (or other local tax) should the City Council determine that such a tax increase is necessary.

- 4.2. If the City Council determines that additional funding is warranted to maintain the current level of City and Schools operations or to provide for additional initiatives, the City Council shall determine appropriate action. This action may include consideration of existing dedications or alternate sources of revenue or tax increases. If, after deliberation and appropriate public involvement, the City Council determines that additional tax revenues are required, City Council may adopt a tax rate increase to any revenue stream within this formula to generate additional local tax revenue.
- 4.3. Should the City Council dedicate such increase in local taxes, that dedication will be treated in the same manner as other Dedicated Local Tax. If the City Council does not dedicate the increased taxes, this revenue will be part of the Local Tax Revenues for purposes of this Policy.

5. Actual Revenue Collections deviate from Budget Local Tax Revenues:

- 5.1. If, at the end of the fiscal year, the actual Local Tax Revenues exceed the budgeted amount, the amount of excess revenue will be allocated in the same manner as similar revenues were apportioned in the recently ended fiscal year. However, such excess revenues are subject to the City Council's General Fund Balance Reserve Policy. If such funds are not required for the General Fund Balance Reserve Policy, the School Board may request that such funds be appropriated at the same time as the appropriation of reversion funds, discussed in section 6.3, below.
- 5.2. If, the City, through the Manager or his designee, anticipates at any time during the fiscal year that actual revenues will fall below budgeted revenues, the School Board, upon notification by the City Manager or his designee of such an anticipated shortfall, will be expected to take necessary actions to reduce expenditures in an amount equal to the School's portion of the shortfall.

6. Reversion of Formula Revenues:

- 6.1. All other sources of funding shall be expended by the Schools prior to the use of Local Tax Revenues.
- 6.2. All balances of Local Tax Revenues held by the Schools at the close of business for each fiscal year ending on June 30th (to include the accrual period) lapse into the fund balance of the City's General Fund. The reversion described in the preceding sentence is specific to Local Tax Revenues, and while the appropriation to spend funds may lapse, the reversion process is not applicable to moneys in a fund, such as the Athletic Fund, that are attributable to user fees or gate admissions.

- 6.3. Reversion Appropriation Process: The School Board may request, by resolution, the reappropriation and appropriation of funds resulting from the end of the fiscal year. This request should consider the following:
- 6.3.1. The use of funds whose appropriation has lapsed because of the end of the fiscal year and reverted to the fund balance of the City's General Fund. See Section 6.2.
- 6.3.2. The use of excess funds discussed in Section 5.1.
- 6.3.3. The calculation of actual debt payments for the fiscal year recently closed as compared to the estimated debt payments upon which the fiscal year's budget was appropriated. If the actual debt payment exceeds estimated debt payments, the amount of Schools reversion funds will be reduced by this difference. If actual debt is less than estimated debt payments, the amount of Schools reversion funds will be increased by this difference.
- 6.3.4. The Schools' Budget Office will confer with Management Services to verify that there is sufficient fund balance in the General Fund to meet the City Council Fund Balance Policy. If there is insufficient fund balance according to the Fund Balance Policy, the City Manager shall notify the Superintendent of this condition.
- 6.3.5. The School Board resolution may request the use of excess or reversion funds for one-time purchases or to be retained according to applicable policy on the Schools Reserve Fund (Fund 098), including School Board Policy #3-28, and City Council Ordinance # 2789F, adopted November 4, 2003.
- 6.3.5.1. Upon receipt of the resolution, Management Services shall prepare an ordinance for City Council's consideration of the School Board's request at the earliest available City Council meeting.
- 6.3.5.2. Following City Council's action Management Services shall notify the Schools of the City Council's decision and shall adjust the accounting records accordingly.

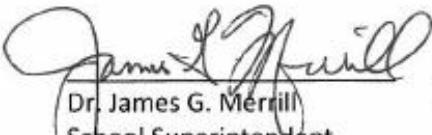
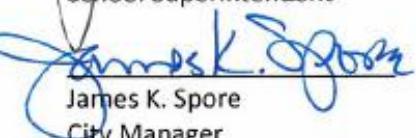
7. Revision to the City/School Revenue Sharing Policy:

- 7.1. The Superintendent, City Manager, School Chief Financial Officer, and the City's Director of Management Services shall meet annually to discuss changes in State and Federal revenues that support Schools operations, any use of "one-time" revenues, and any adjustments made to existing revenues affecting this formula. If they determine that an adjustment is needed, the City Manager and Superintendent will brief the City Council and School Board respectively.
- 7.2. City Council may revise this Policy at its discretion after consultation with the School Board.

7.3. If no other action is taken by the City Council and School Board, this Policy shall remain effective until June 30th 2015 at which time it will be reviewed and considered for reauthorization.

Approved:

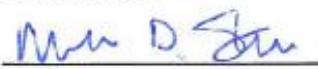
As to Content:


Dr. James G. Merrill
School Superintendent

James K. Spore
City Manager

11/28/12
Date

11/29/12
Date

As to Legal Sufficiency:


Mark D. Stiles
City Attorney

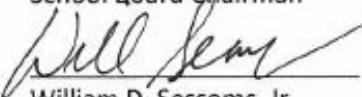
11/29/12
Date

Approved by School Board:


Daniel D. Edwards
School Board Chairman

11/28/2012
Date

Approved by City Council:


William D. Sessoms, Jr.
Mayor

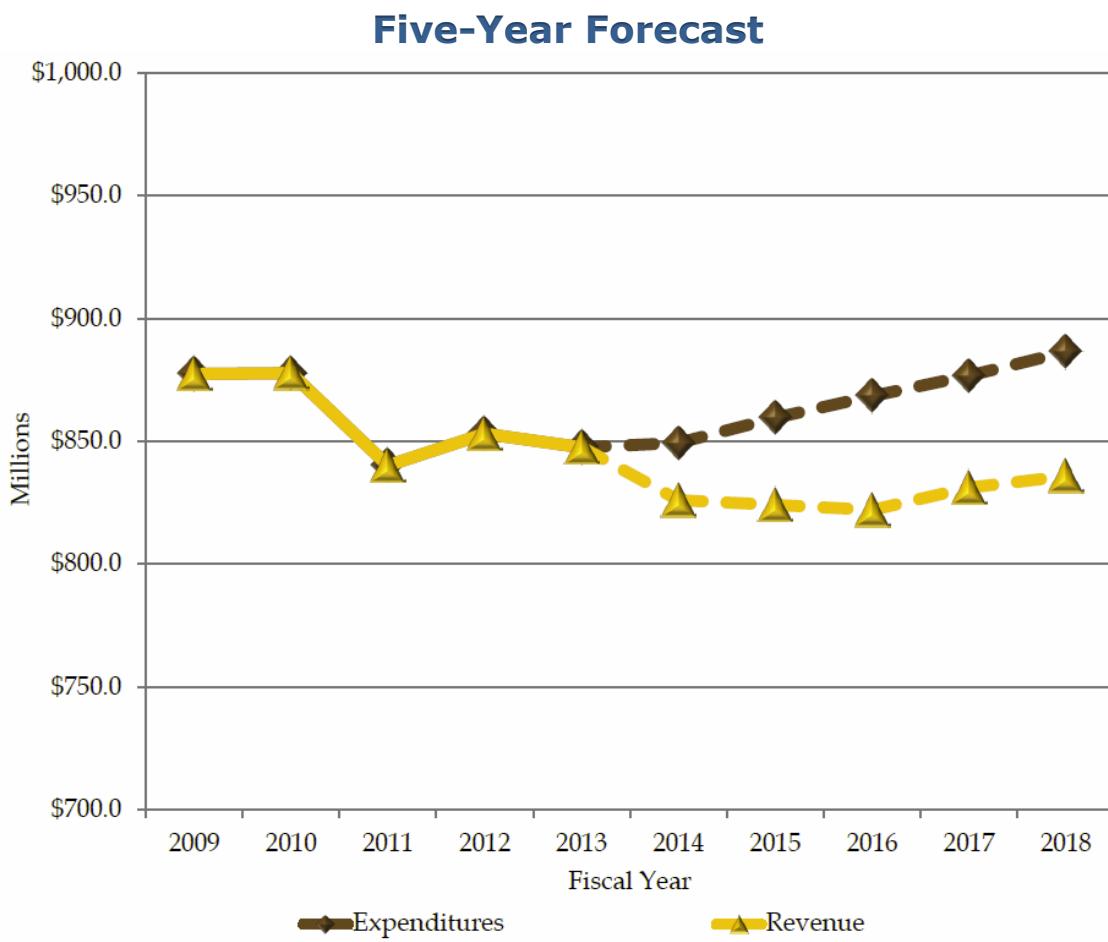
12/3/2012
Date

Long-Term Financial Plan

Each year a long-term financial plan is developed based upon approved planning factors and known funding sources. This plan is reviewed and updated annually. The Five-Year Forecast is presented each year along with a single-year budget. This plan is a cooperative planning effort of the Schools and the City.

A forecast is based upon a snapshot of today that has been adjusted to reflect all known activities of the future along with certain assumptions and predictions of what may happen. It is a living document that becomes outdated once any additional information has come to light, which may introduce new known events or changes in assumptions for the future. As such, the Five-Year Forecast is a good planning tool, at best, and will forever change as updated information becomes available.

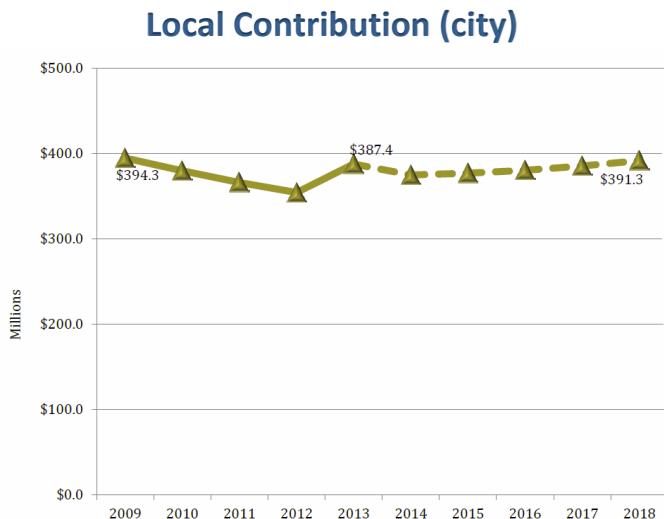
This forecast is the administration's estimate of revenues and expenditures for the forecast period. There are many unknowns at the time of this projection, such as new state or federal mandates, changes in Impact Aid funding, changes in the level of State funding, grant matches, changes in local funding, and new School Board priorities. These items are not easily forecasted, nor are their effects on expenditures.



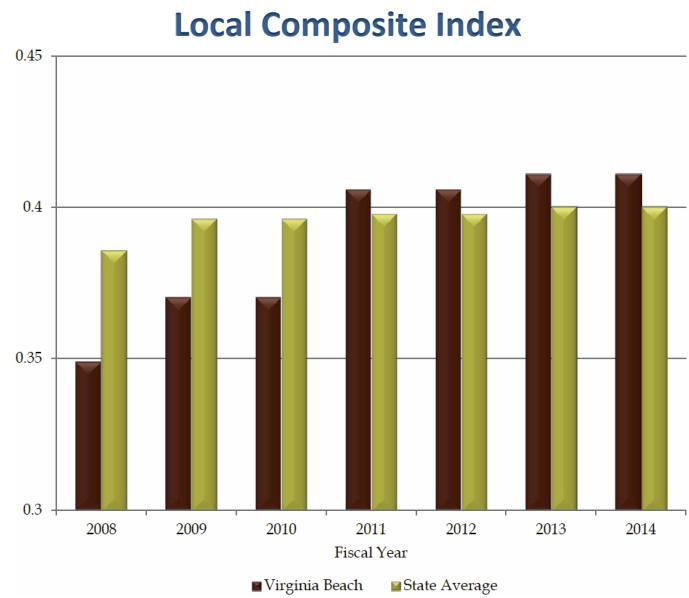
When comparing projected revenues to projected expenditures, the Schools anticipate a deficit each forecast year:

- FY 2013/14 \$23.38 M
- FY 2014/15 \$35.55 M
- FY 2015/16 \$46.46 M
- FY 2016/17 \$45.61 M
- FY 2017/18 \$50.64 M

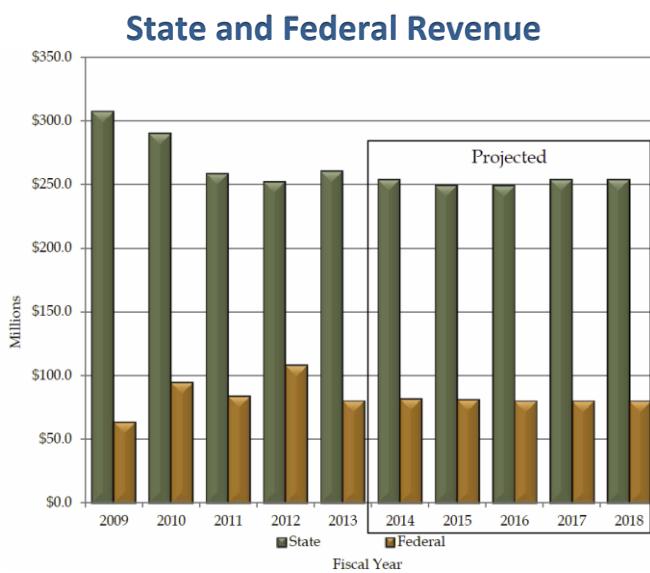
The numbers only tell a small part of the financial forecasting. Consideration of assumptions is necessary prior to using the data as a basis of other calculations.



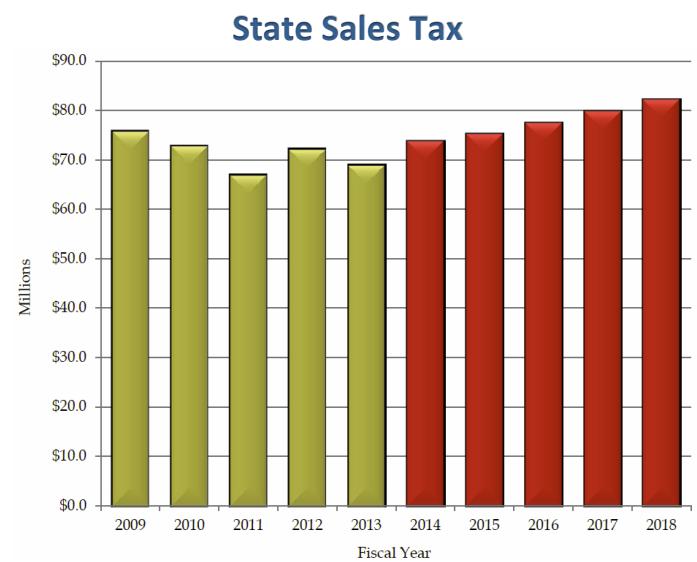
The city's contribution to the Schools had been declining due to the deterioration of the real estate tax base. In FY 2012/13, taxes increased – the Schools received 4 cents of the 6 cents increase.



The Local Composite Index represents the portion of each dollar that is provided by the state and the localities. As illustrated above, beginning FY 11, there has been a loss of state support. As the composite index rises, state funds decrease and local funding increases.

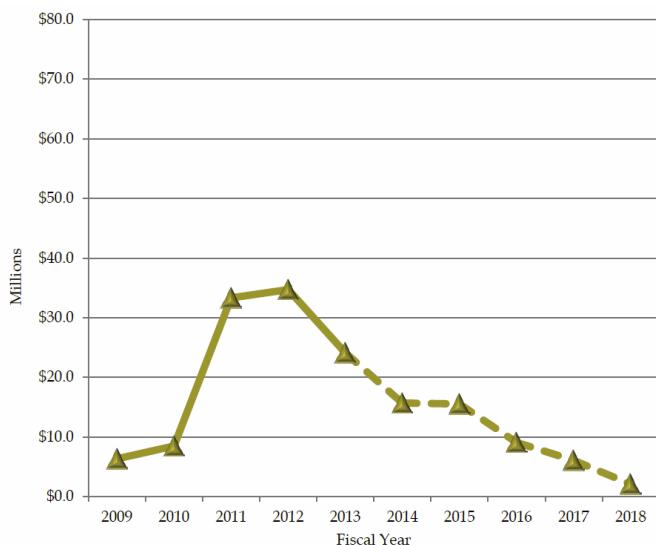


The Federal and State revenues have relatively remained flat over the forecasted period, except for the reduction in revenue adjustments for grants that is ending within the next five years.



State Sales Tax is projected to increase over the forecasted period.

Fund Balance



As shown previously in this document, fund balances are depleting. It is estimated that before the forecast period has ended, the schools fund balance will be nearly exhausted.

Expenditure assumptions are noted as follows:

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
VRS Mandated Pay Increase	1.0%	1.0%	1.0%	1.0%	0.0%
Other Pay Increase	0.0%	0.0%	0.0%	0.0%	0.0%
Mandated VRS Rate Change	-1.0%	-1.0%	-1.0%	-1.0%	0.0%
Other VRS Rate Change	0.0%	0.0%	0.0%	0.0%	0.0%
Health Insurance	9.07%	16.91%	11.85%	8.11%	8.64%
Increase in Risk Management	10.0%	7.0%	5.0%	3.0%	2.0%
Inflation	2.04%	1.27%	1.28%	1.16%	1.05%
Increase in Utility Costs	2.1%	2.1%	2.0%	2.0%	2.0%
Increase in Fuel Costs	7.0%	3.0%	2.0%	0.0%	0.0%
Change in Staff (in FTE's)	+23.01	-2.08	-22.05	-8.56	+5.76

Overall, expenditures are projected to increase by 0.23 percent in FY 14, 1.20 percent in FY 15.

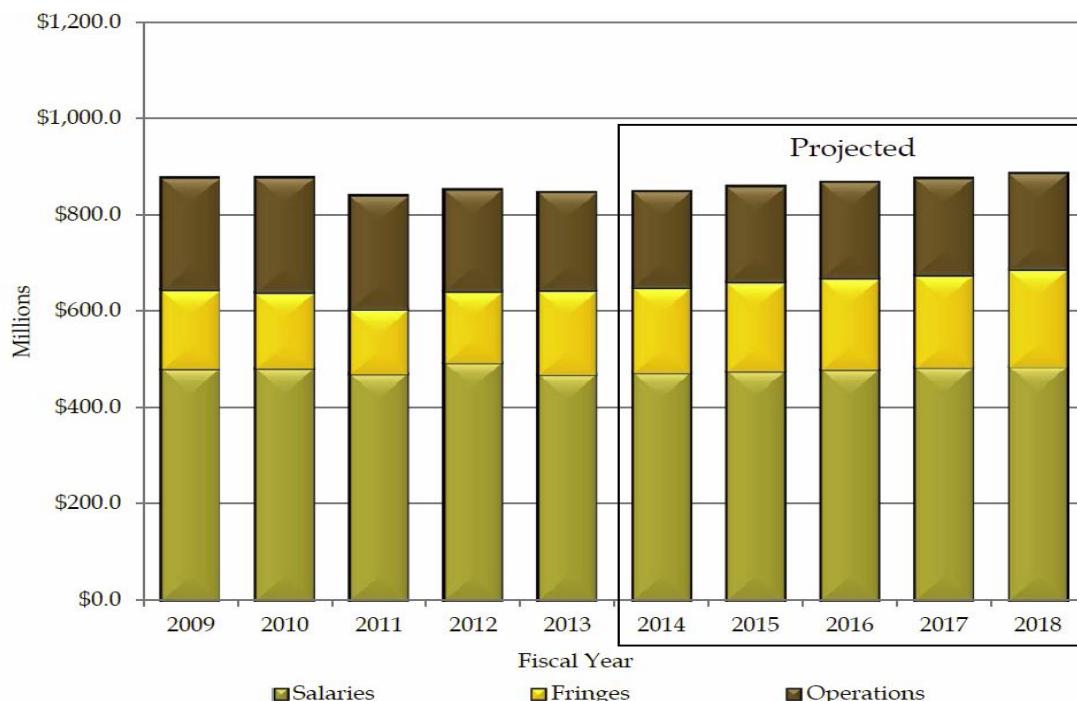
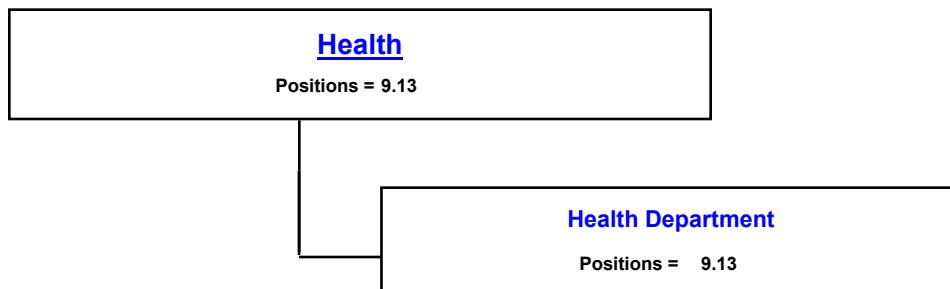


TABLE OF CONTENTS SECTION SEVEN

FAMILY AND YOUTH OPPORTUNITIES

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Human Services.....	7-6

**City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart**



Health - Departmental Performance Report

Health							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Community							
Provide Community Education, Home Visits, and Health Screenings to Elderly Citizens							
Citizen satisfaction w/services (2=satisfied; 3=very satisfied)	#	3.0	3.0	3.0	3.0	3.0	
Provide services to at least 900 elderly citizens each quarter	#	3,600.0	4,080.0	4,404.0	3,600.0	3,600.0	
Staff cost per citizen served	\$	12	11	10	12	12	
Provide Maternity Services to Expectant Women							
Number of expectant women served	#	100.0	155.0	108.0	100.0	100.0	
Customer							
Immunize Virginia Beach Residents Against Disease-Preventable Illnesses							
Immunization Patient Satisfaction Ranking (5 = "Very Satisfied")	#	5.0	5.0	5.0	5.0	5.0	
Total Number of Immunization Visits	#	5,000.0	5,791.0	4,143.0	5,000.0	5,000.0	
Total Number of Unduplicated Immunization Patients	#	4,000.0	4,779.0	3,223.0	4,000.0	4,000.0	
Inspect Every Restaurant in Virginia Beach at Least Once Annually							
Cost per Restaurant Inspection	\$	5	4	5	5	5	
Number of Business Days to Issue a Restaurant Inspection	#	1.0	1.0	1.0	1.0	1.0	
Number of Restaurants Inspected Annually	#	4,500.0	5,995.0	4,826.0	4,500.0	4,500.0	
Provide Dental Care to Children							
Children Provided Dental Services	#	1,400.0	1,324.0	1,221.0	1,400.0	1,400.0	
Dental Patient Satisfaction Ranking (3 = "Very Satisfied")	#	3.0	3.0	3.0	3.0	3.0	
Dental Patients Seen per Staff Hour Worked	#	1.0	0.9	0.9	1.0	1.0	

Health

Major Changes

The Public Health Department's budget of \$3,126,439 for FY 2013-14 is an increase of \$136,511, or 4.6%, over the FY 2012-13 adjusted operating budget. This increase in expenditures is primarily the result of funding three current Social Worker positions within the Health Department's operating budget through revenue from the Department of Human Services. Historically, the positions have been included in the Health Department's budget with no funding since the personnel costs were covered by Human Services via contractual arrangement. This accounting change provides a better understanding of the full cost of Health Department services. The FY 2013-14 operating budget includes \$2,294,400 for the city's local match and \$832,039 for discretionary local programs.

Departmental Overview

Virginia State Code requires that each county and city establish and maintain a local Health Department. For Virginia Beach this is accomplished by entering into a contract with the Virginia Department of Health (VDH). The City of Virginia Beach provides a 45% match to the funding that is allocated from VDH, and this funding is used to support all services that are mandated by law.

These mandated services protect the health of Virginia Beach residents through programs such as childhood immunizations, communicable disease treatment and prevention, family planning services, pregnancy testing, food service inspections, regulation of tattoo/piercing, hair and tanning establishments, hotels, public swimming pools and well/septic system plan review and permitting.

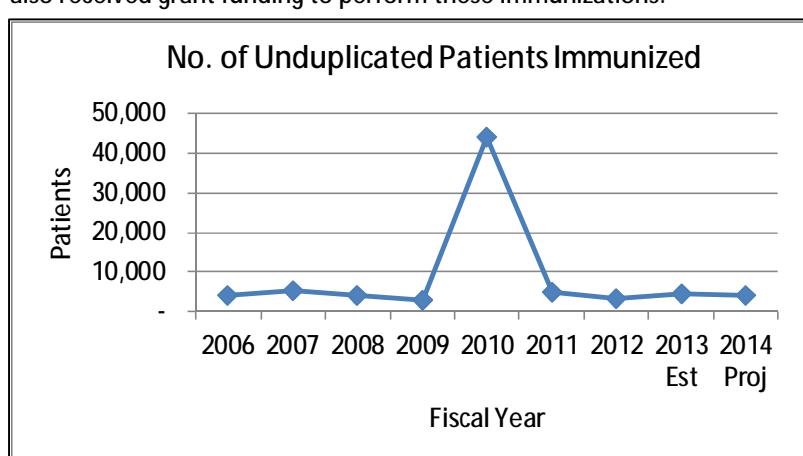
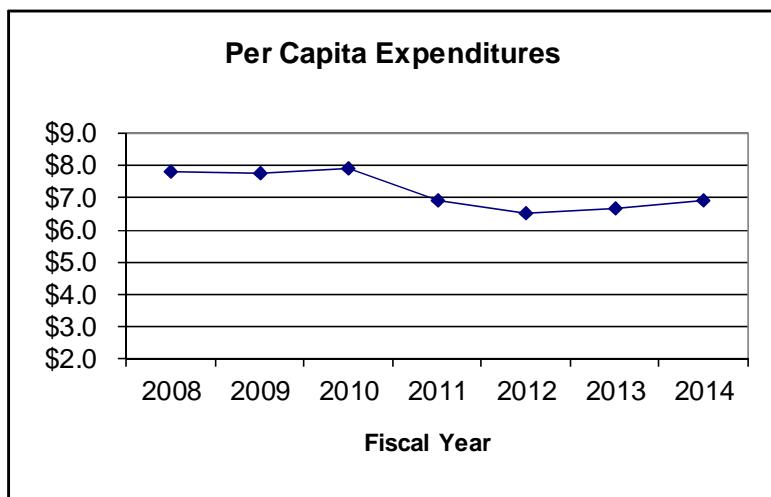
The Virginia Beach Health Department also provides services that are not mandated and are partially supported with city funds. These programs are briefly described below:

- Laboratory Program - Provides needed laboratory tests required to support the various health department clinics (the city funds the staffing of this program and the state funds the materials and supplies necessary to run the laboratory).
- Dental Program - Provides preventative dental care services for low-income children. City funding supports one full-time dentist and two dental assistants. State funding supports one full-time administrative position, a part-time dentist and the materials and supplies needed for the program.
- Healthy Start Program - Signature program for Healthy Families Virginia that provides a continuum of services from prenatal to five (5) years of age. The program offers outreach, screening, assessment and home visitation, education, support and referrals to other providers for new parents that have multiple challenges and few coping mechanisms. This program operates in conjunction with Healthy Families Virginia and Virginia Beach GrowSmart, which is part of the Library Department.
- First Steps Program - Provides parenting support and education services for parents who need short term ongoing telephone support.
- Senior Services Program - Provides community clinics and education for senior citizens, concentrating on the most vulnerable seniors and also those in rural areas of the city. These clinics offer services ranging from blood pressure screenings to preventative health education classes.
- Maternity Program - Provides funding for delivery services for uninsured residents who are unable to qualify for Medicaid. If the patient qualifies for Emergency Medicaid then that funding source is used to pay for the delivery services. The Health Department and the department of Human Services work closely together to ensure that as many patients as possible receive Emergency Medicaid. Prenatal care is provided by Health Department staff who are funded with state general fund dollars. The Health Department also receives a federal grant to support Maternity Care in the district.

All of the Health Department's programs – mandated and non-mandated – provide support for the city's Envision Virginia Beach 2040 Plan and Sustainability Plan by providing supportive health services and encouraging a healthy lifestyle.

Trends and Issues

- The largest percentage of the Health Department's city budget is the required local match of the state general fund allocation. Of the total funding provided in support of Health Department programs for FY 2013-14, the state will provide 55%, or an estimated \$2,804,267, and the city will provide 45%, or an estimated \$2,294,400. State agencies are not notified regarding their general fund allocations for at least 7 months after the city budget is prepared, making it difficult for the city's Health Department to accurately budget the amount that will be required for the local match. An error in projecting the city's match can result in over-budgeting or under-budgeting this amount. The amount budgeted for FY 2013-14 is based on the actual match for FY 2012-13, but the actual match required for FY 2013-14 will not be known until well after the budget is adopted. An adjustment to the department's FY 2013-14 operating budget may be needed at that time.
- The effect of the Patient Protection and Affordable Care Act on Health Department clients and services is unknown at this time. The impact is dependent upon many factors. Official guidance from the State as to how to apply provisions of the Act has not yet been provided.
- The per capita expenditure graph to the right (city expenditures only) shows that budgeted expenditures for the Virginia Beach Health Department are expected to continue to rise in FY 2013-14. The notable reduction from FY 2009-10 to FY 2011-12 is the result of a decrease in the local match required by the state. Because the local match represents a sizeable portion of the department's budget, changes in the required match can have a significant impact on per capita expenditures.
- As this graph below illustrates, the number of immunizations administered by the Health Department has remained fairly consistent, with the exception of FY 2009-10. In that year, the concerns with the H1N1 virus caused the number of immunizations to increase significantly. During the H1N1 outbreak, the Health Department held additional immunization clinics and also received grant funding to perform these immunizations.



Health - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Public Health	2,926,670	2,989,928	3,126,439	136,511
Total Expenditures	<u>2,926,670</u>	<u>2,989,928</u>	<u>3,126,439</u>	<u>136,511</u>
<u>Revenues</u>				
Fees	57,318	53,572	53,572	0
State	5,887	8,671	136,058	127,387
Federal	6,664	35,000	35,000	0
Total Revenues	<u>69,869</u>	<u>97,243</u>	<u>224,630</u>	<u>127,387</u>
General City Support	<u>2,856,801</u>	<u>2,892,685</u>	<u>2,901,809</u>	<u>9,124</u>
Total Department Expenditure	2,926,670	2,989,928	3,126,439	136,511
Total Department Revenue	69,869	97,243	224,630	127,387
Total General City Support	<u>2,856,801</u>	<u>2,892,685</u>	<u>2,901,809</u>	<u>9,124</u>

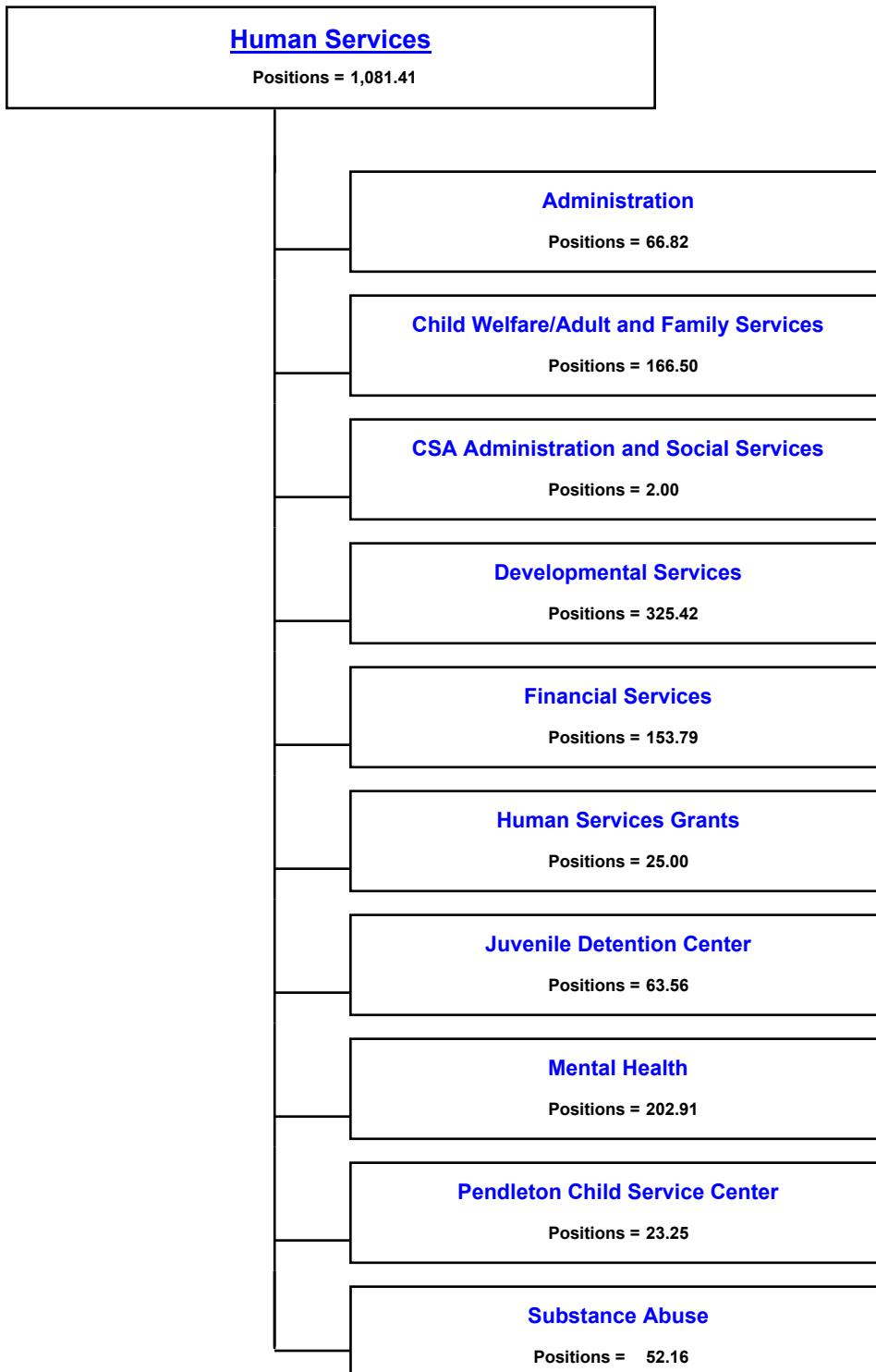
Position Summary by Program

	10.75	9.13	9.13	0.00
Public Health	<u>10.75</u>	<u>9.13</u>	<u>9.13</u>	<u>0.00</u>
Total	<u>10.75</u>	<u>9.13</u>	<u>9.13</u>	<u>0.00</u>
Total Position Summary	<u>10.75</u>	<u>9.13</u>	<u>9.13</u>	<u>0.00</u>

Resource Summary Notes

This increase in expenditures is primarily the result of funding three current Social Worker positions within the Health Department's operating budget through revenue from the Department of Human Services. Historically, the positions have been included in the Health Department's budget with no funding since the personnel costs were covered by the Department of Human Services via direct reimbursement.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Human Services - Departmental Performance Report

Human Services						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
		Customer				
Help At Risk Children						
Cost per CSA child	\$	23,900	20,619	23,850	24,850	23,619
Number of children receiving CSA services	#	550.0	601.0	517.0	526.0	520.0
Number of children receiving services - Pendleton Child Services	#	460.0	488.0	469.0	475.0	485.0
Parents report improvement - Pendleton Child Services	%	90.0	95.0	95.0	95.0	95.0
Increase DS intermediate care facility bed capacity by 10 beds						
Number of clients served - Biznet Village	#	24.0	27.0	24.0	25.0	24.0
Number of clients served - Colby Way	#	5.0	6.0	5.0	5.0	5.0
Number of clients served - Indian River	#	10.0	0.0	0.0	2.0	10.0
Number of clients served - Kentucky Avenue	#	8.0	8.0	9.0	8.0	8.0
Investigate Child Protective Service Complaints						
Child Protective Services Complaints Investigated	#	1,600.0	1,520.0	1,643.0	1,655.0	1,670.0
Provide a Foster Home for Abused/Neglected Children						
Average time in Foster Care (months)	#	35.0	36.4	38.8	37.5	37.0
Children Maintained in Foster Care Monthly	#	250.0	282.0	247.0	224.0	215.0
Provide an Economic Safety Net for Disadvantaged Citizens						
Number of SNAP cases at year end	#	16,000.0	15,705.0	16,838.0	17,565.0	18,050.0
Number of TANF cases at year end	#	1,200.0	1,210.0	1,034.0	1,055.0	1,075.0
Provide Community Correction Investigation and Supervision to Adult Pretrial Detainees						
Number of clients served - Pretrial Cases	#	1,400.0	1,298.0	1,428.0	1,450.0	1,450.0
Number of clients served - Pretrial Investigations	#	3,800.0	3,669.0	3,614.0	3,800.0	3,800.0
Number of clients served - Probation Cases	#	2,200.0	1,727.0	1,552.0	2,000.0	2,000.0
Provide DS Day Support Services						
Number of clients served	#	173.0	173.0	168.0	168.0	173.0
Provide DS Family Support						
Number of clients served	#	322.0	329.0	332.0	332.0	322.0
Provide DS Respite						
Number of clients served	#	47.0	35.0	47.0	47.0	47.0
Provide DS Services to infants and toddlers						
Number of clients served	#	135.0	108.0	127.0	127.0	135.0
Provide DS Supportive Living Services to Clients Living Independently in the Community						
Number of clients served - Supportive Living Group Homes	#	25.0	24.0	25.0	24.0	25.0
Number of clients served - Supportive Living Residential	#	110.0	110.0	109.0	110.0	110.0

Human Services - Departmental Performance Report

Human Services							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Provide Employment Opportunities to Development Services Clients							
Number of clients served in Community Employment settings	#	297.0	270.0	287.0	287.0	297.0	
Provide Inmates and Offenders Mental Health and Substance Abuse Education							
Number of client hours	#	91,760.0	46,997.0	53,304.0	90,240.0	90,240.0	
Provide MHSA Day Support Services							
Number of clients served - Beach House	#	290.0	277.0	248.0	252.0	252.0	
Number of clients served - MHSA Day Treatment	#	180.0	145.0	192.0	226.0	226.0	
Number of clients served - The Harbour	#	170.0	168.0	162.0	155.0	155.0	
Provide MHSA Case Management							
Number of clients served - MHSA case management services	#	1,735.0	1,771.0	1,693.0	1,797.0	1,797.0	
Number of clients served - PATH (Homeless Prevention)	#	140.0	128.0	107.0	135.0	135.0	
Provide MHSA Crisis Stabilization and Detoxification Services							
Number of clients served - The Recovery Center	#	767.0	832.0	636.0	616.0	616.0	
Provide MHSA Emergency Services							
Number of clients served	#	2,600.0	2,991.0	2,952.0	3,008.0	3,008.0	
Provide MHSA Outpatient Psychiatric Treatment & Medication Services							
# of clients served-MHSA Outpatient Psychiatric/Medication Svcs	#	685.0	685.0	682.0	655.0	678.0	
Number of clients served - Adult Outpatient Services	#	4,194.0	4,065.0	3,474.0	3,307.0	3,328.0	
Provide MHSA Supportive Residential Services							
Number of clients served	#	311.0	339.0	216.0	219.0	219.0	
Provide Psychiatric Therapy Services to Children							
Number of children served	#	845.0	817.0	778.0	815.0	845.0	
Provide SA Prevention Services							
Number of client hours	#	14,629.0	14,295.0	14,250.0	14,230.0	14,230.0	
Provide Speech, Physical and Occupational Therapy to Infants and Toddlers							
Number of clients served in Early Intervention Program	#	1,320.0	991.0	1,186.0	1,275.0	1,320.0	
Provide Temporary & Safe Custody of Juvenile Offenders							
Number of juveniles detained	#	480.0	424.0	490.0	464.0	490.0	
Provide Transportation Services to Human Services Consumers							
Number of client trips	#	81,356.0	88,600.0	83,447.0	91,000.0	91,000.0	

Human Services

City Council Amendment

On May 14, 2013, City Council voted to increase the Department of Human Services Operating Budget by \$23,365 to fund the conversion of two part-time Nurse I FTEs into one full-time MH/MR Clinician II FTE at the Mental Health Substance Abuse (MHSA) Recovery Center. City Council also voted to increase estimated state revenue by \$453,834 based on additional pay raise funding included in the State budget.

Major Changes

In total, the Department of Human Services' operating budget is \$108,381,905, which is an increase of \$715,764, or 0.7%. With an increase of 12.0 FTEs in FY 2013-14 as compared to the adjusted FY 2012-13 budget.

Change	Impact
Financial Assistance	<ul style="list-style-type: none">Supplemental Nutrition Assistance Program (SNAP) caseloads have increased 35% over the past 3 years.Medicaid recipients have increased 21% over the past 3 years.State has announced their intentions to charge localities for Title IV-E Foster Care eligibility determination errors.Proposed budget contains 5.0 new FTEs at a cost of \$287,394 of which \$208,332 is city general fund.
Intermediate Care Facilities (ICF)	<ul style="list-style-type: none">Intermediate Care Facilities serve intellectually disabled individuals with medical conditions that require considerable nursing care and direct personal staff to properly provide G-tube feeding, respiratory assistance, medication disbursement and wheelchair assistance. These needs can only be met when there is sufficient staff (especially nurses) available to ensure that federal healthcare compliance requirements are adhered to in each of these 24/7 operations.Proposed budget contains 6.0 new FTEs at a cost of \$282,201 of which no local general funds are required (fully reimbursable by state revenue).
Adult Protective Services (APS)	<ul style="list-style-type: none">Adult Protective Service complaints have increased by 20% over the past 4 years and Virginia Beach receives more complaints than any other locality in Virginia.Guardianship cases have increased 53.2% in the past 4 years and ongoing APS have increased 146.3%.Proposed budget includes 1.0 new FTE at a cost of \$61,345 of which \$44,685 is city general fund.
Elimination of compensation for Virginia Beach Social Services Advisory Board	<ul style="list-style-type: none">City Council opted to not compensate the city's Investigation Review Panel; therefore, to be equitable, this budget has eliminated compensation for all city Boards and Commissions.Reduction totals \$1,020.

Departmental Overview

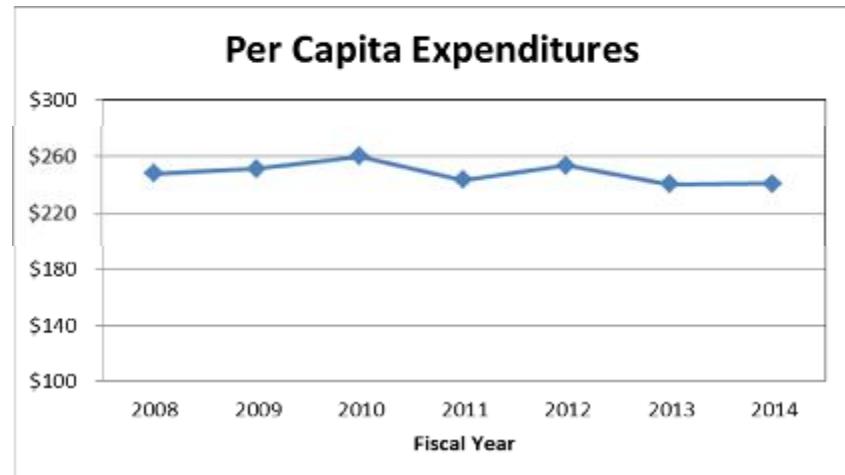
The Department of Human Services provides a wide array of services to Virginia Beach residents which assist in helping them achieve self-sufficiency, safety and quality of life. The Department receives federal, state, local, fee, and grant funding. The city's appropriations are based on the required match rates between 0% and 63.5%. The city also provides support for employee compensation and additional programs, which are non-mandated or above the state's allocated level of funding. The Department also works in coordination with two advisory/oversight boards, the Community Services Board (CSB) and the Social Services Advisory Board (SSAB).

Human Services is divided into the following service areas:

- Adult & Family Services Division - Aids citizens in meeting their fundamental needs during times of temporary economic and social crisis, protects children and vulnerable adults from abuse and neglect, administers a range of

services to help maintain families in the least restrictive and intrusive manner possible, and assists in preparing clients to find and retain employment.

- Developmental Services Division - Plans, develops, and implements services for Virginia Beach residents with intellectual and developmental disabilities and their families through the provision of consumer centered services designed to provide opportunities to disabled individuals become self-directing and contributing members of our community; supports families living with family member(s) with intellectual and developmental disabilities; provides early intervention when developmental delays are identified in young children; and promotes the value of persons with intellectual disabilities living and working in the community.
- Financial Assistance Division - Administers many different financial assistance programs, most of which are financed by the federal and state government. The programs are targeted for families and individuals with incomes at or below the poverty level. Programs include: temporary, emergency or general assistance to needy families or indigents; grants for the disabled; Supplemental Nutrition Assistance Program (SNAP), formerly food stamps; and Medicaid or refugee resettlement.
- Juvenile Detention Center - Provides temporary and safe custody of juveniles that have criminal charges and require a restricted environment for their own protection or the protection of the public.
- Mental Health Substance Abuse Services Division - Promotes recovery for Virginia Beach citizens and their families with or at risk of mental health, substance use or co-occurring disorders, through an array of coordinated services offering prevention, treatment and community collaboration delivered in a climate of dignity and respect.
- Pendleton Child Service Center - Provides services to families whose children, ages 5 through 12, are experiencing behavior problems at home, school or within the community. Available services include family counseling, school consultation, day treatment programs, and a 24-hour, 5 day a week residential program. In addition, Pendleton offers a wide range of group services for parents and children including parenting skills training, social skills and anger management for children.
- Quality Assurance Office - Monitors and reports on all levels of quality throughout DHS to ensure the highest quality services are provided to internal and external customers. Leverages the use of technology to ensure data integrity, and enforce compliance and adherence to internal and external requirements for Medicaid, Licensure, CARF, HIPAA, Corporate Compliance and the Anasazi Electronic Health Record (EHR).

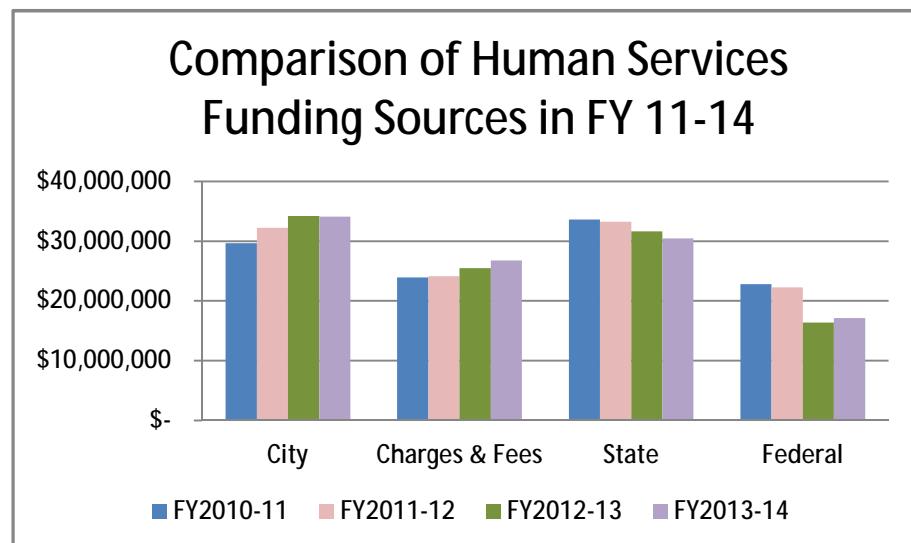


Trends and Issues

- The Department's per capita expenditures are increasing slightly in FY 2013-14 compared to FY 2012-13. Contractual expenses and demand for services have continued to increase as in recent years. Human Services has had limited choices in making resource adjustments because many of the Department's services involve state or federal mandates, including match requirements; or they are affected by regulatory requirements such as licensure standards, Medicaid credentialing, and human rights regulations; or federal entitlement programs. Other factors such as consumer demand and waiting lists, service effectiveness, and Council priorities were factors in resource allocation.

- The Department continues to take full advantage of outside sources of funding and implements program and financial practices that maximize reimbursements to the city. In FY 2013-14, there was an increase in revenue from charges for services (primarily Medicaid), and decreases in state support.

- Local fee revenue increased by 4.4% (\$1,130,891) due to increased Medicaid payments to Developmental Services' Intermediate Care Facilities (ICF).



- The graph shows how the Department is funded. The city funding includes general government support to provide specific programs in FY 2013-14. General city support has decreased by \$117,145 in FY 2013-14 when compared to the previous year. State revenue, as in previous years, will decrease by \$1,185,476 in FY 2013-14. Both fee-based revenue (+\$1,285,820) and federal revenue (+\$746,799) are projected to increase in FY 2013-14 from the previous year. No federal impacts are known at this time regarding Federal Sequestration. Staff will monitor the impacts.
- The continuing trend for service providers in the Human Service area is that demand for services is increasing significantly with the economic distress experienced the past few years, and yet funding available to provide services is shrinking. As an example, the tables show the trends for caseloads for Supplemental Nutrition Assistance Program (SNAP) and Medicaid versus funds provided to administer the programs.
- SNAP program caseload rose by 7.2% (1,133) while federal and state administrative funds decreased by 0.1% (\$63,976).

SNAP Caseload and Administrative Funds By Fiscal Year											
	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Number of Active Cases	5,373	5,855	6,984	7,266	7,342	7,347	7,976	10,693	13,817	15,705	16,838
Administrative Funds	\$3,762,938	\$4,310,414	\$3,698,152	\$3,700,770	\$3,704,535	\$3,741,020	\$4,109,286	\$4,264,821	\$4,635,249	\$4,468,572	\$4,404,596

- Medicaid (unduplicated) recipient counts increased by 5.6% (2,627) while federal and state administrative funds remained consistent.

Medicaid Recipients and Administrative Funds By Fiscal Year								
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Number of Recipients (Unduplicated)	31,865	32,659	29,108	32,633	40,826	43,882	46,581	49,218
Administrative Funds	\$3,011,219	\$3,074,345	\$3,160,785	\$3,248,206	\$3,037,992	\$2,768,020	\$2,732,969	\$2,728,757

- Department of Justice (DOJ) Settlement - In August 2008, DOJ initiated an investigation of Central Virginia Training Center (CVTC), a facility operated by the Department of Behavioral Health and Developmental Services (DBHDS) and then expanded it to the statewide system serving individuals with intellectual and developmental disabilities (ID and DD, respectively). DOJ found that Virginia lacks the community capacity to support individuals who would choose to

live there and prevent unnecessary institutionalization. It also found that Virginia's current discharge process from training centers was flawed, inconsistent, and not timely.

On January 26, 2012, Virginia and DOJ reached a 10 year Settlement Agreement resolving DOJ's findings. As a result, Community Services Boards face a significant increase in performance expectations. In February 2013, the Department signed a modified Performance Contract with DBHDS which includes 21 additional stipulations for services to include increased monthly face to face oversight and documentation for case managers serving clients with intellectual disabilities, additional crisis intervention monitoring/follow up and increased data collection. These requirements are effective March 1, 2013.

- Affordable Care Act - The Affordable Care Act (ACA) will expand health care through a two pronged approach: Expansion of Medicaid and the creation of a Health Benefits Exchange. In Virginia Beach, there are currently 47,775 individuals receiving Medicaid, and approximately 52,000 uninsured adults under the age of 65. Under the ACA guidelines, it is estimated that an additional 14,560 individuals in Virginia Beach will be eligible for Medicaid expansion - especially a number of single persons and couples with annual income levels between \$15,415 - \$20,879. Under the ACA guidelines, 24,526 individuals in Virginia Beach will be eligible to participate in a Health Benefits exchange. According to federal prevalence rates, of the individuals who would be eligible for either Medicaid expansion or the benefits exchange, over 10,000 Virginia Beach citizens are projected to have Mental Health or Substance Use disorders. The impact to the DHS will be felt in the Financial Assistance Division with increased eligibility determinations, and in Mental Health Substance Abuse Services, who will be working to change its medical service model to not only be able to respond to the anticipated demand for services, but to meet the administrative requirements of the ACA. The State of Virginia is considering expansion of Medicaid only. Certain cost cutting measures are agreed to by the federal government. The General Assembly appointed a commission to oversee the reforms. The State at this point has not acted to expand Medicaid.
- Recruitment and Retention of Medical Personnel, especially Nurses - In their role as the Public Mental Health System in local jurisdictions, Community Services Boards (CSB) essentially operate as health care systems. As such, CSBs require an array of medical professionals - including physicians, physician extenders, and nurses - to conduct their day to day work, which include services that range from sub-acute crisis stabilization and medical detoxification to the around the clock care provided in intermediate care facilities for those with ID and DD. Recruitment of these health care professionals has been difficult at best, especially nurses.

Throughout the Department of Human Services, nurses are the foundation of the health, medical, and medication functions. Nurses regularly assess consumers for their current health status, medical needs, symptoms of physical and mental illness and substance use, and reactions to medications prescribed by the Department's and external prescribers. While the Department employs highly trained psychiatrists, addictionologists and nurse practitioners, their expensive services are less effective unless nursing support staff is available to spend time with consumers.

DHS has faced difficulty in recruiting and retaining qualified nurses, especially at the Registered Nurse level. As various Divisions, particularly Mental Health Substance Abuse Services, evolve their models of medical care and service delivery that will maximize efficiency of operations and help meet the demands of the Affordable Care Act, it is anticipated that additional positions – both RNs and LPNs - will be needed. The Department is currently working with Human Resources on consolidation of titles in order to create Clinical Nurse Job Descriptions and career ladders, which will streamline business operations and help to address market and staffing issues.

- Waiting Lists Continue to Exist - Mental health, substance abuse disorder treatment and services for the intellectually disabled are the services most affected by waiting lists. It would take more than \$3 million annually to address all the needs not being served. Some examples include:
 - There are 349 individuals with intellectual disabilities waiting for a waiver to receive services through Medicaid.
 - The city receives about 13 of the 275 statewide waiver slots that become available in any given year.

- There are 23 individuals currently incarcerated in the city jail that have been identified as needing mental health and substance abuse services that cannot be accommodated. There are 57 people in need of psychiatric or medication management services provided by Adult Outpatient Services but cannot be immediately served. Eighteen people are on the waiting list for MHSA case management.

Human Services - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Central Administrator	921,798	835,604	920,428	84,824
Information Technology Services	555,691	675,973	609,585	(66,388)
Reimbursement	828,550	880,725	877,508	(3,217)
Quality Assurance	487,688	517,611	531,459	13,848
Personnel	358,704	399,705	406,915	7,210
Accounts Payable	330,182	390,161	360,390	(29,771)
Transportation	1,479,775	1,328,986	1,397,667	68,681
MHSA Program Support	766,846	839,364	597,215	(242,149)
Senior Adult Services	306,587	282,215	301,654	19,439
Adult Outpatient Services	4,388,727	5,071,803	5,359,502	287,699
MH Community Rehabilitation	1,401,524	1,583,391	1,389,300	(194,091)
MH Emergency Services	1,318,070	1,376,316	1,382,791	6,475
Child and Youth Services	2,584,783	2,719,993	2,615,539	(104,454)
Residential Services	2,863,952	3,132,948	3,347,731	214,783
MH Case Management Unit	2,850,822	2,903,589	2,829,555	(74,034)
MH PATH	212,851	173,902	176,547	2,645
Harbour	498,896	652,680	817,481	164,801
DS Program Clinical Support	484,969	532,881	481,774	(51,107)
DS Case Management	2,295,747	2,390,323	2,432,371	42,048
DS Employment Services	1,463,309	1,518,727	1,578,988	60,261
DS Skillquest	3,196,540	3,122,613	3,117,459	(5,154)
DS Respite Care Program	440,907	495,237	485,070	(10,167)
DS Infant Program	509,846	563,795	577,887	14,092
DS Supportive Living	3,070,629	3,197,449	3,191,659	(5,790)
DS Family Support	116,243	159,373	133,381	(25,992)
DS Supportive Living - Homes	2,347,207	2,538,399	2,464,055	(74,344)
DS Kentucky Avenue Project	1,662,166	1,928,860	1,839,186	(89,674)
DS Early Intervention	1,553,137	1,133,149	1,508,318	375,169
DS Colby Way ICF/MR	872,786	855,998	976,098	120,100
DS BizNet Village	4,655,520	4,985,673	5,367,798	382,125
Indian River Road ICF/MR	30,673	1,056,950	1,928,432	871,482
Detoxification Services	2,508,652	2,823,092	2,970,692	147,600
MHSA Adult Day Treatment Services	476,882	399,148	265,744	(133,404)
SA Prevention	739,467	773,472	746,718	(26,754)
SA Adult Correctional Services	725,850	873,228	838,935	(34,293)
SA - HIV Prevention	97,781	106,852	111,046	4,194
SA - Project LINK	348,180	364,113	306,713	(57,400)
Child Services	16,268,934	16,008,689	15,760,734	(247,955)
Benefit Program	10,512,056	11,300,555	11,608,468	307,913
Employment Services	7,818,181	3,868,152	3,837,725	(30,427)
Adult Services	1,587,005	1,845,306	1,802,284	(43,022)
Virginia Beach Juvenile Detention Center	4,197,249	4,405,544	4,284,838	(120,706)
Pendleton Child Service Center	1,652,579	1,777,504	1,757,658	(19,846)
CSA Administration and Social Services	12,466,419	13,198,211	12,425,651	(772,560)
Total Expenditures	104,254,360	105,988,259	106,720,949	732,690
<u>Revenues</u>				
Fees	24,400,710	25,431,498	26,713,421	1,281,923
State	29,507,584	30,577,470	29,785,828	(791,642)
Federal	20,542,804	16,185,053	16,975,076	790,023
Transfers	363,813	274,551	274,551	0
Total Revenues	74,814,911	72,468,572	73,748,876	1,280,304

Human Services - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
General City Support	<u><u>29,439,449</u></u>	<u><u>33,519,687</u></u>	<u><u>32,972,073</u></u>	<u><u>(547,614)</u></u>
<u>183 Grants Consolidated Fund</u>				
<u>Expenditures</u>				
Hard to Serve Grant	65,042	181,713	135,943	(45,770)
Social Services - Revenue Max Grants	549,555	0	0	0
Community Corrections and Pre-Trial	1,465,542	1,496,169	1,548,378	52,209
Transfer to Other Funds	1,191	0	0	0
Total Expenditures	<u><u>2,081,330</u></u>	<u><u>1,677,882</u></u>	<u><u>1,684,321</u></u>	<u><u>6,439</u></u>
<u>Revenues</u>				
Fees	41,115	39,735	43,632	3,897
State	1,030,450	1,040,860	1,100,860	60,000
Federal	(77,064)	179,167	135,943	(43,224)
Transfers	409,212	418,120	403,886	(14,234)
Total Revenues	<u><u>1,403,713</u></u>	<u><u>1,677,882</u></u>	<u><u>1,684,321</u></u>	<u><u>6,439</u></u>
General City Support	<u><u>677,617</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Total Department Expenditure	106,335,690	107,666,141	108,405,270	739,129
Total Department Revenue	76,218,624	74,146,454	75,433,197	1,286,743
Total General City Support	<u><u>30,117,066</u></u>	<u><u>33,519,687</u></u>	<u><u>32,972,073</u></u>	<u><u>(547,614)</u></u>

Position Summary by Program

002 General Fund

Central Administraton	7.00	7.00	6.00	-1.00
Information Technology Services	1.00	2.00	1.00	-1.00
Reimbursement	14.00	14.00	14.00	0.00
Quality Assurance	5.50	5.50	5.50	0.00
Personnel	7.00	7.00	7.00	0.00
Accounts Payable	6.50	6.50	6.50	0.00
Transportation	25.87	26.82	26.82	0.00
MHSA Program Support	10.38	9.38	6.75	-2.63
Senior Adult Services	3.63	3.63	3.63	0.00
Adult Outpatient Services	49.07	50.07	53.07	3.00
MH Community Rehabilitation	22.53	22.53	19.00	-3.53
MH Emergency Services	17.75	16.75	16.75	0.00
Child and Youth Services	31.56	29.56	29.56	0.00
Residential Services	23.74	24.74	25.74	1.00
MH Case Management Unit	36.75	35.75	34.75	-1.00
MH PATH	2.50	2.50	2.50	0.00
Harbour	6.75	6.75	11.16	4.41
DS Program Clinical Support	5.00	5.00	5.00	0.00
DS Case Management	31.73	31.73	32.23	0.50
DS Employment Services	19.00	19.00	19.00	0.00
DS Skillquest	40.95	40.95	40.95	0.00
DS Respite Care Program	6.60	6.60	6.60	0.00
DS Infant Program	6.70	6.70	6.70	0.00
DS Supportive Living	49.00	49.00	48.50	-0.50
DS Supportive Living - Homes	38.79	38.79	38.79	0.00
DS Kentucky Avenue Project	23.00	23.00	21.50	-1.50
DS Early Intervention	3.00	3.00	3.00	0.00
DS Colby Way ICF/MR	9.15	9.15	11.15	2.00

Human Services - Departmental Resource Summary

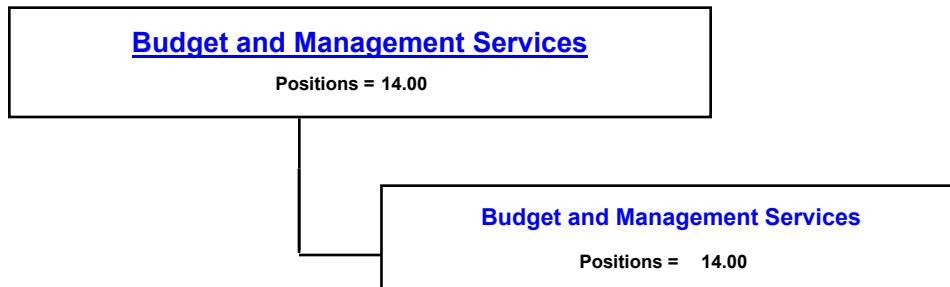
	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
002 General Fund				
DS BizNet Village	55.00	55.00	60.00	5.00
Indian River Road ICF/MR	31.50	31.50	32.00	0.50
Detoxification Services	28.27	29.27	30.28	1.01
MHSA Adult Day Treatment Services	4.00	3.00	2.00	-1.00
SA Prevention	8.63	8.13	7.63	-0.50
SA Adult Correctional Services	8.50	8.50	8.25	-0.25
SA - HIV Prevention	1.00	1.00	1.00	0.00
SA - Project LINK	3.95	3.50	3.00	-0.50
Child Services	96.00	102.00	105.00	3.00
Benefit Program	148.79	148.79	153.79	5.00
Employment Services	46.00	46.00	46.00	0.00
Adult Services	14.50	14.50	15.50	1.00
Virginia Beach Juvenile Detention Center	65.56	64.56	63.56	-1.00
Pendleton Child Service Center	23.25	23.25	23.25	0.00
CSA Administration and Social Services	2.00	2.00	2.00	0.00
Total	<u>1,041.40</u>	<u>1,044.40</u>	<u>1,056.41</u>	<u>12.01</u>
183 Grants Consolidated Fund				
Hard to Serve Grant	2.00	1.00	1.00	0.00
Community Corrections and Pre-Trial	23.00	24.00	24.00	0.00
Total	<u>25.00</u>	<u>25.00</u>	<u>25.00</u>	<u>0.00</u>
Total Position Summary	<u>1,066.40</u>	<u>1,069.40</u>	<u>1,081.41</u>	<u>12.01</u>

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**City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart**



Budget and Management Services - Departmental Performance Report

Budget and Management Services						
The mission of Budget and Management Services is to provide program, fiscal and budgetary policy development and analysis support services to the City Manager, and through the City Manager to City Council for use in formulating City policy.						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Customer						
Communicate Resource Issues & Decisions						
Taxpayers Feel They Get Good Value	%	80.0	77.2	75.0	75.0	75.0
Complete Ordinances & Resource Issues for Review						
Adjustments Made to CIP and Budget	#	500.0	467.0	519.0	500.0	500.0
Ordinances & Agenda Requests Completed in Prescribed Time	%	100.0	98.0	98.0	99.0	99.0
Financial						
Resource Management Plan						
Average Value of Community Organization Grants	\$	30,000	54,180	31,408	30,453	29,235
Government Expenditures Allocated to Debt Service	%	9.0	8.8	8.5	8.9	8.9
Incentive Community Organization Grants	#	20.0	7.0	14.0	14.0	14.0
Variation Between General Fund Revenue Estimates and Acutal	%	2.0	0.2	1.0	1.0	1.0
Internal Process						
Management Support For City Manager & Council						
Program Evaluations Completed	#	2.0	3.0	4.0	4.0	4.0
Public/Private Partnerships Managed	#	3.0	3.0	3.0	4.0	2.0

Budget and Management Services

Major Changes

The department of Budget and Management Services FY 2013-14 operating budget totals \$1,520,668, which is \$9,243 (0.6%) more than the previous year. The increase is primarily due to increases in health insurance and risk management costs. This budget eliminates one Executive Assistant II FTE, which decreases the total number of departmental staff to 14.0 FTEs, from the 21.0 FTEs it had in FY 2006-07.

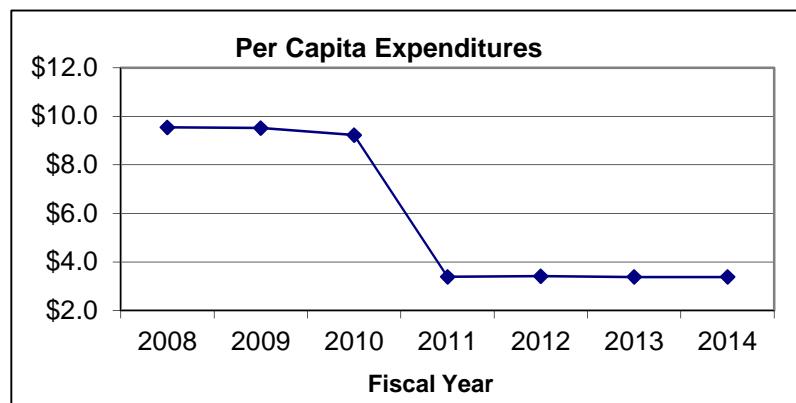
Change	Impact
Elimination of an Executive Assistant II FTE (1.0)	<ul style="list-style-type: none">This position is the first line of contact for the department Director and includes the responsibilities of completing clerical work, scheduling various departmental events and supporting program staff. These duties will be assigned to existing administrative support staff.
Usage of Virtual Town Hall software	<ul style="list-style-type: none">The City launched a new Web-based citizen engagement tool called <i>Virtual Town Hall</i> in December 2012. The objective is to gather residents' opinions about city projects and initiatives, with the goal of incorporating this feedback in the decision-making process.Ongoing maintenance costs for the software are included in the department's 2013-14 Operating Budget.

Departmental Overview

The Department of Budget and Management Services receives all of its funding from general city revenue. The department is responsible for the development and preparation of the Resource Management Plan which includes the Operating Budget and six-year Capital Improvement Program as well as the annual Five-Year Forecast. Staff also provides issue management and analytical support on large complex development/construction projects and conducts ongoing reviews of public/private partnerships to address the fiscal, budgetary, and economic impacts of proposals.

Trends and Issues

With the transition of staff to the SGA Office coupled with the transfer of the Facilities Management Office including lease payment to the Public Works department in FY 2010-11, per capita expenditures decreased significantly in FY 2010-11. Per capita expenditures have remained relatively similar following the sharp decline in FY 2010-11.



- Budget and Management Services received the Distinguished Budget Presentation Award presented by the Government Finance Officers Association for preparation of a budget document of the highest quality to meet the needs of decision makers and citizens.
- At the direction of city management, the Department of Budget and Management Services conducted four comprehensive program evaluations during FY 2012-13.
 - Staff studied music license fees (citywide) to research the annual costs paid by City of Virginia Beach (including any of its constituent bodies, departments, agencies or leagues) to license agents and identify

- potential duplication of costs and other cost savings strategies. This evaluation and final recommendations were reviewed by city management and City Attorney's office.
- ii. Staff analyzed parts operation in City Garage. A Request for Proposals (RFP) was developed to privatize the Parts Department. As a part of this, the overall operation of the parts department was evaluated in order to create a city bid for the RFP. Responses to the RFP were received in December 2012 and evaluated against the city's response. The RFP committee determined that the private bids were non-responsive and "awarded" the bid to the city's response. Public Works' FY 2013-14 Operating Budget reflects the cost savings.
 - iii. Staff studied gainsharing models to evaluate methods to strengthen employee engagement and gather employee feedback during the budget process which may further promote organizational development, reduce operating costs, improve efficiencies and enhance service delivery and/or customer service. Best practices from other municipalities were also evaluated as part of this study. This evaluation and final recommendations were reviewed by city management.
 - iv. Staff analyzed Pembroke area TIF to research prior years' assessment values and revenues and project assessment values and revenues for FY 2013-14.

Budget and Management Services has provided staff support to the City Council appointed Process Improvement Steering Committee and to the Hampton Roads Service Sharing Project. The Process Improvement Steering Committee is examining three specific processes to improve efficiency and customer experiences: 1) helping businesses thrive and succeed; 2) building permit and development review; and 3) payroll processes (i.e. payment in arrears). The Hampton Roads Service Sharing Project is being sponsored by the Hampton Roads Partnership to explore opportunities for Chesapeake, Norfolk, and Virginia Beach to reduce redundancy, improve efficiency, and maximize outcomes for service provision.

Budget and Management Services - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Budget and Management Services	1,473,092	1,511,425	1,520,668	9,243
Total Expenditures	<u>1,473,092</u>	<u>1,511,425</u>	<u>1,520,668</u>	<u>9,243</u>
General City Support	<u>1,473,092</u>	<u>1,511,425</u>	<u>1,520,668</u>	<u>9,243</u>
	<u><u>1,473,092</u></u>	<u><u>1,511,425</u></u>	<u><u>1,520,668</u></u>	<u><u>9,243</u></u>
Total Department Expenditure	1,473,092	1,511,425	1,520,668	9,243
Total Department Revenue	0	0	0	0
Total General City Support	<u>1,473,092</u>	<u>1,511,425</u>	<u>1,520,668</u>	<u>9,243</u>
	<u><u>1,473,092</u></u>	<u><u>1,511,425</u></u>	<u><u>1,520,668</u></u>	<u><u>9,243</u></u>

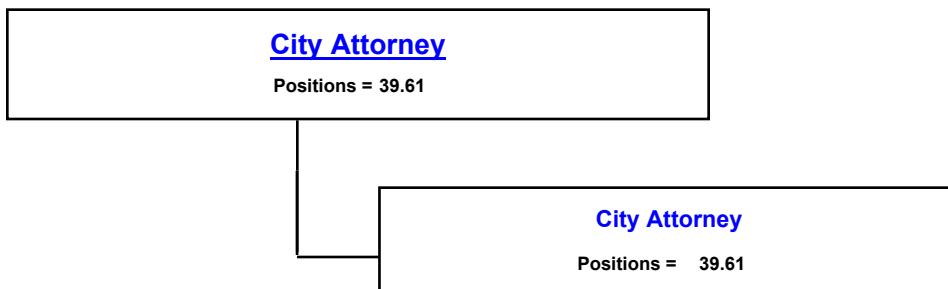
Position Summary by Program

	15.00	15.00	14.00	-1.00
Budget and Management Services	15.00	15.00	14.00	-1.00
Total	<u>15.00</u>	<u>15.00</u>	<u>14.00</u>	<u>-1.00</u>
Total Position Summary	<u><u>15.00</u></u>	<u><u>15.00</u></u>	<u><u>14.00</u></u>	<u><u>-1.00</u></u>

Resource Summary Notes

Reduction of 1.0 Executive Assistant FTE.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



City Attorney - Departmental Performance Report

City Attorney						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
		Financial				
Maximize Efficiency of City Legal Services						
Effective Rate of All City Legal Services per Hour	\$	99	99	103	103	103
In-House City Legal Costs as Percent of All City Legal Costs	%	95.0	95.0	94.0	94.0	94.0
Maximize Efficiency of School Legal Services						
Effective Rate of All School Legal Services per Hour	\$	91	91	87	87	87
In-House School Legal Costs as Percent of All School Legal Costs	%	97.0	97.0	97.0	97.0	97.0

City Attorney

Major Changes

In total, the City Attorney's budget of \$4,027,475 for FY 2013-14 is an increase of \$209,592, or 5.5%, over the FY 2012-13 amended operating budget. This increase is primarily the result of higher costs associated with health insurance, risk management charges, and market salary adjustments.

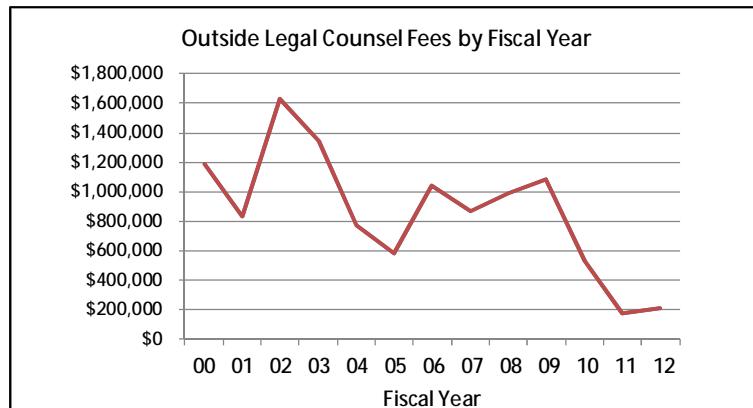
Departmental Overview

The City Attorney's Office is organized into five functional sections:

- Public Policy and Administration - Provides legal services in support of core governmental and administrative functions, including public policy, public facilities, human resources, public finance and public safety. This section has the primary responsibility for drafting policies, ordinances and resolutions, drafting opinions on legal issues posed by city departments and officials, and ensuring compliance with State and federal laws, including Conflict of Interest Act, Freedom of Information Act, and the Civil Rights Act.
- Real Estate, Infrastructure and Development - Provides legal services for the acquisition, maintenance and operation of the city's infrastructure and supports development activities intended to enhance the city's tax base. These attorneys are engaged in all aspects of municipal real estate and development, including title searches, drafting deeds, complex transactional documents, litigation, and eminent domain cases. The attorneys in this section also have responsibility for legal services in support of the city's APZ-1 and ITA Acquisition Programs to reduce encroachment around N.A.S. Oceana.
- Land Use - Performs legal tasks involved in the development, implementation, administration and enforcement of the city's zoning, land use (including AICUZ-related), environmental, agricultural, and neighborhood preservation programs. In addition, the land use attorneys serve as the primary legal counsel to the Planning Commission, Board of Zoning Appeals, Wetlands Board, Chesapeake Bay Preservation Area Board, Agricultural Advisory Commission, Bayfront Advisory Committee, Green Ribbon Committee, Workforce Housing Advisory Board and Military Economic Development Advisory Committee.
- Litigation - Provides representation in all civil litigation cases involving the city, its departments, boards, commissions, employees and volunteers. Representation includes defending and prosecuting tort claims, civil rights claims, collection actions, contract disputes and construction claims. In addition, the litigation section represents the Human Services Department in cases seeking to protect at-risk children and handicapped or elderly adults from abuse and neglect. Litigation attorneys are also actively involved with the Risk Management Division and other city departments in evaluating and minimizing potential exposure to tort and contract claims before they arise.
- Public Education - Provides legal services in support of core public education and administrative functions including student issues, human resources, School Board policies, administrative support and public policy issues, and school finance matters. Supplemental services in support of the School Board's initiatives include litigation and real estate services. All work is performed through a cooperative agreement with the School Board that mandates a minimum number of legal service hours per year. The School System provides funding for three positions in the City Attorney's Office.

Trends and Issues

- The number of direct in-house service hours in FY 2013-14 is expected to be approximately 41,000. Consistent with the Department's strategy to minimize the total cost for legal services, 99% of legal services to the City and Schools were provided in-house in FY 2011-12, which represents the highest percentage of in-house legal services since FY 1992-93. The average cost of in-house service to the



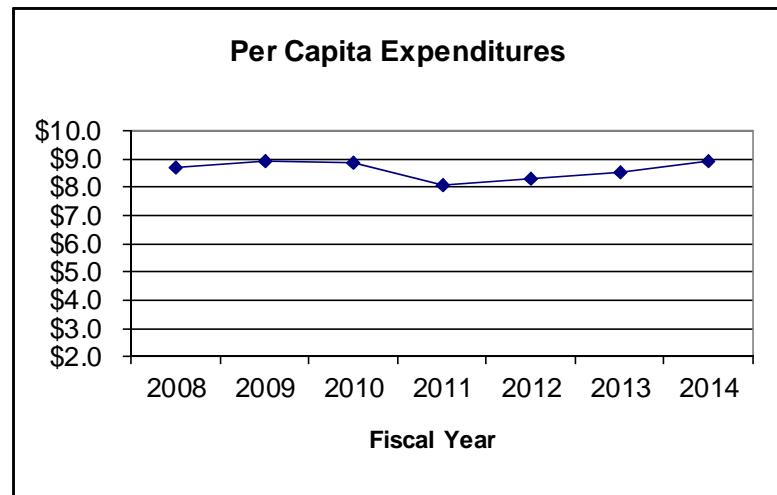
city in FY 2013-14 is expected to be about \$104 per service hour. When necessary, outside counsel is retained at a substantially higher rate (at an average of \$350 per hour). While the need for outside counsel has declined significantly since FY 2008-09, work on the Dome Site project and other identified City Council priorities is expected to increase the use of those services in FY 2013-14.

In FY 2011-12, the department provided 40,733 hours of in-house legal services:

- Land Use, Zoning, and Code Enforcement: 3,510 hours.
- Public Policy, Public Facilities, Public Finance, Public Safety, and Human Resources: 20,328 hours.
- Real Estate and Infrastructure: 10,460 hours.
- Economic Development: 1,836 hours.
- Public Education: 4,599 hours (at an effective in-house rate of approximately \$80 per hour). This cost is fully funded by the Virginia Beach Public School system.

The overall effective rate of all city legal services (in-house and outside) was \$103 per hour in FY 2011-12, up from \$99 per hour in FY 2010-11.

- As shown in the chart, per capita expenditure for the City Attorney's Office is expected to increase in FY 2013-14. As explained earlier, this is primarily the result of increased costs associated with health insurance, risk management charges, and market salary adjustments. The reduced per capita expenditure from FY 2009-10 to FY 2010-11 is the result of the elimination of positions.



City Attorney - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
City Attorney	3,640,491	3,817,883	3,995,079	177,196
Total Expenditures	<u>3,640,491</u>	<u>3,817,883</u>	<u>3,995,079</u>	<u>177,196</u>
<u>Revenues</u>				
Fees	1,546	0	0	0
Total Revenues	<u>1,546</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	3,638,945	3,817,883	3,995,079	177,196
	<u><u>3,638,945</u></u>	<u><u>3,817,883</u></u>	<u><u>3,995,079</u></u>	<u><u>177,196</u></u>
Total Department Expenditure	3,640,491	3,817,883	3,995,079	177,196
Total Department Revenue	1,546	0	0	0
Total General City Support	<u>3,638,945</u>	<u>3,817,883</u>	<u>3,995,079</u>	<u>177,196</u>
	<u><u>3,638,945</u></u>	<u><u>3,817,883</u></u>	<u><u>3,995,079</u></u>	<u><u>177,196</u></u>

Position Summary by Program

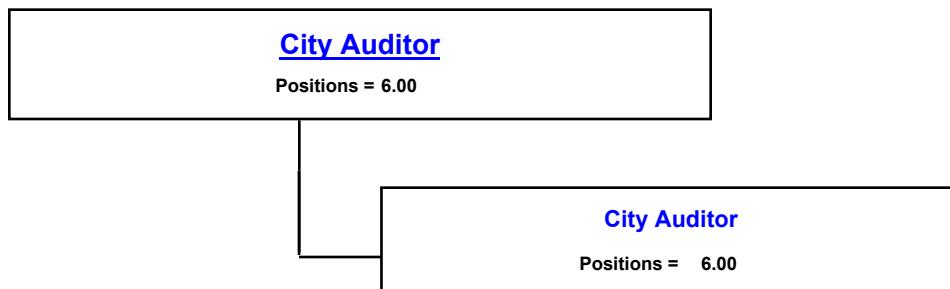
	39.61	39.61	39.61	0.00
City Attorney	39.61	39.61	39.61	0.00
Total	<u>39.61</u>	<u>39.61</u>	<u>39.61</u>	<u>0.00</u>
Total Position Summary	<u><u>39.61</u></u>	<u><u>39.61</u></u>	<u><u>39.61</u></u>	<u><u>0.00</u></u>

Resource Summary Notes

The increase in department expenditure is the result of higher costs associated with health insurance, risk management charges, and market salary adjustments.

Three positions are funded 100% by the School System through the cooperative agreement.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



City Auditor - Departmental Performance Report

City Auditor							
Objective/Performance Measure	Unit	Annual	Actual	Actual	Est.	Proj.	
		Target	2011	2012	2013	FY 2014	
Customer							
Promote Governmental Accountability							
Audits Completed within Budgeted Hours	%	85.0	85.0	92.0	92.0	92.0	
Recommendations Accepted	%	90.0	90.0	90.0	100.0	90.0	
Provide Audit Services to City Departments, Agencies and Programs							
Hours of Direct Audit Services Provided	#	7,236.0	7,206.0	7,326.0	7,326.0	7,326.0	

City Auditor

Major Changes

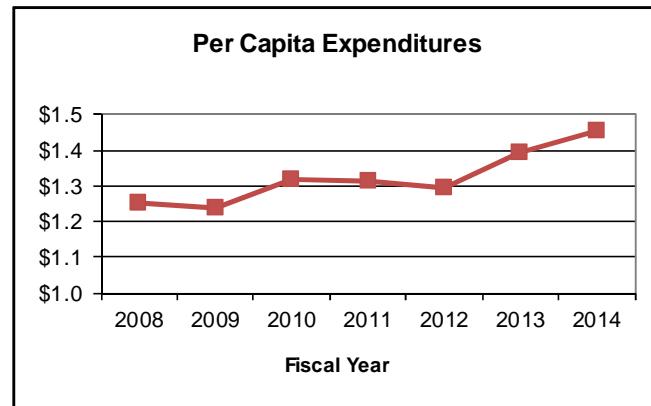
In total, the City Auditor's budget for FY 2012-13 is \$654,945, which represents a 5.0% increase from last year's budget and reflects a salary adjustment in a small department. There have been no major changes to the department. The Office of the City Auditor will continue to provide the same level of service.

Departmental Overview

The City Auditor is an independent appraisal function responsible for financial, attestation engagements and performance audits of city programs, functions and activities; conducting investigations, providing technical and advisory services; special projects; and oversight and management of the city's external audit contract. The City of Virginia Beach is mandated by law to be audited yearly by an independent external auditor. The City Auditor is responsible for the task of finding an external auditor and negotiating a contract for this service. Additionally, the City Auditor plays a significant role in the administering and monitoring of the external audit.

Trends and Issues

- The increase in the per capita expenditures beginning in FY 2005-06 illustrates the costs associated with launching the state mandated fraud hotline and the increased costs for implementing the city's related Integrity Connection Program. These programs have been fully implemented and costs began leveling off; the increases in the last two years is due to the increase in retirement, life insurance, and health care benefits, and departmental promotions.
- The table below provides comparisons of audit staffing and resource levels, and indicates that, based on simple staffing/budget ratios, the City staffs the audit function at leaner levels. These ratios, however, do not address issues such as effectiveness of work or output, and the City's strong financial controls/policies, which may help limit the need for internal audits. It is important to note that the current staffing level has not inhibited the office's ability to immediately address high priority audits (via hotline or from departments); the City Auditor will re-assign staff to complete these as they become known.



Benchmarks for City Auditor FY 2012-13				
	Audit Budget as a % of Total Budget*	Audit Budget Per Capita	Auditors Per Total FTEs	Auditors Per Capita**
Virginia Beach with 1 new auditor	0.07%	\$1.41	0.58	110,312
	0.08%	\$1.57	0.73	88,249
Chesapeake	0.14%	\$3.09	1.13	56,475
Norfolk	0.11%	\$3.25	1.18	40,664
Chesterfield	0.19%	\$2.61	2.12	42,619
Henrico	0.07%	\$1.27	0.64	103,581
Prince William	0.12%	\$1.90	1.08	103,633

*excluding schools
**interpretation for Virginia Beach is 1 Auditor position for 110,312 residents.
Sources: respective budgets and budget offices; Weldon Cooper Center for Public Service

- The Integrity Connection Program has provided an opportunity to promote awareness, via a class, of the city's organizational values and code of ethics to 5,344 city employees. This program offers employees an opportunity to ask questions about ethical behavior and report possible fraudulent activities. In relation to this program, a state mandated fraud hotline has been established. This hotline provides citizens and employees an additional confidential means to report and ask questions about fraudulent activities. Prior to this program, the annual fraudulent reports to the office

were between eight and ten per year; however, since this program was implemented in FY 2006-07 the office has reviewed over 232 allegations. The majority of these are unsubstantiated.

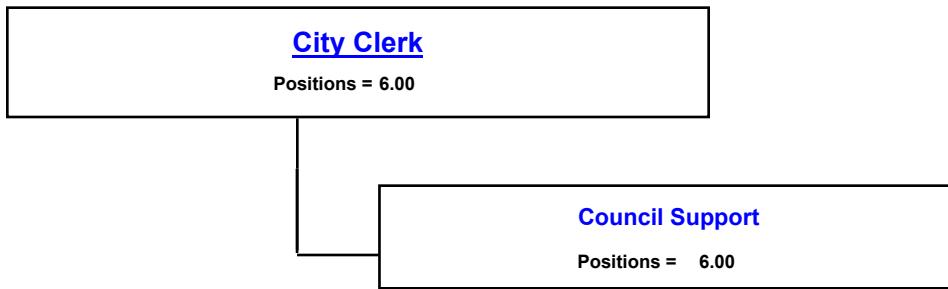
City Auditor - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
City Auditor	608,659	623,351	654,945	31,594
Total Expenditures	<u>608,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>
General City Support	<u>608,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>
	<u>608,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>
Total Department Expenditure	608,659	623,351	654,945	31,594
Total Department Revenue	0	0	0	0
Total General City Support	<u>608,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>
	<u>608,659</u>	<u>623,351</u>	<u>654,945</u>	<u>31,594</u>

Position Summary by Program

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

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



City Clerk - Departmental Performance Report

City Clerk							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Process and Mail United States Passports							
Passport Applications Processed and Mailed Same Day	#	940.0	898.0	940.0	940.0	940.0	
Internal Process							
Attest to Legal Documents							
Legal Documents Notarized, Scanned and Returned to Departments	#	730.0	687.0	730.0	730.0	730.0	
Provide Permanent Records for City Council							
City Council Agenda Prepared and Published	#	24.0	24.0	24.0	24.0	24.0	
City Council Notification and Summary Action Documents Prepared	#	24.0	24.0	24.0	24.0	24.0	
Meeting Minutes Prepared for City Council Approval	#	24.0	24.0	24.0	24.0	24.0	
Notice of Public Hearings Prepared and Forwarded to Newspaper	#	158.0	150.0	158.0	158.0	158.0	
Research Hours Provided (Laserfiche)	#	800.0	700.0	700.0	800.0	800.0	

City Clerk

Major Changes

The City Clerk's proposed FY 2013-14 operating budget totals \$564,215, which is a decrease of \$10,228 or -1.8% compared with FY 2012-13 adjusted operating budget due to savings from personnel turnover.

Departmental Overview

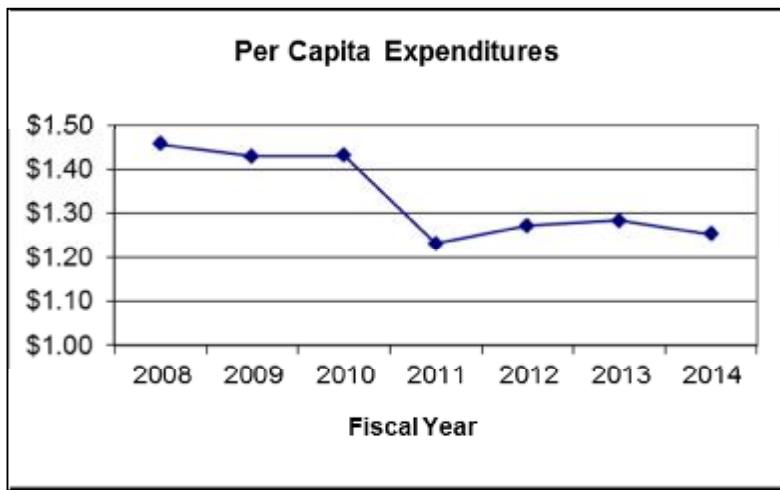
The City Clerk's Office responsibilities include:

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

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

Trends and Issues

- Per capita expenditures will decrease to \$1.25 in FY 2013-14 compared with \$1.28 in FY 2012-13. Eighty-nine percent of the FY 2013-14 operating budget of the City Clerk's Office is comprised of personnel costs for 6.0 FTEs (\$504,057), with the remaining 11% (\$60,158) for operating costs.
- Advertising that is required for public notices, hearings, and meetings, along with printing costs total about \$31,640, and are roughly 53% of operating costs for the City Clerk's Office. These costs were budgeted at \$22,000 less than what was spent in FY 2011-12. Media advertising costs are difficult to predict and will be monitored throughout the fiscal year.
- Historically, funding has been provided in the City Clerk's Office operating budget to support the Sister Cities Association of Virginia Beach, which advises the Mayor and assists in coordinating the activities of the Sister City member affiliates. The City Clerk's Office coordinates Sister Cities events held in the City and represents the City in the Sister Cities Association. Sister Cities International is a non-profit citizen diplomacy network pursuing stronger economic and cultural ties at the municipal level between United States and international communities. The city has three established relationships: North Down, Co. Bangor, Northern Ireland, Moss, Norway, and Miyazaki, Japan with additional ones under development with Managua, Nicaragua and Navic, Philippines. Multiple events are scheduled in the next fiscal year, which are associated with the City's upcoming 50th Anniversary celebrations.



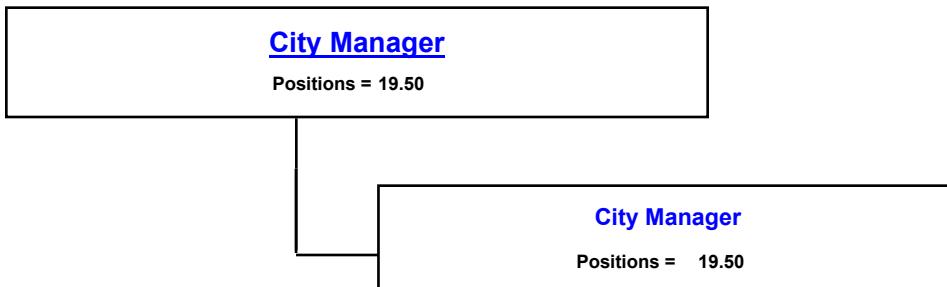
City Clerk - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
City Clerk	560,710	574,443	564,215	(10,228)
Total Expenditures	<u>560,710</u>	<u>574,443</u>	<u>564,215</u>	<u>(10,228)</u>
<u>Revenues</u>				
Fees	35	0	0	0
Total Revenues	<u>35</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	560,675	574,443	564,215	(10,228)
	<u>560,675</u>	<u>574,443</u>	<u>564,215</u>	<u>(10,228)</u>
Total Department Expenditure	560,710	574,443	564,215	(10,228)
Total Department Revenue	35	0	0	0
Total General City Support	<u>560,675</u>	<u>574,443</u>	<u>564,215</u>	<u>(10,228)</u>
	<u>560,675</u>	<u>574,443</u>	<u>564,215</u>	<u>(10,228)</u>

Position Summary by Program

	6.00	6.00	6.00	0.00
City Clerk	6.00	6.00	6.00	0.00
Total	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>0.00</u>
Total Position Summary	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>0.00</u>

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



City Manager - Departmental Performance Report

City Manager							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Achieve City Council's Goals and Long-Term Strategies							
Coordination of City's Legislative Interest	#	3,350.0	3,213.0	3,364.0	3,408.0	3,490.0	
Respond to Citizen Concerns	#	4,400.0	4,375.0	4,380.0	4,400.0	4,400.0	
Increase Effectiveness, Productivity & Quality							
Client Evaluations of the Organization Development Office	#	8.0	8.0	7.8	7.8	7.8	
Client Events Held By the Organization Development Office	#	350.0	422.0	305.0	350.0	350.0	
Clients Served by the Organization Development Office	#	4,800.0	6,891.0	4,571.0	4,850.0	4,850.0	
Overall Satisfaction with City Services	%	94.0	91.0	94.0	94.0	94.0	
Inform Citizens & Help Improve Community Relations							
Media Contacts Managed	#	150.0	300.0	290.0	300.0	150.0	
Press Releases Written and/or Distributed	#	175.0	350.0	330.0	347.0	175.0	
Financial							
To Coordinate and Promote Volunteerism							
Value of Volunteer Service (in millions)	\$	20	19	20	20	20	
Volunteer Hours (in millions)	#	1.4	1.4	1.4	1.4	1.4	

City Manager

City Council Amendment

On May 14, 2013, City Council voted to restore the full-time Media and Communications Administrator position to the City Manager's staff.

Major Changes

In total, the City Manager's Office budget for FY 2013-14 is \$2,636,829, a decrease of \$17,378 from the amended FY 2012-13 operating budget. Retirement, health and life insurance increased the fringe benefits category by \$37,936. One full-time Media and Communications Administrator was eliminated in this budget, which will affect the City's ability to address media inquiries, reduces communications capacity during activation of the Emergency Operations Center, and increases the work loads of remaining staff.

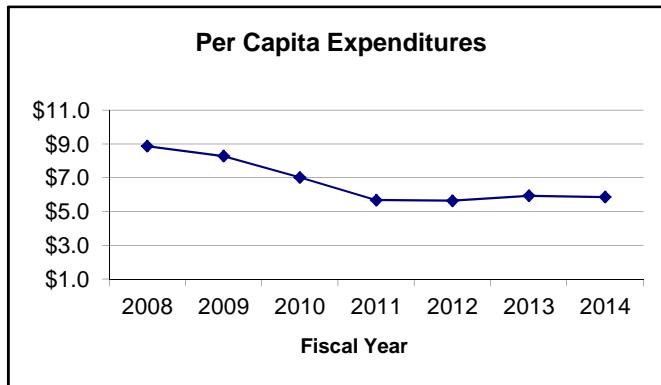
Departmental Overview

The City Manager's Office is divided into four main areas that provide functions to ensure that the city organization functions as a quality organization to support the community and meet City Council's goals.

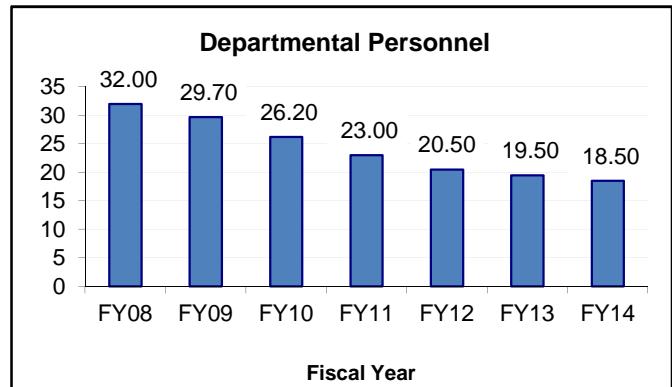
- City Manager's Staff - Ensures City Council's goals and targets are planned and effectively implemented.
- Organization Development Office - Enhances and supports organizational performance and effectiveness through assessments, analysis, process improvement and successful implementation of strategies to achieve Council's vision.
- Office of Volunteer Resources - Responsible for encouraging the use of volunteers to support the diverse activities of the government and for the tracking and overall coordination of city volunteers once on staff.
- Media and Communication Group - Provides communication services to city officials, executive leadership and departments to inform and improve communications with citizens, promote civic engagement, manage issues and achieve strategic outcomes.

Trends and Issues

- The City Manager's Office has taken on recent economic challenges with a strategic forward thinking approach, ensuring an efficient organization and a focus on critical services to the community.
- The City has been evaluating opportunities for streamlining and consolidating certain services among the cities of Norfolk, Chesapeake and Virginia Beach. After a year of study, five projects were selected by the Hampton Roads Partnership to develop implementation strategies. Two opportunity areas are being evaluated by a consulting firm, Management Partners. A report is due to be presented to the City Councils of the three cities in the spring of 2013 on sharing heavy equipment and contracting with human services providers. The remaining three were analyzed by the three cities. The Norfolk team reviewed the operations of the three cities sign shops and determined first that the manufacture of standard (non-street) signs should be consolidated. Virginia Beach's sign shop had the best capacity to handle production of signs for the other two cities. An agreement to accomplish this has been reached by all three cities. Norfolk is also coordinating a request for proposal to gage interest and cost of elevator inspections for the three cities by a private contractor. That RFP is due back to Norfolk in the summer. Working with the regional building administrators, common building permit information has been identified and a uniform paper form has been designed to be used by the Hampton Roads communities. In addition, the Information Technology departments of the three cities (led by Virginia Beach), are working together to automate these permits to allow online submission.



- Virginia Beach had two case studies accepted by the Alliance for Innovation to be presented at the 2013 Transforming Local Government Conference. The first focuses on the bold step to prioritize investment in early childhood education to prepare the workforce of the future. The second relates to how the City delivers more expansive library services to the community by partnering with Tidewater Community College on the construction and operating of the Joint Use Library.
- In August 2012, the City Manager's staff began work to replace the City's TeamTrack application. Along with ComIT, staff members are working to develop OneVision, which is an in-house new software application to meet the primary goals of tracking strategic and operational work items for City leadership and City Council. This new software allows the City, for the first time, to permit Strategic Issue Teams to enter and track strategic planning items, initiatives and tasks; and to provide the City Manager and City Council with simple, easy-to-understand and flexible reports. This system provides the capability to produce the Annual and Mid-Year Reports to City Council, the seven Strategic Issue Team's 3-Year Plans for the Strategic Plan, and the monthly Pending Items List to City Council. Use of TeamTrack has been limited due to high software and implementation costs, including the requirement for Serena developers and consultants to assist with workflow implementation. Currently, the City Manager's Office is the only group actively managing work with TeamTrack, although many single users from departments around the city enter and update information based on the directed needs of the City Manager and City Council. The City Manager's Office, Police, Public Utilities and ComIT have all attempted to utilize TeamTrack work tracking and workflow capabilities with very limited success.
- The City Manager routinely examines the City of Virginia Beach's productivity and efficiency throughout the organization and reports his finding through the annual "Striving for Excellence Report". In 2012, the City of Virginia Beach reported \$68,998 in direct cost savings and another \$846,700 in cost avoidance. These figures demonstrate the city's focus on productivity and quality and continued commitment to making the City of Virginia Beach the most efficient organization possible.
- The City of Virginia Beach has long-standing programs that take full advantage of the dedicated spirit of volunteerism held by our citizens. In FY 2011-12, city programs reported 18,902 volunteers that contributed 1.4 million hours of service valued at nearly \$20 million. That was equivalent to 673 full-time positions and almost 4.2 cents on the Real Estate tax rate.
- The City Manager's Office has reduced staffing by over forty-two percent since FY 2007-08. This is a significant reduction for a department regardless of size; however, through innovative and cost efficient alternatives, the department has been able to minimize the negative impact on the level of services offered.
- In 2012, two important documents were introduced to the organization that directly impact the City's long term and short term planning efforts: the Envision 2040 Report and the Sustainability Plan. The Organization Development Office (ODO) planned and facilitated a Strategy Summit for the Strategic Issue Teams to assess how the unit's work currently aligns with the 2040 Vision and sustainability outcomes and generate new and innovative thinking. It is essential to ensure that the City's strategic planning system and processes for achieving the long term Vision and Council's direction are aligned and sustainable. In 2013, the ODO is redirecting staff resources to focus on assessment which will impact the Strategic Plan to Achieve City Council's Vision, departmental plans, measurement, communication and training.
- The Organization Development Office (ODO) has been working with Budget and Management Services on a pilot program for outcome-based performance measurement that will align with the participating department's strategic plan. City departments have been tracking performance measures since the late 1970's. These measures have largely been limited to Output (product or service produced by program), Efficiency (cost per output, output per worker, or output per cost of output/program), and Service/Quality (satisfaction with, accuracy of, timeliness of program/service)



measures. In 2011, the city initiated Pilot Outcome Measure Project (POMP) for three departments (Public Works, Museums, and Libraries) to begin building capacity within the individual departments to measure the impacts (i.e. outcomes) of their programs and services on their customer base/the citizenry. The goals of these programs are for departments to: change the way they look at measurement and evaluation within the context of their day-to-day operations and activities; revise their goal statements to make them more readily measureable (and to connect them more logically and seamlessly with the department's mission and vision); and to develop a set of measures that will allow them to measure the impact that their services have on their customers. In 2012, Public Works-Storm Water Utility, the Housing Department, and Emergency Communications and Citizen Services began participation in the POMP process. This initiative will be expanded to include all City departments over time.

City Manager - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
City Manager	1,714,950	1,804,949	1,905,493	100,544
Organization Development Office	296,595	306,602	295,661	(10,941)
Office of Volunteer Resources	150,569	205,238	206,265	1,027
Media and Communications Group	374,096	337,418	355,410	17,992
Total Expenditures	<u>2,536,210</u>	<u>2,654,207</u>	<u>2,762,829</u>	<u>108,622</u>
General City Support	<u>2,536,210</u>	<u>2,654,207</u>	<u>2,762,829</u>	<u>108,622</u>
Total Department Expenditure	2,536,210	2,654,207	2,762,829	108,622
Total Department Revenue	0	0	0	0
Total General City Support	<u>2,536,210</u>	<u>2,654,207</u>	<u>2,762,829</u>	<u>108,622</u>

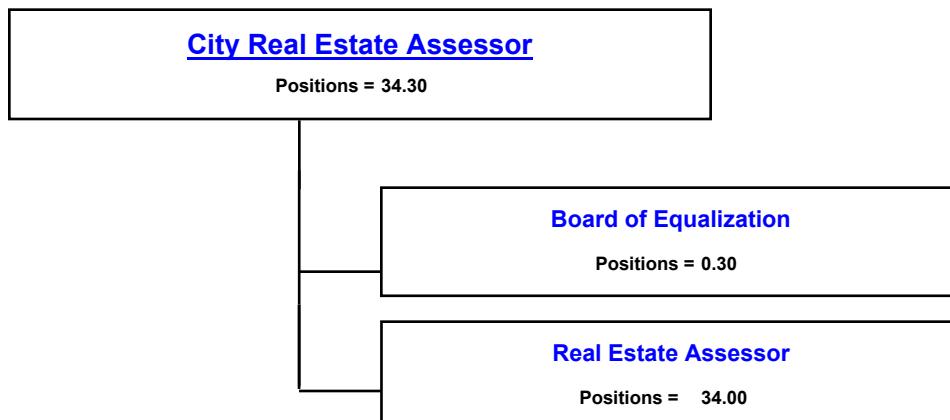
Position Summary by Program

	12.00	12.00	12.00	0.00
City Manager	12.00	12.00	12.00	0.00
Organization Development Office	3.00	2.00	2.00	0.00
Office of Volunteer Resources	1.50	2.50	2.50	0.00
Media and Communications Group	4.00	3.00	3.00	0.00
Total	<u>20.50</u>	<u>19.50</u>	<u>19.50</u>	<u>0.00</u>
Total Position Summary	<u>20.50</u>	<u>19.50</u>	<u>19.50</u>	<u>0.00</u>

Resource Summary Notes

A position was eliminated from the Media and Communications Division, reducing the capacity for media engagement by half.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



City Real Estate Assessor - Departmental Performance Report

City Real Estate Assessor							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Process Applications for Land Use Program							
Parcels Processed Under Land Use	#	975.0	995.0	988.0	981.0	975.0	
Process Deeds and Wills							
Deeds and Wills Processed	#	12,000.0	12,791.0	12,290.0	11,500.0	12,000.0	
Provide Accurate Assessments on an Annual Basis							
Appeals Processed	#	375.0	359.0	337.0	390.0	375.0	
Assessment Corrections Processed	#	600.0	1,077.0	1,742.0	600.0	600.0	
Average Number of Parcels Assessed per All Staff	#	4,588.0	4,560.0	4,573.0	4,578.0	4,588.0	
Total Dept Budget per Taxable Assessed Parcels	\$	20	18	19	20	20	
Total Taxable Parcels Assessed	#	156,000.0	155,027.0	155,467.0	155,597.0	156,000.0	

City Real Estate Assessor

Major Changes

In total, the Office of the City Real Estate Assessor's budget of \$3,193,533 for FY 2013-14 is an increase of \$77,049, or 2.5%, over the FY 2012-13 amended operating budget. This increase is primarily the result of higher health insurance costs.

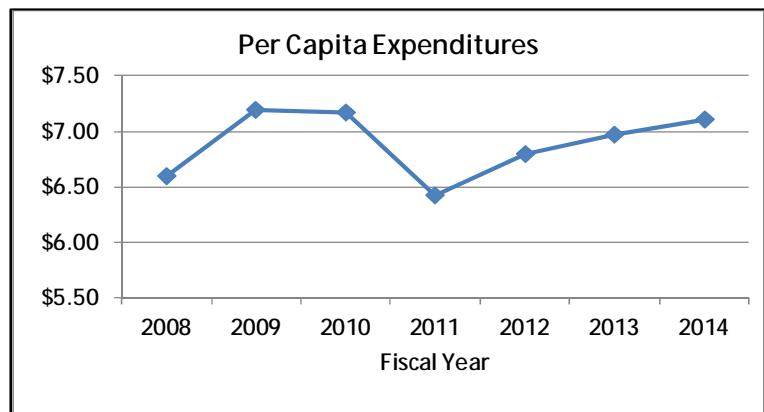
Departmental Overview

The services provided by the City Real Estate Assessor and Board of Equalization are:

- City Real Estate Assessor - To accurately calculate Virginia Beach's real estate property taxes, this office's responsibilities include an annual inventory and appraisal of approximately 156,000 parcels. A quarterly inspection of new construction is also conducted. This includes the measurement, classification, documentation, and appraisal of newly constructed buildings and additions to existing buildings. For existing buildings and properties, subdivision sales are recorded throughout the year, and the results are analyzed to determine assessment adjustments. Additional responsibilities include the real estate transfer function, which involves deed transfers from sale of properties, transfers of ownership resulting from other transactions (e.g., ownership transferred via a will), and recording taxable parcels (e.g., parcels created from development).
- Board of Equalization - The board has the power to revise, correct, and amend real estate assessments. Generally, after an initial assessment review by the Real Estate Assessor, a resident may appeal and the board reviews the request. Hearings are held annually between July and November. The board either affirms the initial assessment or determines whether it should be increased or decreased.
- Both the City Council-appointed Real Estate Assessor and the Circuit Court-appointed Board of Equalization are fully funded by general city revenue.

Trends and Issues

- Well over 900 land use program applications (parcels) have been processed annually for several years. This will likely continue because of the slow economic recovery and City Council development policies in the southern portion of the city, with 991 applications expected to be processed in FY 2013-14.
- With many assessments still decreasing, the number of appeals processed for FY 2013-14 is estimated to be 395. Appeals spiked in FY 2009-10, which represented the first year of negative appreciation, and the spike in complaints was from property owners who believed the decline was greater than the assessment.
- The International Association of Assessing Officers' (IAAO) established standards for parcels assessed per all staff members, with the upper range of the number of parcels assessed per all staff members being 3,500. The city's figure of 4,588 for FY 2013-14 is well above that standard. Prior to the recession and the loss of staff in FY 2010-11, the average number of parcels assessed per staff member was 4,070.
- The impact of the staff reduction in FY 2010-11 referred to previously is reflected in the Per Capita Expenditures graph. The subsequent increase from FY 2010-11 to FY 2011-12 is the result of salary and benefit cost increases.



City Real Estate Assessor - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Board of Equalization	8,854	15,808	9,583	(6,225)
City Real Estate Assessor	2,936,013	3,100,676	3,183,950	83,274
Total Expenditures	<u>2,944,867</u>	<u>3,116,484</u>	<u>3,193,533</u>	<u>77,049</u>
<u>Revenues</u>				
Fees	180	0	0	0
Total Revenues	<u>180</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>2,944,687</u>	<u>3,116,484</u>	<u>3,193,533</u>	<u>77,049</u>
Total Department Expenditure	2,944,867	3,116,484	3,193,533	77,049
Total Department Revenue	180	0	0	0
Total General City Support	<u>2,944,687</u>	<u>3,116,484</u>	<u>3,193,533</u>	<u>77,049</u>

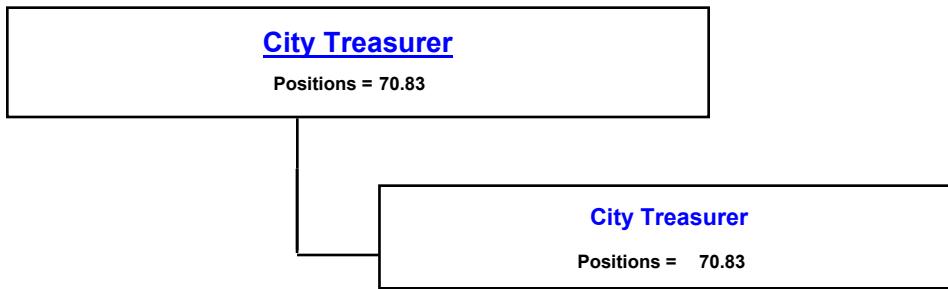
Position Summary by Program

	0.30	0.30	0.30	0.00
002 General Fund				
Board of Equalization				
City Real Estate Assessor	34.00	34.00	34.00	0.00
Total	<u>34.30</u>	<u>34.30</u>	<u>34.30</u>	<u>0.00</u>
Total Position Summary	<u>34.30</u>	<u>34.30</u>	<u>34.30</u>	<u>0.00</u>

Resource Summary Notes

Board of Equalization expenditures are reduced because Board member compensation has been eliminated.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



City Treasurer - Departmental Performance Report

City Treasurer						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Customer						
Provide City and State Mandated Billing						
Personal Property Envelopes Mailed	#	475,000.0	395,628.0	424,581.0	425,000.0	475,000.0
Real Estate Envelopes Mailed	#	124,000.0	119,560.0	122,048.0	123,500.0	124,000.0
Trustee Tax Envelopes Mailed	#	25,000.0	21,883.0	24,836.0	25,000.0	25,000.0
Provide Restitution Collection and Monitoring						
Amount Collected and Reimbursed to Victims	\$	500,000	199,920	519,860	688,279	500,000
Payments Sent to Victims	#	5,000.0	1,426.0	3,565.0	5,528.0	5,000.0
Timely/Accurate Billing and Collection of Revenue						
Revenue from On-Time Parking Tickets	\$	425,000	429,782	406,660	405,000	425,000
Revenues from Delinquent Parking Tickets	\$	400,000	374,142	369,006	370,000	400,000
Financial						
Prudent and Safe Investment of Funds						
Average Yield on Investments	%	0.3	0.4	0.3	0.3	0.3

City Treasurer

Departmental Overview

The City Treasurer's FY 2013-14 operating budget totals \$5,110,433, which is \$12,796 or 0.3% more than the previous year. The Treasurer's office eliminated one position, but will backfill some of the work performed by this position with contractual staffing, necessitating an increase in contractual manpower. The net effect of this transition to contractual staffing generated a small savings to the City.

The City Treasurer is one of five elected Constitutional Officers in the city and as such is partially funded by the state Compensation Board. The Compensation Board reimburses about 90% of the Treasurer's salary, and 50% of all other state salaries. The state reimburses a portion of fringe benefits (i.e., VRS retirement, FICA, and VRS group life insurance) based on state approved salary amounts.

In addition to the state funded positions, the FY 2013-14 City budget also fully funds 39.83 positions and supplemental contractual staffing in order to ensure the viability of the Treasurer's Office. As state funding has declined, it has necessitated a larger commitment of city funding to the Treasurer's Office. The office performs two major functions:

- **Billing & Accounts Receivable** - This office mails out, receives, and processes payments for current and delinquent real estate taxes, personal property taxes, trustee taxes, parking tickets and various other bills due to the city. In addition, they receive and process payments for consolidated utility bills. Furthermore, this office issues various licenses, including animal licenses and residential parking permits. All revenues of the government flow through this office for entry into the accounting records.
- **Investment Management** - The City Treasurer's Office is responsible for the investment of all cash financial assets of the city in a manner that will provide the highest investment returns only after the goals of maximum security and safety, meeting daily cash flow demands, and conformance with all state and local statutes governing the investment of public funds have been met. All city investments are guided by a basic principle of secure investments where the investment of these public funds is not for speculative purposes, but for the safety of the capital and derivation of income. The Treasurer invests approximately \$500 million on an annual basis.

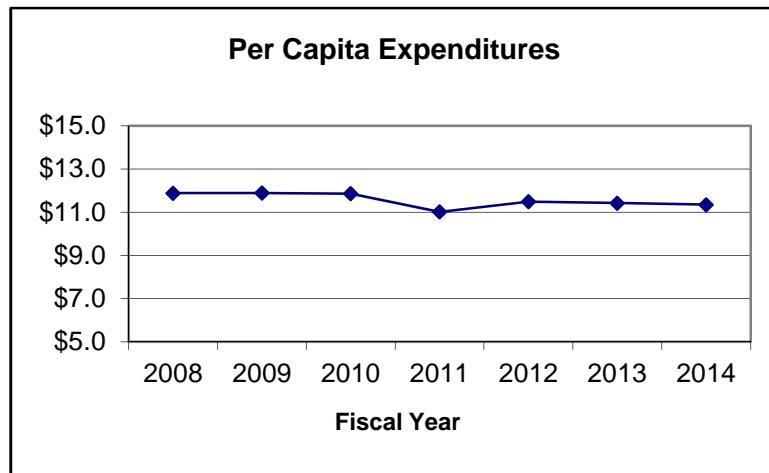
Trends and Issues

- The State continues to reduce the number of positions for which the city receives reimbursement and has eliminated its reimbursement for supplies. The state Compensation Board has approved 41.0 FTEs for the Treasurer's Office; however, the state provided reimbursement to the city for only 31 of them in FY 2011-12 and again in FY 2012-13. In FY 2011-2012, the State stopped reimbursing the Treasurer's office for office expenses (i.e., office supplies, internet access costs, stationary, postage, printing data processing services, telephone service, repairs, and the Treasurer's association dues). Prior to that, the State reimbursed approximately 50% of these costs.
- In addition to reducing the number of reimbursable positions and providing a reimbursement for office expenses, the gap between the state reimbursement and the salaries and benefits paid continues to grow. The increased cost for salaries, health insurance, and life insurance for all of the Treasurer's staff has been completely funded by the city as the state has been providing no additional funds to cover these escalating costs. Due to these reductions in funding, the staffing for the Treasurer's office has declined from 76.68 FTEs in FY 2008-09 budget to 70.83 FTEs (loss of 5.85 FTEs) in the proposed FY 2013-14 budget. The Treasurer's office has used automation, technology, and where appropriate, transitioned some work to contractual staffing in order to minimize the impacts of these cuts to their customers. The FY 2013-14 State Budget includes a 3% salary increase for State employees. This will provide a small increase in State revenue that will be used to offset the increased burden that the City has taken on in funding a portion of salaries for state positions. This Office has historically elected to take City pay raises over State pay raises.
- Over the past several years, the City Treasurer has undertaken several initiatives, which are generating additional revenues to the city. One of these initiatives imposes an administrative fee on delinquent accounts billed by the Treasurer's office. In FY 2013-14, these revenues are anticipated to decline modestly due to the decision to not apply the administrative fee to the first delinquent billing.

A second program, which is a joint effort between the City Treasurer and the Code Enforcement unit of the Housing Neighborhood Preservation department, allows the Treasurer's staff to collect delinquent payments from property owners who owe the city for work performed to correct code violations.

These initiatives have produced sufficient revenue to allow the Treasurer's Office to offset some budget reductions with little or no impact. The Treasurer's Office continues to seek out revenue collection opportunities within the city and state that will produce additional revenues for the city.

- As the graph illustrates, the Treasurer's Office experienced its most substantial decline in expenditures per capita in FY 2010-11. This decline is similar to that experienced by many departments throughout the city. After a small rebound in FY 2011-12, expenditures per capita in the Treasurer's office will decline for the second straight fiscal year in FY 2013-14.



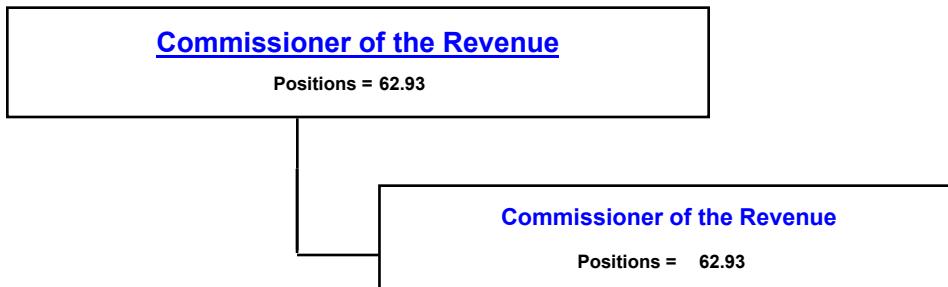
City Treasurer - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
City Treasurer	5,004,922	5,097,637	5,110,433	12,796
Total Expenditures	<u>5,004,922</u>	<u>5,097,637</u>	<u>5,110,433</u>	<u>12,796</u>
<u>Revenues</u>				
Fees	1,729,369	1,433,108	1,390,857	(42,251)
State	591,315	552,767	571,790	19,023
Transfers	193,641	200,815	204,494	3,679
Total Revenues	<u>2,514,325</u>	<u>2,186,690</u>	<u>2,167,141</u>	<u>(19,549)</u>
General City Support	<u>2,490,597</u>	<u>2,910,947</u>	<u>2,943,292</u>	<u>32,345</u>
Total Department Expenditure	5,004,922	5,097,637	5,110,433	12,796
Total Department Revenue	<u>2,514,325</u>	<u>2,186,690</u>	<u>2,167,141</u>	<u>(19,549)</u>
Total General City Support	<u>2,490,597</u>	<u>2,910,947</u>	<u>2,943,292</u>	<u>32,345</u>

Position Summary by Program

002 General Fund				
City Treasurer	72.83	71.83	70.83	-1.00
Total	<u>72.83</u>	<u>71.83</u>	<u>70.83</u>	<u>-1.00</u>
Total Position Summary	<u>72.83</u>	<u>71.83</u>	<u>70.83</u>	<u>-1.00</u>

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Commissioner of the Revenue - Departmental Performance Report

Commissioner of the Revenue						
<p>The mission of the Commissioner of the Revenue is to ensure the uniform and consistent assessment of applicable state and local tax codes while providing customer assistance on all tax related issues.</p>						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Customer						
Provide Taxpayer Assistance						
Audits and Investigations	#	7,000.0	5,620.0	6,100.0	6,283.0	6,283.0
Business Accounts Adjusted	#	8,000.0	9,894.0	7,198.0	7,414.0	7,414.0
Business Licenses Assessed	#	30,000.0	30,390.0	32,458.0	33,432.0	33,432.0
Business Property Accounts Assessed	#	28,000.0	28,280.0	27,612.0	28,440.0	28,440.0
Direct Customer Contact	#	390,000.0	355,990.0	374,726.0	385,968.0	385,968.0
DMV Contacts	#	50,000.0	51,617.0	46,242.0	47,629.0	47,629.0
Military/Volunteer Exemptions Processed	#	40,000.0	41,101.0	38,659.0	39,819.0	39,819.0
Number of Trustee Tax Accounts Assessed	#	27,420.0	25,872.0	26,016.0	26,796.0	26,796.0
Personal Property Accounts Assessed Annually	#	475,000.0	471,053.0	505,051.0	520,203.0	533,384.0
Personal Property Assessments Adjusted	#	70,000.0	83,862.0	83,708.0	86,219.0	86,219.0
Real Estate Transfers Processed	#	0.0	12,791.0	11,953.0	12,312.0	0.0
State Income Returns Assessed	#	30,000.0	47,584.0	35,358.0	36,419.0	36,419.0
Revenue Generated from All Assessments						
Bank Franchise Assessments (in millions)	\$	3	3	3	3	3
Business License Assessments (in millions)	\$	40	42	43	43	43
Personal Property Assessments (in millions)	\$	130	138	144	153	153
Public Service Assessments (in thousands)	\$	8	8	8	9	9
Trustee Tax Assessment (in millions)	\$	120	120	123	126	126

Commissioner of the Revenue

Major Changes

For FY 2013-14, the Commissioner of the Revenue's budget totals \$4,042,415, which is a decrease of \$57,195, or -1.4% from the previous year; the number of positions will remain at 62.93 FTE's. The overall decrease in operating cost is the result of departmental turnover and reduction in operating supply accounts. None of these reductions are anticipated to impact services offered.

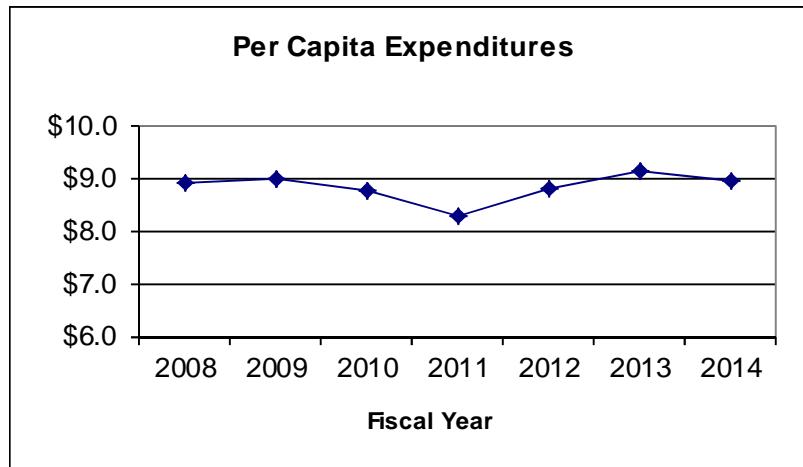
Departmental Overview

The Commissioner of the Revenue is one of five elected Constitutional Officers in the city and, as such, is partially funded by the State Compensation Board. The State Compensation Board reimburses the City for a percentage of the state approved salary and fringes. This State revenue reimbursement is estimated and used to support the Commissioner of the Revenue's operating budget. In FY 2013-14, the State included additional funding to provide a 3% pay increase to State employees and locally supported State employees. This increase in State revenue will be used as it historically has to support the overall cost of the Commissioner of the Revenue's Office and will not be provided to the employees in the form of a State pay raise.

- The Commissioner of the Revenue's Office is responsible for the discovery, investigation, licensing, assessment, audit, and prosecution and reporting of several tax levies – business license, tangible business property, machinery and tools, bank franchise, short term rental, meals, lodging, admissions, utility taxes, state cigarette stamps and personal property. The Commissioner has assumed the duty of real estate qualification for: tax exemptions, deferral and freezes. This work was formerly done by the Real Estate Assessor. The Commissioner also has the state responsibility to provide processing and filing assistance for state income taxes.
- The Commissioner of the Revenue entered into a contractual partnership with the Virginia Department of Motor Vehicles (DMV) to provide select DMV services, including vehicle titling, vehicle registrations, special and personalized license plate orders, dealer title and registration transactions, voter registration applications, and handicapped parking placards. New this year is the additional responsibility of selling hunting and fishing licenses in partnership with The Department of Game and Inland Fisheries. The DMV provides the necessary equipment and forms to enable the Commissioner's Office to provide the contracted services and the Commissioner's Office is responsible for any necessary personnel and other expenses associated with the service. In its agreement with DMV Select sites, the DMV compensates each branch agency a percentage of gross collections made by the agency. Transactions handled by the Commissioner's Office generate excess revenue above the amount needed to cover any costs incurred by the city in providing these services and is used to offset funding shortfalls.

Trends and Issues

- From FY 2009-10 until FY 2010-11, the Commissioner of Revenue's Office expenditure per capita declined as a result of reductions in state and local funding. Over this time period, the office lost a net of 5.24 positions; however, innovations and increased efficiencies allowed the Commissioner's Office to maintain operations without negatively impacting service delivery. In FY 2011-12, the Commissioner's Office received three additional staff members to aid in the assessment of local taxes. Prior to the addition of these positions, the Commissioner of Revenue's Office was unable to complete every personal property assessment within a given fiscal year. The increase between FY 2011-12 and FY 2012-13 is the result of the office taking over the Tax Relief for the Elderly and Disabled program as well as increased costs associated with Virginia Retirement System (VRS), life insurance and health insurance. As noted above, the reduction between FY 2012-13 and FY 2013-14 is attributable to staff turnover and reductions to operating accounts.



These reductions will not impact services provided by the Commissioner of the Revenue's Office.

- Included in the FY 2013-14 operating budget is the reinstatement of the boat tax. The Commissioner of the Revenue's Office will be responsible in performing these assessments. In FY 2001-02, the boat tax was reduced to a fraction of a cent ultimately eliminating the revenue estimates associated with the tax.
- As the community ages, the number of applications for the Tax Relief for the Elderly and Disabled Program is forecasted to continue increasing. In FY 2011-12, State code changed requiring localities to establish a Tax Relief program for 100% Disabled Veterans. The creation of this new program shifted the cost of once eligible disabled veterans from the Tax Relief for the Elderly and Disabled program to the Tax Relief for 100% Disabled Veterans program. This resulted in a cost reduction in the Tax Relief for the Elderly program between FY 2010-11 and FY 2011-12. Despite the growth of more than 200 participants, the amount of Elderly and Disabled Tax Relief provided declined between FY 2011-12 and FY 2012-13 as a result of declining real estate values. Over the last 10 fiscal years, the Tax Relief Program participation has grown 224% from 3,396 to 7,603 while total cost has grown 403%, as shown in the accompanying table.

<u>FY Year</u>	<u>Number of Recipients</u>	<u>Tax Deferred</u>	<u>Tax Reduction</u>
2013	7,603	\$66,393	\$ 13,966,323
2012	7,398	\$53,339	\$ 14,209,588
2011	7,798	\$35,755	\$ 15,456,561
2010	7,666	\$35,717	\$ 16,292,651
2009	7,143	\$30,596	\$ 15,993,977
2008	6,408	\$35,304	\$ 14,011,232
2007	5,420	\$79,342	\$ 9,651,395
2006	4,539	\$72,806	\$ 6,147,803
2005	3,803	\$36,849	\$ 4,660,146
2004	3,396	\$21,710	\$ 3,462,498

- City Council can revise the percentage parameters associated with the Tax Relief for the Elderly and Disabled Program; however, the parameters of the state-mandated program for disabled veterans cannot be modified by the localities. Historically, City Council modified the income thresholds of the program by the average increase in residential appreciation. Because the city has experienced negative appreciation over the past several years, the thresholds have not been adjusted since FY 2008-09. The FY 2013-14 budget includes the proposal to reduce the eligibility income thresholds for the Tax Relief for the Elderly and Disabled Program by \$5,000. Additional information about this proposal and the impact is discussed in greater detail in Executive Summary.

Previous Real Estate Tax Relief Thresholds

Total Income	Tax Exemption
\$0.00 - \$47,100	100%
\$47,100.01 - \$51,200	80%
\$51,200.01 - \$55,300	60%
\$55,300.01 - \$59,400	40%
\$59,400.01 - \$63,450	20%

Proposed Real Estate Tax Relief Thresholds

Total Income	Tax Exemption
\$0.00 - \$42,100	100%
\$42,100.01 - \$46,200	80%
\$46,200.01 - \$50,300	60%
\$50,300.01 - \$54,400	40%
\$54,400.01 - \$58,450	20%

Commissioner of the Revenue - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Commissioner of the Revenue	3,773,610	4,015,519	3,970,472	(45,047)
DMV Select	83,892	84,091	71,943	(12,148)
	Total Expenditures	3,857,502	4,099,610	4,042,415
<u>Revenues</u>				
State	783,020	812,532	825,562	13,030
	Total Revenues	783,020	812,532	825,562
General City Support	3,074,482	3,287,078	3,216,853	(70,225)
	3,074,482	3,287,078	3,216,853	(70,225)
Total Department Expenditure	3,857,502	4,099,610	4,042,415	(57,195)
Total Department Revenue	783,020	812,532	825,562	13,030
Total General City Support	3,074,482	3,287,078	3,216,853	(70,225)

Position Summary by Program

	58.00	60.00	60.00	0.00
Commissioner of the Revenue	2.93	2.93	2.93	0.00
DMV Select	60.93	62.93	62.93	0.00
	Total	60.93	62.93	62.93
Total Position Summary	60.93	62.93	62.93	0.00

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart

Communications and Information Technology

Positions = 180.50

ComIT Business Services

Positions = 16.00

Information Services

Positions = 52.50

Information Systems

Positions = 112.00

Communications and Information Technology - Departmental Performance Report

Communications and Information Technology						
The mission of the Department of Communications and Information Technology is to provide and support communications, information, and technology solutions to: enable City businesses, inform the community, and improve and promote quality of life and public safety.						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
		Customer				
Applications Operation and Repair						
Trouble calls resolved as Very Satisfied	%	98.0	96.0	95.0	92.0	92.0
Enterprise GIS Output						
GIS Created database, elements, maps, other products	#	20,000.0	32,884.0	20,086.0	18,000.0	17,000.0
Mail Service Processing						
Outgoing USPS Mail Processed	#	600,000.0	642,662.0	663,017.0	676,073.0	699,000.0
Multimedia Services Production						
Multimedia Projects Produced	#	250.0	213.0	171.0	200.0	200.0
Online Media File Plays via Official City Websites	#	300,000.0	167,809.0	271,856.0	300,000.0	300,000.0
Provide Telecom Uninterrupted Voice Service						
Availability of Municipal Center PBX	%	99.9	99.9	99.9	99.9	99.9
Provide Uninterrupted Telecom WAN Connections						
Availability of Municipal Center-based WAN	%	99.8	99.3	99.4	99.8	99.8
Telecom Radio Services from the Voice Radio System						
Availability of Voice Radio System	%	99.9	99.9	99.9	99.9	99.9
Time Required to Solve Priority 1, 2, & 3 Service Calls						
Resolution time (days) for priority 1, 2 & 3 service calls	#	3.0	4.5	3.3	3.3	3.3
Web Services - VBgov.com						
Unique Visitors to VBgov.com (in thousands)	#	4,000.0	2,221.5	3,682.2	4,900.0	4,900.0
Internal Process						
Information Security and Privacy Secure Systems						
Scans of city computers for vulnerabilities	#	47,600.0	29,259.0	47,739.0	48,000.0	48,000.0
Technology Projects Meeting Objectives						
Tech Projects Meeting All Objectives	%	96.0	92.0	93.0	95.0	95.0

Communications and Information Technology

Major Changes

The FY 2013-14 operating budget of the Communications and Information Technology (ComIT) department is comprised of the General Fund and three Internal Service Funds (ISF), totaling \$30,593,586. The General Fund portion increased \$625,205, or 2.7%. The difference is due to the increased cost of Health Insurance and three new programs: Initial Implementation of Mobile Application; Support for the Accela Planning Business System Integration; and Payment Card Support to meet mandated Federal regulations. These new programs will add four additional positions. The Capital Projects Internal Service Fund remains relatively unchanged with an increase of 0.3%. The Telecommunications Internal Service Fund increased 12.3% due to Telecommunications costs associated with scheduled hardware replacement. The Subscriptions Internal Service Fund decreased 8.9%. Overall, the department increased \$703,814, or 2.4% over the previous year. Due to the continued economic conditions, ComIT had to eliminate two existing positions. The loss of these two existing positions, and the addition of four new positions to support new programs, resulted in a net gain of two positions for a total of 185.50 FTEs. The changes are discussed in greater detail below.

Change	Impact
Elimination of two positions providing after standard hours support at the Computer Data Center.	<ul style="list-style-type: none">• Elimination of two FTEs provide after standard hours support for priority printing request at the Computer Data Center. As a result, printing jobs currently scheduled to run at night will not be available the following day, and must wait to be run the next business day. This could delay customer processes.
Initial Implementation of Enterprise Mobile Application System in response to one of City Council's priorities in 2013 to create a financially sustainable city providing excellent services.	<ul style="list-style-type: none">• Addition of three FTEs to support CIP a multi-phased approach that will implement specific prioritized services using a commercial-off-the shelf (COTS) mobile application suite. This will lead to internal development of a custom mobile application suite that will serve as the foundation to deliver business process transformation through redesign and reengineering of service processes. Total cost: \$409,490
Support for project 3-632 CIT-Operating Planning Business Systems Integration Accela II.	<ul style="list-style-type: none">• An additional position and operating support costs to support the Accela project primarily designed for Permits Inspections in the Planning Department and Code Enforcement in the Housing and Neighborhood Preservation Department. The position will be responsible for Business/Systems Analysis and full lifecycle management of the growing enterprise technology investment, enabling end-to-end electronic plan submittal and review process management. Total cost: \$105,154.
Maintenance for project 3-605 CIT-Payment Card Industry Security Comp SAQ C.	<ul style="list-style-type: none">• Includes software maintenance costs needed to support CIP project 3-605, which is needed to continue accepting customer payments by credit and debit cards. Total cost: \$42,000.

Departmental Overview

Communications and Information Technology (ComIT) provides a technology foundation supporting all city/school departments and agencies. Service delivery is based on three fundamental pillars: (1) Repair and Operate, (2) Lifecycle Maintenance, and (3) Grow and Transform. The Repair and Operate pillar is for maintaining applications and infrastructure components by performing repairs and day-to-day activities. The Lifecycle Maintenance pillar is for replacement of outdated and hardware and the patching of software applications or operating systems. The Grow and Transform pillar is for new product or system acquisition and implementation. The department's services are built upon seven operational areas:

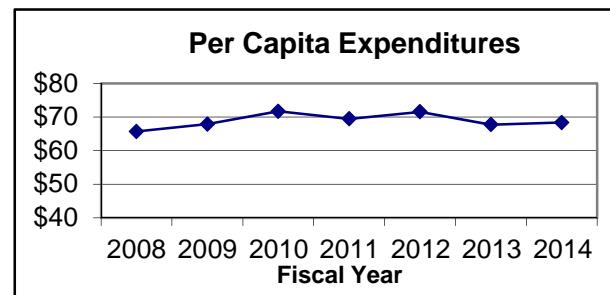
- Applications Support - Analyzes, develops, tests, integrates, manages, and supports organizational mission critical systems.
- Business Center and Mail Services - Responsible for departmental purchasing, human resources, payroll, accounts payable, reception, central support, print shop billing, telecommunication billing, and organization-wide mail delivery.
- Center for Geospatial Information Services - Provides GIS base mapping and GIS web services for public safety and other city and school agencies; Maintains maps and databases, support functions, and components including GIS data elements.

- Multimedia Services - Programs and operates the city and public schools' cable television channels (VBTV 46, 47, & 48); develops and executes communications plans for the organization, creates and maintains the enterprise information/content for VBgov.com, and manages and monitors the city social media tools of Facebook, Twitter, Flickr, and You Tube.
- Systems Support - Provides organizational computer, server, and network design, engineering, maintenance, repair, and support services.
- Telecommunications - Provides telephone, network and radio maintenance, support, contract administration, cable management, billing, dial tone provision, service coordination, and configuration changes.
- Technology Services - Provides technology project portfolio management, customer support, information security and privacy, and account management services.

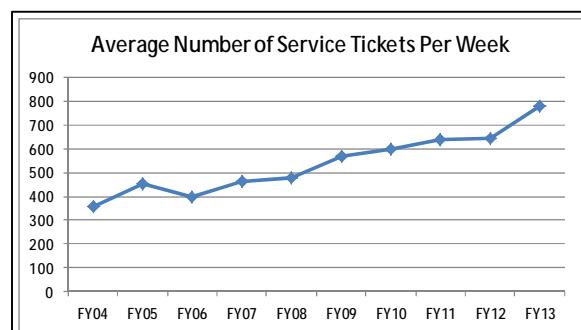
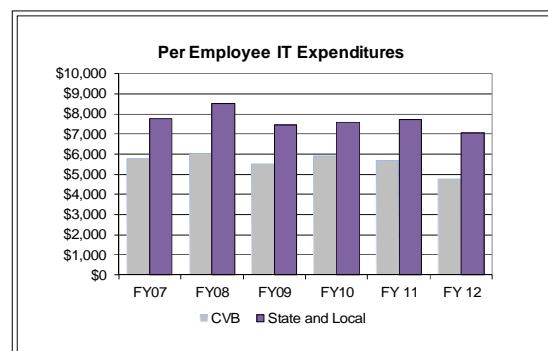
The *Envision Virginia Beach 2040 Committee Report*, produced by a 13 member committee appointed by the Mayor envisions life in Virginia Beach in 2040. One vision is that citizens, businesses and visitors have access to advanced broadband technologies that efficiently and effectively supports regional interconnectivity as well as global commerce. ComIT has been instrumental in progressing toward that goal and will continue to expand those capabilities as needed.

Trends and Issues

- The graph reflects a slight increase in the per capita expenditures for ComIT in FY 2013-14. This is attributable to implementation of an enterprise-wide mobile application system, and support for capital projects. The elimination of after standard hours printing support services has mitigated the increase. ComIT's base budget was reduced in FY 2012-13 as a result of a joint city/school RFP committee, which recommended outsourcing printing services.



- One of ComIT's top priorities is the filling of vacancies. This department has had difficulty finding qualified candidates for some positions because budgeted compensation often is not competitive. Also, the possibility of position cuts due to budget reductions created uncertainty in hiring. In calendar year 2011, the department averaged 14.9 vacant positions, which increased to 16.6 vacancies in 2012 in their General Fund units. Recent efforts to fill vacancies have reduced the number to 11.0 in the beginning months of 2013, with additional hiring moving forward.
- In FY 2011-12 the city spends approximately \$4,762 per employee for information technology. The average percentage for state and local government organizations is \$7,060. As illustrated in the chart, over a six-year period, the amount the city spent per employee for IT is 27% less than the amount spent by other state and local governments.
- The number of service calls over a 10-year period has increased 119%, as shown on the chart. The combined impact of the rising numbers of service calls, along with the stagnant staffing levels are making it increasingly difficult for ComIT to service systems and resolve customer issues within the desired timeframe.



Communications and Information Technology - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Multimedia Services	1,356,388	1,435,347	1,474,914	39,567
Emergency Communications (FY 2008-09)	767	0	0	0
Mail Service	215,535	235,194	250,228	15,034
ComIT Business Center	568,798	991,526	841,076	(150,450)
Applications Support	6,883,788	7,404,660	8,241,814	837,154
Computer Replacement & Growth	0	0	1,079,613	1,079,613
Systems Support	7,521,967	7,698,852	6,465,268	(1,233,584)
Center for Geospatial Information Services	1,707,093	2,019,933	2,065,694	45,761
Information Security and Privacy Office	2,246	0	0	0
Technology Project Management Office	7,206	0	0	0
GF Telecommunications	1,046,007	1,158,812	1,168,384	9,572
Technology Services	1,641,623	1,888,119	1,870,657	(17,462)
Total Expenditures	<u>20,951,418</u>	<u>22,832,443</u>	<u>23,457,648</u>	<u>625,205</u>
<u>Revenues</u>				
Fees	25,109	12,000	12,000	0
State	304,654	0	0	0
Transfers	2,010,182	1,999,395	1,965,966	(33,429)
Total Revenues	<u>2,339,945</u>	<u>2,011,395</u>	<u>1,977,966</u>	<u>(33,429)</u>
General City Support	<u>18,611,473</u>	<u>20,821,048</u>	<u>21,479,682</u>	<u>658,634</u>
604 Print Shop Internal Service Fund				
<u>Expenditures</u>				
City/Schools Printing Services	2,044,276	0	0	0
Total Expenditures	<u>2,044,276</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Fees	2,187,491	0	0	0
Total Revenues	<u>2,187,491</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>(143,215)</u>	<u>0</u>	<u>0</u>	<u>0</u>
610 Capital Projects Internal Service Fund				
<u>Expenditures</u>				
Capital Projects - ComIT	1,980	197,364	197,938	574
Total Expenditures	<u>1,980</u>	<u>197,364</u>	<u>197,938</u>	<u>574</u>
<u>Revenues</u>				
Fees	36,242	197,364	197,938	574
Total Revenues	<u>36,242</u>	<u>197,364</u>	<u>197,938</u>	<u>574</u>
General City Support	<u>(34,262)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Communications and Information Technology - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
620 Telecommunications Internal Service Fund				
<u>Expenditures</u>				
Telecommunications	2,336,744	2,807,772	3,457,477	649,705
Reserve for Contingencies	0	447,320	197,242	(250,078)
Total Expenditures	2,336,744	3,255,092	3,654,719	399,627
<u>Revenues</u>				
Fees	3,126,447	3,255,092	3,317,173	62,081
Fund Balance	0	0	337,546	337,546
Total Revenues	3,126,447	3,255,092	3,654,719	399,627
General City Support	(789,703)	0	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
621 Subscriptions Internal Service Fund				
<u>Expenditures</u>				
Subscriptions	2,309,534	2,606,092	3,027,774	421,682
Reserve for Contingencies	0	998,781	255,507	(743,274)
Total Expenditures	2,309,534	3,604,873	3,283,281	(321,592)
<u>Revenues</u>				
Fees	2,669,990	2,491,901	2,351,644	(140,257)
Fund Balance	0	1,112,972	931,637	(181,335)
Total Revenues	2,669,990	3,604,873	3,283,281	(321,592)
General City Support	(360,456)	0	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Department Expenditure	27,643,952	29,889,772	30,593,586	703,814
Total Department Revenue	10,360,115	9,068,724	9,113,904	45,180
Total General City Support	17,283,837	20,821,048	21,479,682	658,634
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Position Summary by Program

	17.50	16.50	17.50	1.00
Multimedia Services	4.00	4.00	4.00	0.00
Mail Service	10.00	13.00	12.00	-1.00
ComIT Business Center	49.00	50.00	54.00	4.00
Applications Support	0.00	0.00	1.00	1.00
Computer Replacement & Growth	44.00	41.00	38.00	-3.00
Systems Support	18.00	19.00	19.00	0.00
Center for Geospatial Information Services	8.00	8.00	8.00	0.00
GF Telecommunications	15.00	15.00	15.00	0.00
Technology Services	165.50	166.50	168.50	2.00
Total	165.50	166.50	168.50	2.00

604 Print Shop Internal Service Fund

City/Schools Printing Services	6.00	0.00	0.00	0.00
Total	6.00	0.00	0.00	0.00

610 Capital Projects Internal Service Fund

Capital Projects - ComIT	2.00	2.00	2.00	0.00
Total	2.00	2.00	2.00	0.00

620 Telecommunications Internal Service Fund

Telecommunications	10.00	10.00	10.00	0.00
Total	10.00	10.00	10.00	0.00

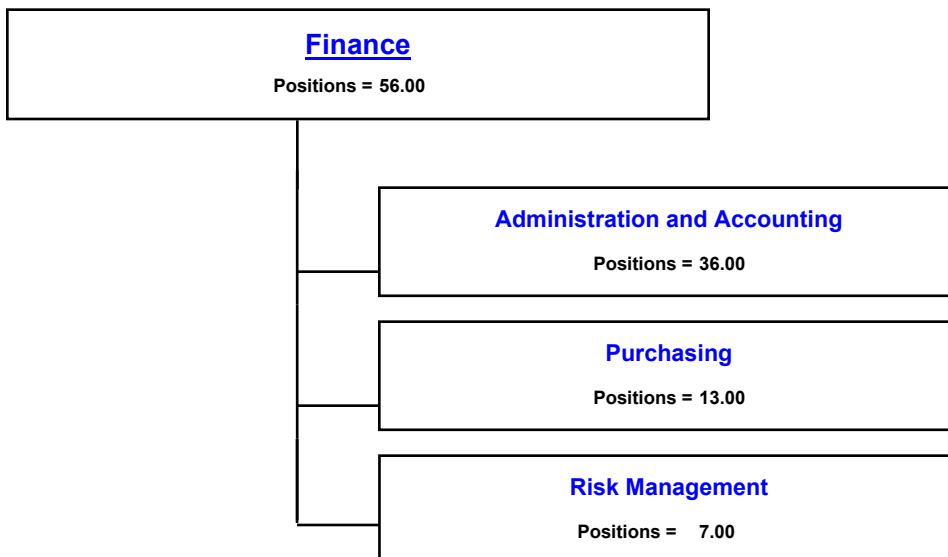
Communications and Information Technology - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
Total Position Summary	183.50	178.50	180.50	2.00

Resource Summary Notes

The negative General Support amounts in FY 2011-12 for the Internal Service Funds (i.e., Print Shop, Capital Projects, Telecommunications, and Subscriptions) represent increases in the fund balances of those funds.

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Finance - Departmental Performance Report

Finance						
<p>The mission of the Finance Department is through strong leadership, deliver comprehensive financial and business services, and protect the City's resources in a high quality, cost effective, and innovative environment that inspires trust and supports our community for a lifetime.</p>						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Customer						
Local Vehicle Registration - City State Cooperative Tax Collection						
LVR - Number of Vehicles Registered and Paid	#	358,000.0	366,827.0	362,561.0	365,000.0	372,000.0
Management of Civil Claims Against the City						
Civil Claims Against the City - Millions	\$	4	4	4	4	4
Civil Insurance Claims Against the City	#	420.0	366.0	241.0	410.0	410.0
Risk Management Hosting	%	85.0	85.0	85.0	85.0	85.0
Financial						
Financial Accountability for Funds, Expenditures and Revenues						
1099s Issued for Prior Calculation Year	#	1,800.0	1,816.0	1,326.0	1,400.0	1,400.0
CAFR Preparation Time - Weeks	#	16.0	16.0	16.0	16.0	16.0
Compliance for State & Federal Reports - Millions	\$	242	222	202	225	225
Days to Prepare Monthly Interim Financial Statement	#	10.0	12.0	12.0	10.0	10.0
Ensuring Revenue Receipts - Millions	\$	35	35	41	41	41
High Risk Fiscal Program Analysis - Millions	\$	62	60	60	60	60
Invoices Processed per FY	#	136,900.0	130,366.0	136,213.0	137,000.0	137,000.0
P-Card Transactions Reviewed	#	19,000.0	17,446.0	18,589.0	19,000.0	19,000.0
Vendor Record Verifications for Existing Vendors NEW	#	47,100.0	0.0	0.0	1,875.0	1,875.0
Working Days to Process Invoices	#	7.0	7.0	8.0	8.0	8.0
Financial Vision and Strategy for the Future						
Debt Service Payments	#	571.0	347.0	533.0	571.0	586.0
Payroll, Employment Tax and Labor Pay Compliance						
Garnishments, Liens and Court Orders	#	9,000.0	6,355.0	6,552.0	7,000.0	7,000.0
Payroll Payments Issued Annually	#	240,000.0	231,254.0	229,810.0	235,000.0	235,000.0
Retirement Counseling Sessions	#	400.0	463.0	694.0	519.0	519.0
Purchasing Competitive Maximization and Opportunity						
Dollar Volume in Purchase Orders - Millions	\$	225	268	320	335	335
Minority Business - Minority Expenditures - Millions	\$	10	14	13	14	14
Purchasing Formal Solicitations	#	165.0	185.0	235.0	247.0	247.0
Workers' Compensation Claim Management						
Workers' Compensation Claim Dollars (Millions)	\$	7	7	7	7	7
Workers' Compensation Claims Filed	#	1,200.0	1,200.0	1,328.0	1,300.0	1,300.0

Finance

Major Changes

In total, the Finance department's budget is \$17,256,401. This represents an overall increase of \$1,086,915 (6.7%) from the previous year. The increased costs are mainly attributable to increased health care, contracted manpower and increases associated with Risk Management Fund.

Change	Impact
Increased funding for Risk Management Internal Service Fund	<ul style="list-style-type: none">The risk management estimated funding for liabilities remains at 49% with the goal being 75%. A new funding formula designed to better allocate costs to departments has been implemented in FY 2013-14. Fees were increased in departments by \$968,670 to help meet this objective.

Departmental Overview

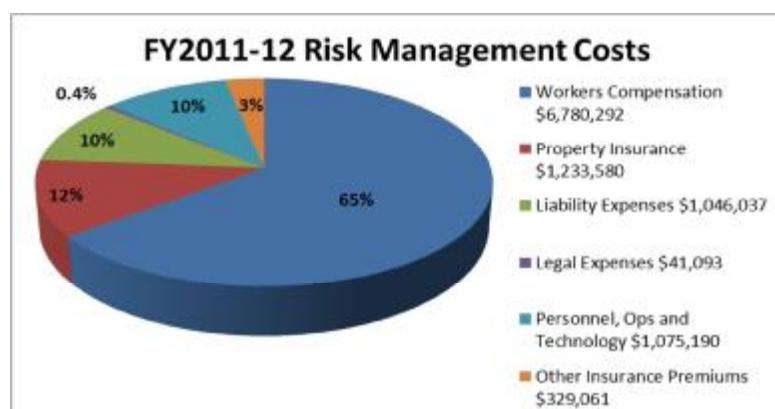
The Finance department is funded through general city taxes and fees. The Risk Management Fund, the city's self-insurance fund, charges all costs back to the various services and programs throughout the city. The department ensures direction, planning, and coordination of financial services through:

- Debt Management - Supports the approved Capital Improvement Program (CIP) debt requirements, provides debt planning, bond issuance, administration, and analysis of taxable debt, IRS and SEC reporting, and monitoring of interest rate environment for potential refunding of debt issues.
- Payroll - Prepares city employee payroll, manages federal and state tax reporting and compliance, manages VRS programs, manages part-time medical program, manages garnishments, liens, and pay deductions.
- Comptroller - Publishes Comprehensive Annual Financial Report. Responsible for maintaining the integrity of the financial management system, the preparation of mandated financial reports in compliance with federal and state laws, the processing of all invoices and city payments, oversight of IRS vendor tax reporting, the city's unclaimed property reporting, the indirect cost allocation process, providing oversight of accounting policies and internal controls, validating grant and CIP financial data, and the reporting of city owned capital assets.
- Purchasing - In accordance with state law and City Code, responsible for the procurement of all goods, services and construction, is responsible for surplus property, and manages the bidding and competitive negotiation processes for all formal procurement solicitations. Responsible for supporting minority business programs.
- Risk Management - Manages the city's self-insurance program including: identifying and evaluating city risk, managing the loss control programs, purchase insurances, and processing Workers' Compensation adjustments and civil liability claims. Manages public assistance recovery and reimbursement efforts.

Trends and Issues

- Risk Management averaged 312 general liability, 97 auto liability and 1,216 Workers' Compensation claims against the city per year over five years. During this same period, the total cost of risk on average is \$1,563 per FTE. The city's multi-year goal of funding 75% of the actuarial estimate is being achieved by aligning the chargeback formula for departments, increasing department costs by \$968,670 and preventing growth of future deficits.

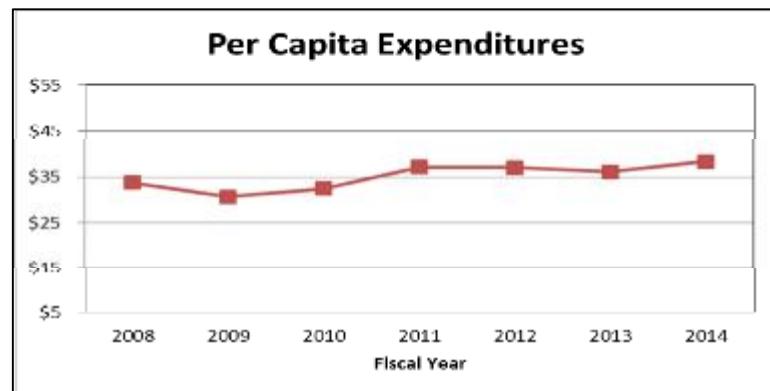
- As the graph depicts, Risk Management costs are broken into several categories. In FY 2011-12, the highest costs were incurred in Workers' Compensation



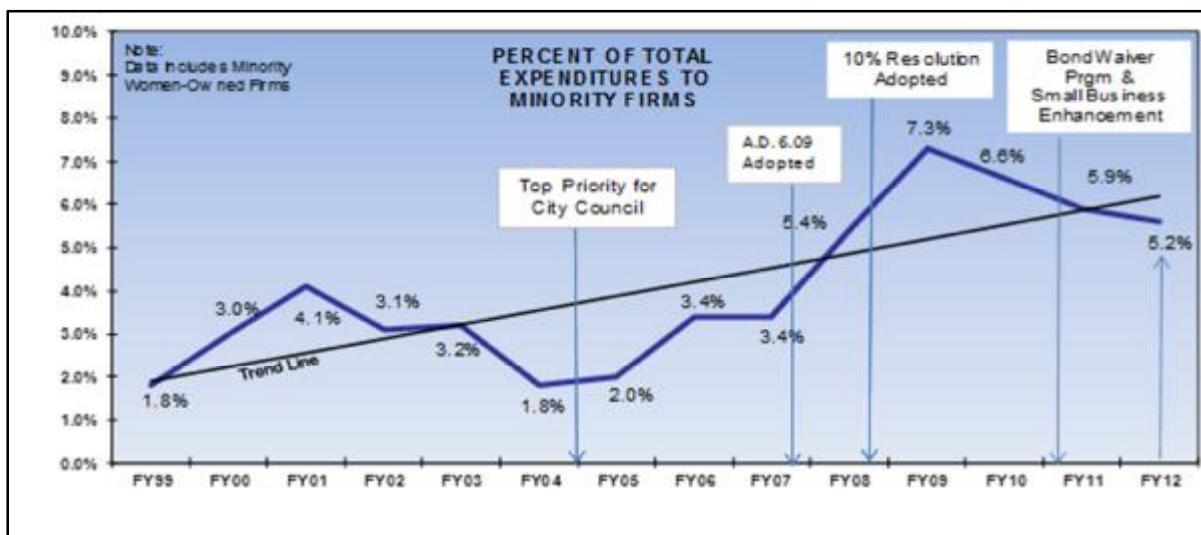
(65%, \$6,780,292). Workers' Compensation, by far, costs almost 5 times greater than the next largest categories: Property Insurance Premiums (12%, \$1,233,580) and Liability Expenses (10%, \$1,046,037) respectively.

- City payroll for approximately 7,200 employees will continue including verifications and policy setting for internal controls. W-2 forms processed will remain at 8,500. The Payroll division issued 229,810 disbursements (direct deposits and checks). The existing payroll is paid on a current (non-arrears) semi-monthly basis which creates a risk of overpayments and requires on-going corrections. Finance plans to implement arrears payroll in 2013-14. In addition, new VRS and Hybrid Plan state mandate creates new payroll programs, new payroll deductions and payments, requiring new controls and processes.

- As the graph indicates, the Finance department's per capita expenditures have generally increased since FY 2009-10 primarily due to increasing Risk Management claims.
- Over the last 20 years, revenues, assets, invoices, grants and debt have grown at a triple digit rate. In the past 10 years, invoice volume has almost doubled to \$650 million annually and the number of vendor records has tripled. Increased IRS scrutiny requires additional controls and documentation to avoid penalties.



- The values of grants and capital improvement projects are now over three times larger than a decade ago. In FY 2011-12, there were approximately 134 City grants and CIP projects budgeted to receive approximately \$311 million in federal and state funding. There has been an increase in the number of audits and reports for federal, state, and other grant entitlements and funding matches, including additional oversight due to ARRA grants, as well as line item audits of major state programs.
- As noted below, the city has increased its percentage of total expenditures paid to minority vendors from 1.8% in FY 1998-99 to 5.2% in FY 2011-12, a slight decrease from FY 2010-11. Participation in the Minority Business Council initiative is growing but has yet to reach the goal of 10%. While the trend is moving in the right direction, much work remains, with more emphasis on construction contracting and subcontracting. City Council has recently adopted two new business enhancement programs to stimulate minority and small business participation in city contracting. These programs add additional procurement and reporting responsibilities for staff.



Finance - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	675,716	699,511	736,327	36,816
Local Vehicle Registration	845,273	779,657	845,272	65,615
Comptroller's Office	1,548,399	1,599,882	1,614,508	14,626
Payroll	667,476	710,990	723,618	12,628
Purchasing	1,042,949	1,143,194	1,133,477	(9,717)
	Total Expenditures	4,779,813	4,933,234	5,053,202
				119,968
<u>Revenues</u>				
Fees	671,460	694,550	660,860	(33,690)
	Total Revenues	671,460	694,550	660,860
				(33,690)
General City Support	4,108,353	4,238,684	4,392,342	153,658
607 Risk Management Internal Service Fund				
<u>Expenditures</u>				
Risk Management Insurance Payments	9,922,128	10,405,575	11,026,986	621,411
Risk Management	583,130	666,243	1,003,982	337,739
Reserve for Contingencies	0	0	9,520	9,520
	Total Expenditures	10,505,258	11,071,818	12,040,488
				968,670
<u>Revenues</u>				
Fees	9,749,679	11,071,818	12,040,488	968,670
	Total Revenues	9,749,679	11,071,818	12,040,488
				968,670
General City Support	755,579	0	0	0
610 Capital Projects Internal Service Fund				
<u>Expenditures</u>				
Capital Projects - Finance	56,088	164,434	162,711	(1,723)
	Total Expenditures	56,088	164,434	162,711
				(1,723)
<u>Revenues</u>				
Fees	62,405	164,434	162,711	(1,723)
	Total Revenues	62,405	164,434	162,711
				(1,723)
General City Support	(6,317)	0	0	0
Total Department Expenditure	15,341,159	16,169,486	17,256,401	1,086,915
Total Department Revenue	10,483,544	11,930,802	12,864,059	933,257
Total General City Support	4,857,615	4,238,684	4,392,342	153,658

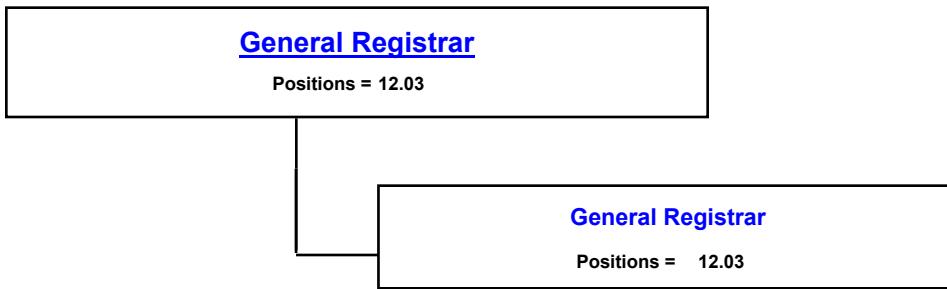
Position Summary by Program

002 General Fund				
Director's Office	6.00	6.00	6.00	0.00
Comptroller's Office	19.00	19.00	19.00	0.00
Payroll	9.00	9.00	9.00	0.00
Purchasing	13.00	13.00	13.00	0.00
	Total	47.00	47.00	47.00
				0.00

Finance - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
607 Risk Management Internal Service Fund				
Risk Management	7.00	7.00	7.00	0.00
Total	7.00	7.00	7.00	0.00
610 Capital Projects Internal Service Fund				
Capital Projects - Finance	1.00	2.00	2.00	0.00
Total	1.00	2.00	2.00	0.00
Total Position Summary	55.00	56.00	56.00	0.00

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



General Registrar - Departmental Performance Report

General Registrar							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Customer							
Provide Current Registration of All Voters							
Registered Voters	#	290,000.0	287,659.0	304,485.0	294,000.0	295,000.0	
Registered Voters Served by Each Registrar	#	26,364.0	26,153.0	27,680.0	26,727.0	26,818.0	
Provide Ways for Citizens to Change Registrations							
Registration Adds and Changes Made	#	21,000.0	26,594.0	51,766.0	30,000.0	27,500.0	
Registration Adds and Changes Made Per Staff Member	#	1,910.0	2,417.0	4,706.0	2,727.0	2,500.0	

General Registrar

Major Changes

In total, the General Registrar's Office has budgeted \$1,343,936 in FY 2013-14. This is a decrease of -\$27,396 or -2% in expenditures when compared to the FY 2012-13 budget.

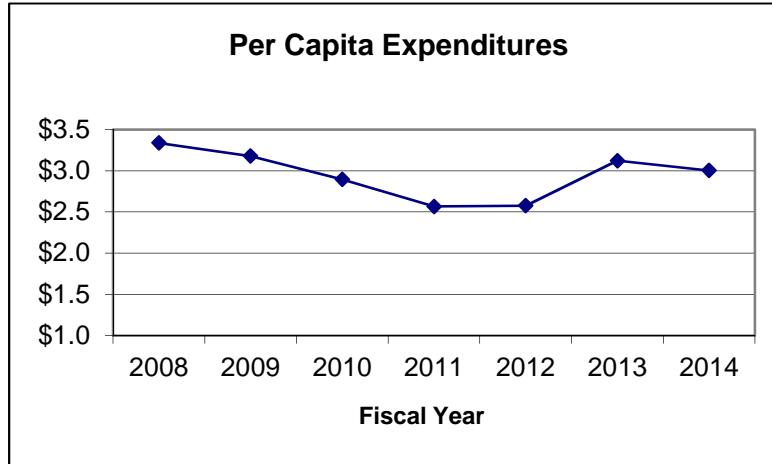
Departmental Overview

The state reimburses the city for the General Registrar's salary. Reimbursements are also received for the Electoral Board members' salary. The General Registrar's Office maintains the current registration and elections process for Virginia Beach voters and supports 95 precincts by:

- Complying with mandatory state and federal standards and guidelines of the Voting Right Act and Help America Vote Act of 2002.
- Offering two satellite offices in local Department of Motor Vehicles (DMV) facilities.
- Providing convenient ways for citizens to register to vote, change voter registration records, vote by absentee ballot, and pursue their candidacy for office.
- Handling mail registration sites at the U.S. Post Offices, city schools, city recreation centers, in person registration at DMVs, public libraries, department of Human Services and the offices of the City Treasurer, Commissioner of the Revenue, Clerk of the Circuit Court, Sheriff's Office and two local companies.
- Maintaining and checking the campaign financial reports of all local candidates.

Trends and Issues

- The General Registrar's operating budget fluctuates based on the election needs within any given year. The reduction in per capita expenditures between FY 2007-08 and FY 2011-12 was a combination of operational reductions due to decreasing City revenues and the succession of smaller elections between those fiscal years. The 2008 Presidential election was followed by the 2009 Gubernatorial election which was then followed by a series of elections that had a significantly lower voter turnout. The increase between FY 2011-12 and FY 2012-13 was the result of increased funding for the November 2012 Presidential election.



The General Registrar's FY 2013-14 budget includes funds for the November 5th Virginia Gubernatorial election which is the second largest election the office oversees.

- During the 2012 Presidential election, the General Registrar's office experienced longer lines and delays in gathering voting results at some precincts. The delays were in part attributable to the lack of an adequate number of voting machines. A change in State code allows the use of existing electronic machines but no longer allows the purchase of electronic voting machines; therefore, the purchase of additional machines for the existing electronic system is prohibited. In order to purchase additional voting machines to accommodate the City's voters, the General Registrar's office is beginning to explore options in replacing the entire voting system to be more in line with State code. Appropriations are not included in the FY 2013-14 budget for this overhaul; however, this issue could be a future issue that needs addressing prior to the next Presidential election.

- During times of elections, confidential information and records are maintained within the General Registrar's Office. The General Registrar's Office currently resides in Building 14 of the City Virginia Beach municipal complex and lacks the ability to limit access to these records. This creates a small liability in the assurance that these records are secured at all times. To address this concern, the General Registrar's Office is working with Public Works Facility Maintenance Office to install a Lenel Security Card entry system on Building 14. This will provide an additional level of security limiting access to the building and documents within the office.

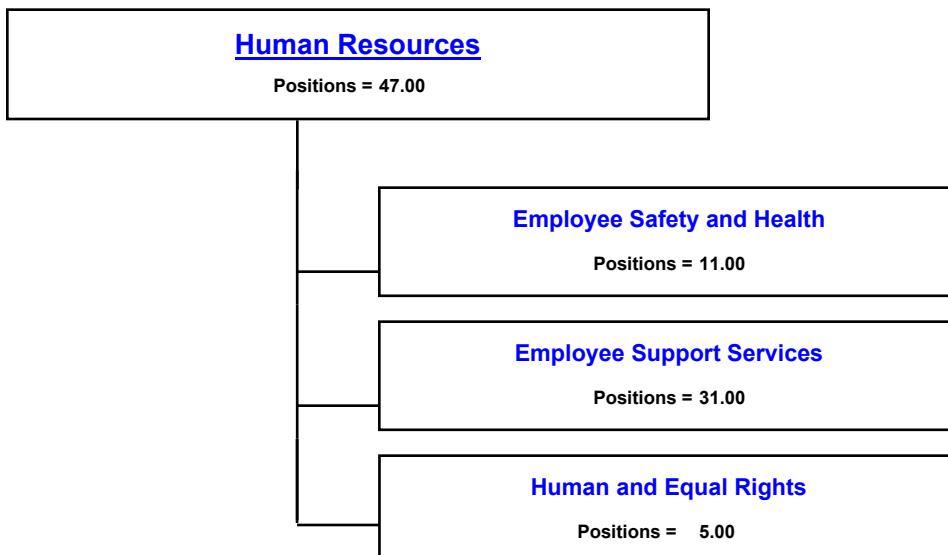
General Registrar - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
General Registrar	1,448,271	1,371,332	1,343,936	(27,396)
Total Expenditures	<u>1,448,271</u>	<u>1,371,332</u>	<u>1,343,936</u>	<u>(27,396)</u>
<u>Revenues</u>				
Fees	800	0	0	0
State	225,044	78,015	76,648	(1,367)
Total Revenues	<u>225,844</u>	<u>78,015</u>	<u>76,648</u>	<u>(1,367)</u>
General City Support	1,222,427	1,293,317	1,267,288	(26,029)
	<u>1,222,427</u>	<u>1,293,317</u>	<u>1,267,288</u>	<u>(26,029)</u>
Total Department Expenditure	1,448,271	1,371,332	1,343,936	(27,396)
Total Department Revenue	225,844	78,015	76,648	(1,367)
Total General City Support	<u>1,222,427</u>	<u>1,293,317</u>	<u>1,267,288</u>	<u>(26,029)</u>

Position Summary by Program

	12.03	12.03	12.03	0.00
General Registrar	12.03	12.03	12.03	0.00
Total	<u>12.03</u>	<u>12.03</u>	<u>12.03</u>	<u>0.00</u>
Total Position Summary	<u>12.03</u>	<u>12.03</u>	<u>12.03</u>	<u>0.00</u>

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Human Resources - Departmental Performance Report

Human Resources						
The mission of the Department of Human Resources is to facilitate the recruitment, retention and development of a sustainable quality workforce and its alignment with the City's strategy.						
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014
Customer						
Assist with Human Rights Inquiries/Complaints						
Citizen Complaints/Inquiries Addressed	#	0.0	19.0	14.0	14.0	14.0
Enhance Communication and Understanding						
Participants Satisfied with Member Conversations	%	100.0	98.0	98.0	98.0	98.0
Manage the Sick Leave Bank/Donation Program						
Sick Leave Bank Applications Processed	#	0.0	112.0	108.0	110.0	110.0
Perform Strategic Recruitment & Selection Process						
Qualified Employees Recruited and Hired Within 60 Days	%	100.0	64.0	60.0	60.0	60.0
Provide Mandated Safety Services						
Employee Injuries Reviewed Annually	#	0.0	1,214.0	1,195.0	1,200.0	1,200.0
Participants Attending Occupational Safety Courses	#	6,200.0	7,947.0	6,774.0	6,800.0	6,800.0
Provide Medical Services for Employees						
Medical Exams/Health Screenings/Nursing Services Encounters	#	14,000.0	13,781.0	13,906.0	14,000.0	14,000.0
Return to Work Program						
Cost Savings Per Nurse Hour	\$	0	27	27	27	27
Learning & Growth						
Provide Employee Training						
Participants Attending Instructor-Led Training Courses	#	4,500.0	5,707.0	6,460.0	7,000.0	7,000.0
Participants Taking E-Learning Courses	#	1,910.0	2,290.0	1,987.0	2,000.0	2,000.0

Human Resources

Major Changes

The FY 2013-14 operating budget for Human Resources totals \$4,132,967. While the number of department positions remained at 47.0 FTEs, the filling of vacancies at a lower range and the down-grading of a Human Resource Coordinator to a Human Resource Analyst resulted in a net reduction of \$167,653 in Personnel Services. Operating costs increased slightly by \$15,287 resulting in a net reduction of \$152,366, or 3.6% from the previous year.

Change	Impact
Elimination of compensation for the Personnel Board	<ul style="list-style-type: none">City Council opted to not compensate the city's Investigation Review Panel; therefore, to be equitable, this budget has eliminated compensation for all city Boards and Commissions.

Departmental Overview

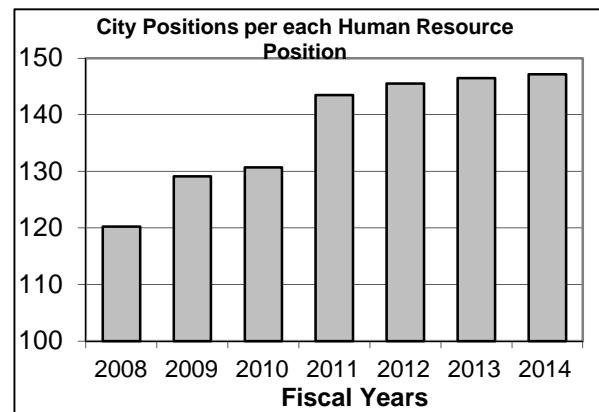
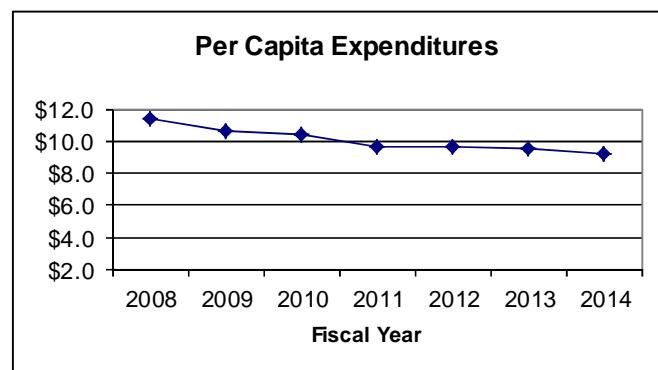
Funding for Human Resources comes primarily from general city revenues. The department collects a small amount of revenue that covers the costs of the employee newsletter, *Beam*. Also, revenue from sponsors is obtained to support the Professional Support Development Team (PSDT) annual conference. The services provided by the department of Human Resources are divided into the following areas:

- Staffing and Compensation - Coordinates and oversees the city's recruitment, test administration, selection processes, and administration of the city's compensation system. This division provides technical assistance to all departments, employees and applicants on matters which affect the selection, classification and pay of employees. They support the city's commitment to ensuring pay equity by conducting position evaluations and salary analyses.
- Learning and Development - Provides citywide learning opportunities to allow a comprehensive and integrated learning and development continuum for every city employee, thereby recognizing the city's underlying commitment to provide leadership and learning opportunities by enabling employees to realize their full potential and to continue learning throughout their career and for a lifetime.
- Workforce Planning and Development - Coordinates the development of departmental plans that will anticipate and design ways to meet the needs of the city's current and future workforce.
- Human Rights Commission - Conducts and engages in educational and informational programs to promote mutual understanding among citizens, serves as a forum for discussion of human rights issues, conducts studies and proposes solutions for the improvement of human relations, and provides referral assistance to persons who believe their rights have been violated.
- Equal Employment Opportunity (EEO)/ADA/Diversity Programs - Provides consultative services to departments in managing their EEO/ADA/Diversity programs, advises and investigates EEO/ADA related complaints and issues, and provides training that will raise awareness for both employees and managers.
- Member Communications - Provides a multidirectional communication program that enhances information, knowledge, employee engagement, and builds strong relationships that encourage trust. Official connection for employees to know what is happening throughout the city. Program provides/coordinates/implements; *Member Update*, *Beam*, and *OnPoint with Jim* newsletters; *Member conversations with the City Manager*; *Ask Jim, Because You Asked*; *Quality of Work Life Member Survey & Action Plans* (other surveys as needed); member recognition programs, and the Member Advisory Committee.

- HR/Police Services - Administers the police performance feedback program, coordinates the police selection process, provides professional support for police command staff, provides consultation regarding employee disciplinary and performance issues, and conducts exit interviews and other research of employee retention issues for the Police department.
- Employee Relations - Focuses on maintaining effective management and employee relationships. The division provides technical advice and assistance to departments regarding human resource policies and procedures, performance management and counseling, performance and discipline based actions, an alternative dispute resolution process, leave management and administration, and work life issues.
- Occupational Health and Occupational Safety - Conducts pre-placement and annual medical examinations for public safety and safety sensitive positions that screen for correctable risk factors, provides fitness for duty testing, substance abuse testing and manages the Return to Work Program. Occupational Safety coordinates DMV checks and supports city operations conducting ergonomic evaluations of work stations, indoor air quality testing, job hazard studies and safety compliance training.

Trends and Issues

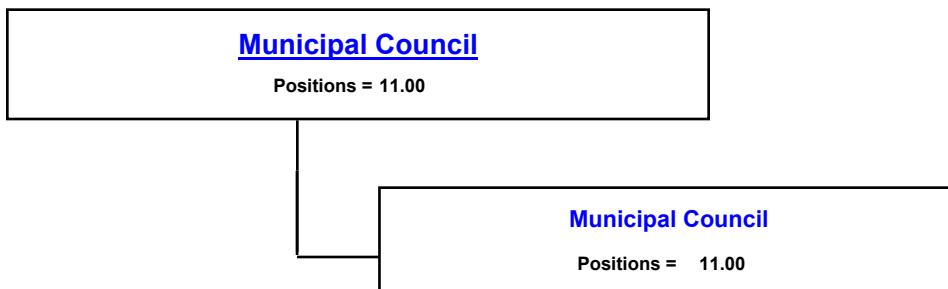
- As the graph illustrates, the per capita expenditure for Human Resources has steadily decreased for the seven-year period, from \$11.37 in 2008 to \$9.18 in 2014. There were 58.13 FTEs in 2008, and the 2014 Budget includes 47.00 FTEs, a loss of 11.13 positions.
- To meet the increasing workloads demands placed on department staff, Human Resources has restructured in recent years to best meet customer needs and departmental effectiveness. The restructuring is intended to more closely group related functions to allow enhanced collaboration and facilitate the exchange of information to improve responsiveness, and allow dedicated resources to be assigned to areas of greatest legal risk.
- The graph shows the ratio of city employees to Human Resources employees. Between FY 2008 to FY 2014, the ratio of city positions per Human Resource employee increased from 120.3 to 147.1, a 22.3% increase. As a result, the increased workload on Human Resource employees continues.
- On August 14, 2012 City Council adopted a resolution to reconstitute the Investigation Review Panel, which was originally formed in 1991 but had not met in several years. The panel is composed of five members and two alternates appointed by City Council. The purpose of this panel is to ensure that reports and conclusions of the Police Department's Internal Affairs Office investigations involving abuse of authority or other serious misconduct are complete, accurate, and factually supported. The Panel has the authority to review these findings and may make recommendations to the City Manager regarding Police Department policies and procedures.



Human Resources - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Director's Office	554,990	360,907	354,963	(5,944)
Employee Relations	372,579	585,229	537,939	(47,290)
Staffing and Compensation Services	1,059,320	1,219,478	1,125,529	(93,949)
Learning and Development	515,681	746,774	711,648	(35,126)
HR Police Services	91,554	97,379	101,380	4,001
Member Communications	98,762	110,016	122,263	12,247
Human Rights Commission	62,820	69,399	69,580	181
Occupational Safety	232,621	249,428	243,860	(5,568)
Occupational Health	771,765	846,723	865,805	19,082
Total Expenditures	<u>3,760,092</u>	<u>4,285,333</u>	<u>4,132,967</u>	<u>(152,366)</u>
<u>Revenues</u>				
Fees	19,569	21,617	21,617	0
Total Revenues	<u>19,569</u>	<u>21,617</u>	<u>21,617</u>	<u>0</u>
General City Support	<u>3,740,523</u>	<u>4,263,716</u>	<u>4,111,350</u>	<u>(152,366)</u>
Total Department Expenditure	3,760,092	4,285,333	4,132,967	(152,366)
Total Department Revenue	19,569	21,617	21,617	0
Total General City Support	<u>3,740,523</u>	<u>4,263,716</u>	<u>4,111,350</u>	<u>(152,366)</u>
<hr/>				
Position Summary by Program				
002 General Fund				
Director's Office	8.00	3.00	3.00	0.00
Employee Relations	5.00	7.00	7.00	0.00
Staffing and Compensation Services	15.00	16.00	16.00	0.00
Learning and Development	5.00	7.00	7.00	0.00
HR Police Services	1.00	1.00	1.00	0.00
Member Communications	1.00	1.00	1.00	0.00
Human Rights Commission	1.00	1.00	1.00	0.00
Occupational Safety	3.00	3.00	3.00	0.00
Occupational Health	8.00	8.00	8.00	0.00
Total	<u>47.00</u>	<u>47.00</u>	<u>47.00</u>	<u>0.00</u>
Total Position Summary	<u>47.00</u>	<u>47.00</u>	<u>47.00</u>	<u>0.00</u>

City of Virginia Beach
Fiscal Year 2014 Department Organizational Chart



Municipal Council - Departmental Performance Report

Municipal Council							
Objective/Performance Measure	Unit	Annual	Actual	Actual	Est.	Proj.	
		Target	2011	2012	2013	FY 2014	
Community							
Provide Legislative Actions							
Citizens Who Feel Safe in Their Neighborhoods	%	92.0	93.6	92.0	92.0	92.0	
Citizens Who Feel VA Beach is a Good Place to Live	%	97.2	97.4	97.2	97.2	97.2	
Residents Satisfied with City Services	%	91.0	91.4	91.0	91.0	91.0	

Municipal Council

Major Changes

The Municipal Council's proposed FY 2013-14 operating budget totals \$533,110, which is a decrease of \$12,008 or -2.2% compared with FY 2012-13 adjusted operating budget mainly due to the decrease in members taking health insurance, and decrease in operating costs for consultant services and professional improvement based on past spending needs.

Departmental Overview

The Municipal Council establishes city goals (both long-term and short-term) and policies, interprets and represents the community's needs, and promotes the economic, social, educational and physical quality of the city. They have established the following Destination Points to guide the city's business areas to achieve their vision of a "*Community for a Lifetime*":

- Economic Vitality - Diversified economy including a strong military presence, first class year-round resort for residents, businesses and tourists, business reinvestment, and technology-related businesses; new commercial enterprises; broad based revenue sources supporting quality and affordable city services; and above national average household income.
- Safe Community - Safe and secure citywide mobility; and quick, qualified, and caring emergency responses.
- Quality Physical Environment - Clean and safe water; effective transportation system; well-maintained streets; useable waterways; neighborhoods with attractive streetscapes; quality waste management; blight elimination; natural area protection; and open spaces.
- Cultural and Recreational Opportunities - Diverse activities for all generations; wholesome options as a substitute for unsavory activities; and provision of unique city recreational and cultural attractions and programs.
- Quality Education and Lifelong Learning - Education available to all; quality educational facilities; state educational standard attainment; and Pre-K preparation.
- Family and Youth Opportunities - Financially, physically, mentally, and emotionally strengthen families; youth retention; decreased need for courts and jails; and healthier births and babies.
- Quality Organization - Exemplary city leadership and advocacy; competitive, fair and responsive governmental costs; and citizen input solicitation and decision consideration.

Envision Virginia Beach 2040 -- "The future of Virginia Beach in our region": On January 11, 2011, the Mayor appointed a 13 member citizen visioning group to research and analyze current trends to determine the future of Virginia Beach in 2040. The committee presented this vision of year 2040 to City Council and issued its report May 15, 2012, which Council adopted as the vision for the City through 2040. The Envision Virginia Beach 2040 Committee Report includes the following six broad areas of focus that will drive the city's strategic planning, action plans, policies, marketing and decision-making:

- Connected Community: Virginia Beach is a well-planned community of exciting, diverse neighborhoods, each offering unique opportunities to live, work, play, and grow in a culturally rich and safe environment. Our neighborhoods and residents find interconnectivity through our award-winning multi-modal transportation system, the ubiquitous presence of broadband communication technologies, and most importantly by building a deep sense of community.
- Learning Community: We have a comprehensive approach to formal education and broader learning opportunities for citizens at all stages of life that supports their ability to learn, grow and prosper. We believe in and support an educational continuum that begins at birth and lasts a lifetime. Individuals, families, government, and businesses know and accept their roles preparing citizens to be successful throughout their life.
- Diverse Community: Our community-wide culture embraces and values all citizens and visitors with regard to ethnicity, national origin, gender, sexual orientation, age, socioeconomic standing, physical abilities, or religious

beliefs. We address the processes and norms that ensure engagement, collaboration, fairness, respect, understanding, and trust exists between all populations within the community.

- Unique Environment: We value and enhance our greatest natural assets, a broad array of coastal resources that includes beaches, waterways, farmlands and wetlands. We are a model community for clean air and water, and our commitment to environmental sustainability. Local foods, open space and parks contribute to the overall quality of life and healthy living.
- Active Lifestyle: Cultural and recreational opportunities enhance the regional economy and provide emotional and intellectual opportunities for expression, education and entertainment. Citizens of all ages, individually and as families, experience the natural resources, restaurants, museums, aquarium, recreation centers, and entertainment venues in the region to stimulate, strengthen, and revive the mind, body and spirit.
- Thriving Economy: We have a thriving regional economy that leverages our assets with high employment and dynamic business growth. We educate, attract, and retain a talented and diverse workforce and provide a broad base of employment with an emphasis on high paying jobs.

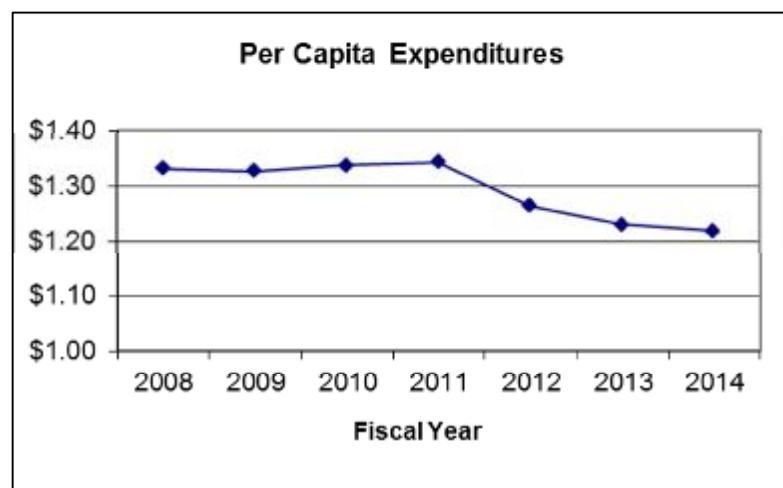
The report recommends various strategies and actions to move the community toward the vision including Council: developing a regional coalition to collaborate on issues, investing in early childhood education, focusing on multi-modal transportation, and establishing an ongoing Vision to Action Citizen Coalition to monitor and measure alignment of Council's planning and implementation of this Community Vision. Also, the vision outlined in this report will be implemented using a new plan drafted in 2012 by the Planning Department's Environment and Sustainability Office with community input entitled, "A Community Plan for Sustainable Future". This plan provides a roadmap of actions to achieve Vision 2040 outlined in 10 major areas of community interest (e.g. People, Places, Learning, Work, Connections, Air, Water, Energy, Land, and Neighbors), which are supported by twenty-six related goals and 105 objectives. The goals and objectives in the Sustainability Plan are directly linked with various agencies as well as other city plans including the City of Virginia Beach Three Year Plan 2012-14.

Through their goal setting and legislative actions, City Council provides support for both the Envision Virginia Beach 2040 and Sustainability Plans. For example, at their goal setting workshop in February 2013, the City Council set the top and high priorities for 2018, which all directly related to these Plans including:

<u>Top Priority</u>	<u>High Priority</u>
<ul style="list-style-type: none">• Energy Related Business Strategy• Military and Related Business Strategy• Strategic Growth Area – Centerville• Post 2018 Solid Waste Strategy• City Plan for Defense Cutbacks/Sequestration• Mobile App Strategy/Development• Light Rail Development• Dome Site Development• Homeless Strategy• Neighborhood Dredging	<ul style="list-style-type: none">• Town Center West Expansion• Town Center Phase V• Blackwater Fire Station• Disaster Recovery Plan• Regional Shared Services• High Speed Rail Advocacy• Greenwich Flyover- I 64/I264 Project Phase I• 19th Street Pedestrian Connection Development• Cavalier Hotel Preservation• East Shore Drive Stormwater Management• Stormwater Lakes Management Program/Green Run Canal I

Trends and Issues

- Per capita expenditures will decrease from \$1.22 in FY 2012-13 to \$1.18 in FY 2013-14. Sixty-four percent of the FY 2013-14 operating budget of the Municipal Council is comprised of personnel costs for 11.0 FTEs, with the remaining 36% covering operational costs.



Municipal Council - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Municipal Council	518,042	545,118	533,110	(12,008)
Total Expenditures	<u>518,042</u>	<u>545,118</u>	<u>533,110</u>	<u>(12,008)</u>
<u>Revenues</u>				
Fees	7,600	0	0	0
Total Revenues	<u>7,600</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	510,442	545,118	533,110	(12,008)
	<u>510,442</u>	<u>545,118</u>	<u>533,110</u>	<u>(12,008)</u>
Total Department Expenditure	518,042	545,118	533,110	(12,008)
Total Department Revenue	7,600	0	0	0
Total General City Support	<u>510,442</u>	<u>545,118</u>	<u>533,110</u>	<u>(12,008)</u>

Position Summary by Program

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

Non-Departmental - Departmental Performance Report

Non-Departmental							
Objective/Performance Measure	Unit	Annual Target	Actual 2011	Actual 2012	Est. 2013	Proj. FY 2014	
Financial							
Funding for Non-Profit Organizations							
Funding for Community Organization Grant Programs	\$	0	379,257	439,675	426,343	409,126	
Provide Real Estate Tax Relief for Elderly							
Number of Residents Receiving Tax Exemptions	#	0.0	7,798.0	7,978.0	8,303.0	8,150.0	
Internal Process							
Coordinate Leases for Buildings/Land							
Lease Space Managed - Buildings and Land (square feet)	#	0.0	1,379,282.0	1,342,179.0	1,343,273.0	1,343,273.0	

Non-Departmental

City Council Amendment

On May 14, 2013 City Council adopted the FY 2013-14 Operating Budget, which made the following changes to the Proposed Operating Budget:

1. Maintained the current income thresholds for the Real Estate Tax Relief for the Elderly and Disabled Program, resulting in a \$1.1 million increase to the program.
2. Modified various reserve accounts including the following, which are reflected in the amounts shown on the previous page:
 - Reduced the vertical compression reserve by \$350,000 due to a revised estimate.
 - Reduced the Sequestration Reserve by \$1,976,000 based on efforts by various federal agencies and the Congress to mitigate the impact of sequestration.
 - Reduced City funding for health care by \$800,000 (i.e., a \$600,000 reserve reduction and a negative \$200,000 reserve) to reflect savings in health care costs.

Major Changes

The Non-Departmental budget of for FY 2013-14 totals \$31,719,325, which is an increase of \$474,375, or 1.5% over the FY 2012-13 amount. Significant changes are highlighted below.

Change	Impact
Decrease in grants and contribution	The city's funding for Community Organization Grants decreased by 4.0% to about 91 cents per capita, while the contributions to Regional Organizations decreased by 1.4%.
Decrease in Real Estate Tax Exemption for the Elderly and Disabled Program	To ensure the sustainability of the Real Estate Tax Relief Program, there are proposed changes in the real estate tax relief thresholds, which are anticipated to reduce the number of people eligible for tax relief. The changes are anticipated to save the city approximately \$1.1 million. This reduction will be partially offset by an anticipated increase in the number of homeowners eligible for tax relief, due to the city's ageing population. Modest declines in property values will also reduce the amount of the tax. Combining these factors, the budgeted amount for real estate tax relief will be reduced by \$861,540, or 5.4% less than the previous year.
Increase in Line of Duty Payments	Benefits for state or local public safety officers or their beneficiaries because of death or disability were previously made entirely by the state; however, as of July 1, 2011, local governments are required to make contributions, in addition to state contributions, to the Line of Duty Act Fund. The city's contribution for FY 2013-14 is budgeted at \$1,000,000, a 60% increase over the previous year.
Establishment of the Virginia Beach Living River Trust	This \$100,000 trust is to provide appropriate compensatory mitigation for impacts to aquatic resources associated with watersheds within the city of Virginia Beach.
Increase in Vehicle Replacement	The budget for vehicle replacement was increased by \$920,600 to address backlogs in replacements and help reduce maintenance costs.

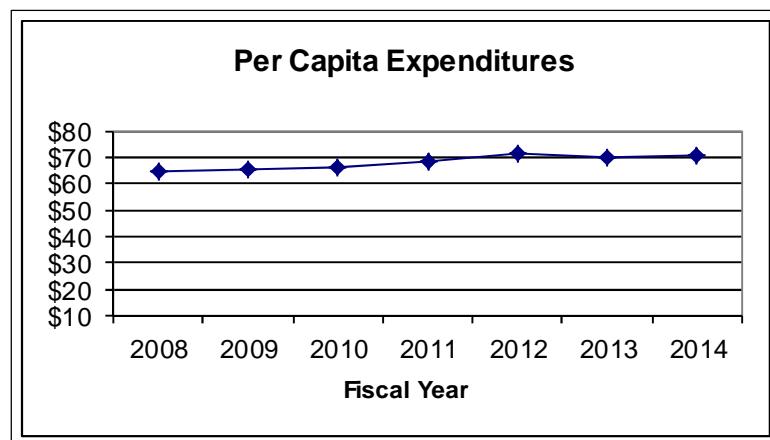
Departmental Overview

- Regional Participation and Community Organization Grants (COG) - Provides funding for non-profit organizations. Regional Participation provides funds to non-profit organizations, regional colleges, and governmental agencies that support City Council goals and compliment city services. Community Organization Grants provide an opportunity to encourage non-profit agencies to provide services that affect the welfare of residents of Virginia Beach by providing a system to award monetary grants to qualified non-profit organizations. City Council has appointed members to serve on the COG Review and Allocation Committee to review applications and make recommendations for all grant requests filed under the COG program. Financial and service delivery reports are required from those agencies receiving grant funding.
- Independent Financial Services - Provides funding for the city's annual external audit.

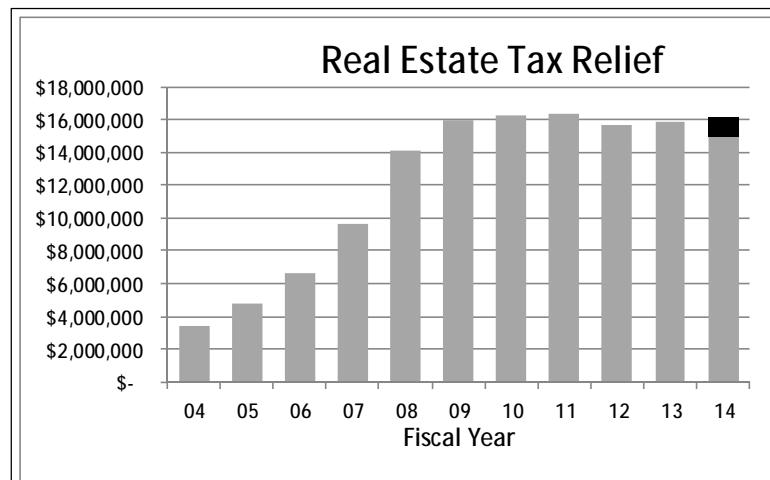
- Employee Special Benefits - Provides employee service awards, the Employee Assistance Program (EAP), the employer's share of health and dental insurance for eligible retirees as well as line of duty payments to local public safety officers or their beneficiaries.
- Benefits Administration - Provides the city's portion of funding for the staff and operations of the Consolidated City/School Employee Benefits Office, which oversees the administration of the health insurance contract and the Employee Wellness Program.
- Revenue Reimbursements - Provide real estate tax relief to certain private properties from which the city derives the primary benefit. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled and other persons who have financial limitations and meet the criteria of the program.
- Citywide Leases - Provides the necessary leases for office space, contracts for building security, provides facilities management of the Municipal Center buildings and rental space and parking.
- Vehicle Replacements - Provides funding for the city to replace vehicles.

Trends and Issues

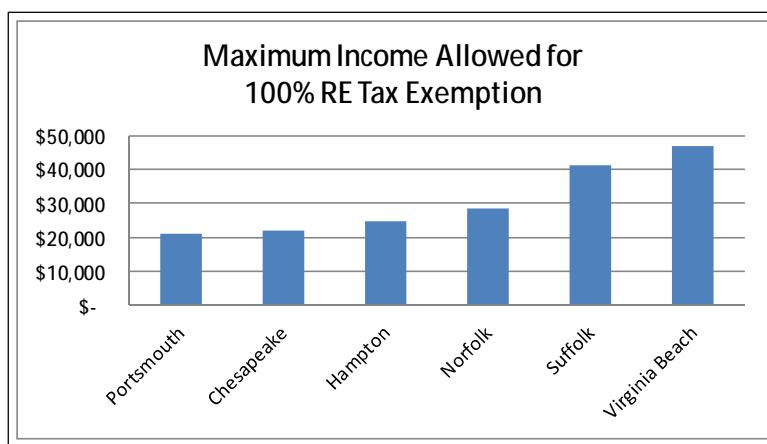
- The increases in Per Capita Expenditures in the early years is a result of increases in retiree health insurance, the real estate tax relief program, and compliance with accounting requirements as a result of GASB 54. The city's assumption of the Line of Duty pay imposed by the state reflects an increase in FY 2011-12. The reduction in FY 2012-13 is due to elimination of the Lynnhaven Mall Tax Increment Financing (TIF) Fund. Taxes previously applied to the Lynnhaven TIF are now returned to the General Fund. For FY 2013-14, the budget includes a \$375,000 increase in Line of Duty pay, a \$100,000 increase for the Living River Trust, a \$920,600 increase in Vehicle Replacement, and a net decrease of \$861,540 in real estate tax relief, resulting in a net increase in per capita expenditures.



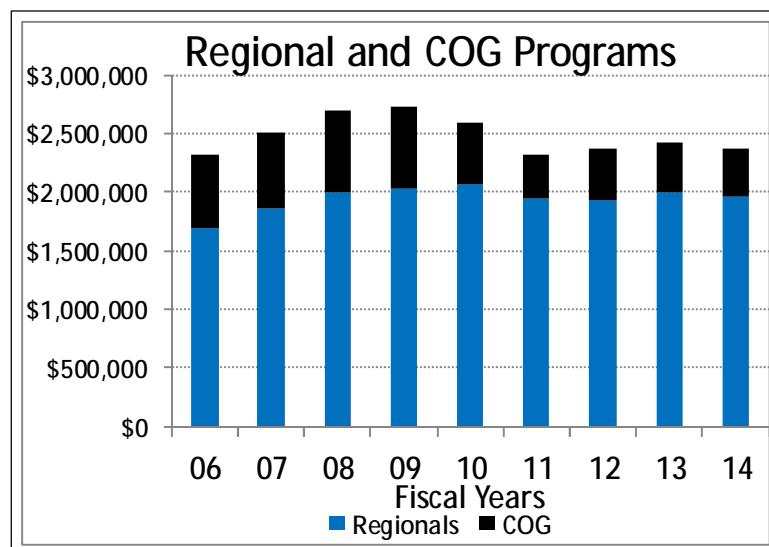
- The graph shows the amount budgeted for the Elderly Tax Relief Program and the Disabled Veterans Program. The Disabled Veterans Program is state-mandated and was initiated in FY 2011-12. The Elderly and Disabled Tax Relief Program offers three options to eligible senior citizens and disabled persons – tax relief, tax freeze, and tax deferral. The decreases in the latter years reflect the reduced property values, which resulted in reduced tax liability. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled who have certain financial limitations. The dark portion in the FY 2013-14 amount represents the additional \$1.1 million, which would be needed if there were no changes in the program.



- Presently, a residential home owner with a minimum age of 65 and income less than \$47,100 may qualify for 100% exemption from the city's real estate tax. As income levels increase, the exemption percentage decreases so that an income up to \$63,450 would receive a 20% exemption. With an ageing populace, the number of enrollees has increased resulting in a corresponding increase in cost. To allow sustainability of the program, there is a proposed change in the income level thresholds starting in FY 2013-14. With the proposed change, income less than \$42,100 (a \$5,000 reduction from the previous year) may qualify for 100% exemption, while income up to \$58,450 would receive a 20% exemption. Even with this change, Virginia Beach will still have the most generous real estate tax exemption program in the region. A comparison of the proposed change in Virginia Beach, with the current income level allowed for 100% real-estate tax exemption in neighboring cities is shown in the chart. (Note: No change is proposed in the deferral and freeze portion of this program.)



- The graph shows the combined funding for Regional Participation and Community Organization Grant (COG) Programs. The amount budgeted for Regional Participation is for those organizations intended to benefit the entire region. These organizations provide an economic benefit to Virginia Beach and surrounding localities.



- Regional organizations proposed to receive funding in FY 2013-14 are shown below.

Regional Organizations	FY 2013-14 Funding
Court Appointed Special Advocate	\$10,000
Eastern Virginia Medical School	433,033
Hampton Roads Chamber of Commerce	8,500
Hampton Roads Economic Development Alliance	412,059
Hampton Roads Military and Federal Facility Alliance	215,175
Hampton Roads Partnership	15,210
Hampton Roads Planning District Commission	344,310
HRPDC-Metro Medical Response System	88,249
Navy League	21,250
Southeast 4-H	6,036
Square One	53,798

Tidewater Builders' Association	50,000
Tidewater Community College	5,100
Virginia Arts Festival	250,000
Virginia Beach S.P.C.A.	30,000
Virginia Dare Soil Conservation	8,000
Virginia Offshore Wind Alliance	5,000
Virginians for High Speed Rail	10,000
Total	\$1,965,720

- The Community Organization Grant (COG) Program allocates funding to organizations that benefit Virginia Beach residents by providing food, shelter, medical care, training, and other service. The allocations are made by the Council-appointed COG Review and Allocation Committee, who will review the grant applications, interview qualified applicants, and recommend the allocation of funds. For FY 2013-14, a total of \$409,126 is budgeted for the COG program, which will be allocated subject to adoption of the Operating Budget. Listed below are the organizations that were approved COG funding in FY 2012-13.

Community Organization Grant Allocation	FY 2012-13 Funding
Beach Health Clinic	\$90,000
Chesapeake Health Investment Program	1,710
Children's Hospital of the King's Daughters	20,000
Endependence Center Inc.	30,000
Equi-Kids	10,000
Foodbank of Southeastern Virginia	47,812
Judeo-Christian Outreach Center	45,000
Mary Buckley Foundation	35,290
Samaritan House	15,000
Senior Services of Southeastern Virginia	43,250
Seton House	10,000
Together We Can Foundation	5,000
Virginia Beach Lifesaver, Inc.	32,960
Volunteers of America-Chesapeake	40,321
Total	\$426,343

- For information purposes, displayed in this section on the following page is a summary of the budgeted amounts of Reserve for Contingencies of the various Operating Budget Funds. These Reserve amounts are included in the resources, which fund the appropriate departments. The Budget Ordinance in Section 11 authorizes the City Manager to transfer from all Reserve for Contingencies, except Reserve for Contingencies-Regular, within the intent of the Reserve approved by City Council. (Note: Negative amounts pertain to changes in the overtime policy and will be allocated to the appropriate departments resulting in decreased overtime appropriations for those departments.)

**Reserve for Contingencies by Fund
For FY 2013-14**

Fund and Purpose	Amount
General Fund (002)	
Compensation	\$ 5,797,993
Compensation-Overtime Change	(300,000)
Compensation-Standby Pay	(651,815)
Regular	1,742,471
Compression	650,000
Sequestration	724,000
Health Insurance Reserve	(200,000)
Replacement of Totaled Vehicles	150,000
School Equipment Replacement Special Revenue Fund (107)	
Education Capital Outlay	453,782
Law Library Fund (130)	
Compensation	1,761
Waste Management Special Revenue Fund (144)	
Compensation	32,952
Regular	92,048
Parks and Recreation Special Revenue Fund (151)	
Compensation	146,123
Tourism Investment Program Fund (152)	
Compensation	10,657
Future Capital Projects	124,245
Agriculture Reserve Program Special Revenue Fund (161)	
Compensation	2,045
Regular	256,688
Tourism Advertising Program Special Revenue Fund (163)	
Compensation	11,331
Sandbridge Tax Increment Financing Fund (166)	
Future Capital Projects	6,893,992
Open Space Special Revenue Fund (172)	
Compensation	6,016
Grants Consolidated Fund (183)	
Miscellaneous Grants	100,000
Water and Sewer Fund (241)	
Compensation	467,150
Compensation-Overtime Change	(100,000)
Compensation-Standby Pay	(530,137)
Regular	1,275,039
Parking Enterprise Fund (253)	
Compensation	6,618
Parking Maintenance	277,454
Storm Water Utility Enterprise Fund (255)	
Compensation	151,913
Regular	220,000
Future Commitments	2,688,556
City Garage Internal Service Fund (606)	
Compensation	89,690
Risk Management Internal Service Fund (607)	
Compensation	9,520
Capital Projects Internal Service Fund (610)	
Compensation	2,330
School Landscaping Internal Service Fund (613)	
Compensation	41,852
Telecommunications Internal Service Fund (620)	
Compensation	16,341
Future Capital Projects	104,494
ComIT-Hardware	76,407
Subscriptions Internal Service Fund (621)	
Future Capital Projects	255,507
Total	<u>\$ 21,097,023</u>

Non-Departmental - Departmental Resource Summary

	FY 2012 Actual	FY 2013 Adjusted	FY 2014 Adopted	Variance from FY 2013
<u>Program Summary</u>				
002 General Fund				
<u>Expenditures</u>				
Community Organization Grants	439,675	426,343	409,126	(17,217)
Virginia Beach Living River Trust	0	0	100,000	100,000
Employee Special Benefits	4,623,704	5,266,655	5,716,592	449,937
Benefits Administration	662,283	662,283	635,538	(26,745)
Vehicle Replacements	3,936,228	5,111,914	6,032,514	920,600
Revenue Reimbursements	15,688,681	15,957,439	16,193,730	236,291
Regional Participation	1,956,480	1,993,213	1,965,720	(27,493)
Independent Financial Services	110,593	153,878	153,878	0
Leases	1,645,138	1,673,225	1,612,227	(60,998)
Total Expenditures	<u>29,062,782</u>	<u>31,244,950</u>	<u>32,819,325</u>	<u>1,574,375</u>
<u>Revenues</u>				
Fees	71,792	150,000	150,000	0
Total Revenues	<u>71,792</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
General City Support	<u>28,990,990</u>	<u>31,094,950</u>	<u>32,669,325</u>	<u>1,574,375</u>
165 Lynnhaven Mall Tax Increment Financing Fund				
<u>Expenditures</u>				
Lynnhaven Mall TIF Payment	2,571,663	0	0	0
Total Expenditures	<u>2,571,663</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Revenues</u>				
Local Taxes	1,560,403	0	0	0
Total Revenues	<u>1,560,403</u>	<u>0</u>	<u>0</u>	<u>0</u>
General City Support	<u>1,011,260</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	31,634,445	31,244,950	32,819,325	1,574,375
Total Department Revenue	1,632,195	150,000	150,000	0
Total General City Support	<u>30,002,250</u>	<u>31,094,950</u>	<u>32,669,325</u>	<u>1,574,375</u>

Resource Summary Notes

1. The increase in Employee Special Benefits is due to a 60% increase in Line of Duty Pay.
2. The increase in Vehicle Replacements is to address replacement backlog.
3. The decrease in Revenue Reimbursements is a result of savings in the Elderly Real Estate Tax Exemption Program.

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DEBT SERVICE

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Debt Service

City Council Amendment:

On May 14, 2013, City Council voted to reduce debt service by \$2,783,445, which was due to savings from refunding previous debt and lower interest rates associated with bond sales. This reduction affected debt for the General Fund, Schools, and Parks and Recreation. Because the reduced debt service affected many graphs and tables, the remaining section reflects the adopted debt service.

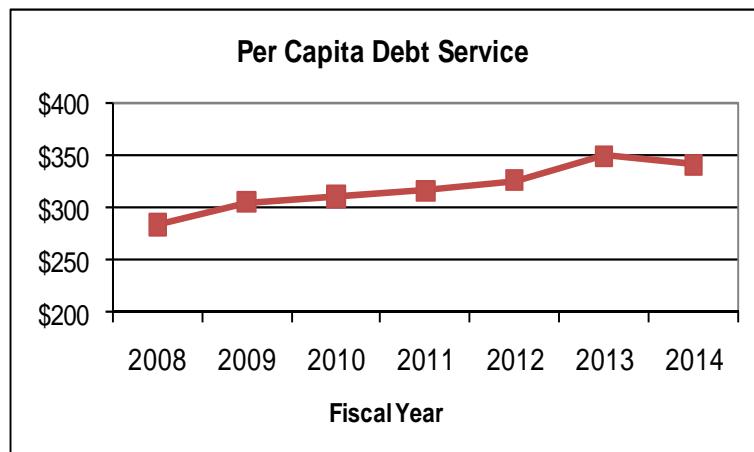
Major Changes

This section summarizes debt service in accordance with G.A.S.B 54, which specifies that the anticipated debt service expenditure is reflected in the fund in which it is incurred. The FY 2013-14 Debt Service budget totals \$153,342,327, which is 1.6% less than the previous year. The decrease is due to no issuance of General Obligation bonds for city projects scheduled for this fiscal year and savings from refinancing of previously issued debt. The debt service for the Parks and Recreation, Agriculture Reserve Program, Central Business District South TIF, and Water and Sewer Fund increased. Included in this budget are debt service payments for the following planned issuances of approximately \$21.5 million for Public Revenue Bonds. The city works with financial advisors to take advantage of favorable bond market conditions to refund bonds, resulting in cost savings. The city refunded general obligation bonds in April, resulting in \$3.9 million of savings over the remaining 14-year term of the bonds.

Departmental Overview

Debt Service - Debt service is issued for three major purposes: city; schools; and utilities (including water, sewer, and storm water). To guide future capital improvement program development and address long-term debt management issues, City Council uses debt indicators as well as the following guidelines listed below.

- Debt will be the last source of funding considered.
- The city will issue bonds for capital improvements with a cost in excess of \$250,000 or which cannot be financed from current revenues.
- When the city finances capital projects by issuing bonds, it will pay back the debt within a period not to exceed the expected useful life of the projects.
- Where possible, the city will develop, authorize and issue revenue, special fee or other self-supporting debt instruments instead of general obligation bonds.
- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.
- The city will maintain good communications regarding its financial conditions. It will regularly evaluate its adherence to its debt policies. The city will promote effective communications with bond rating agencies and others in the marketplace based on full disclosure.
- The graph illustrates the budgeted debt service cost per capita for all debt. The rise in costs starting from FY 2006-07 reflects debt service payments for major projects construction primarily the Convention Center. This per capita calculation is based on annual debt service costs; whereas, the debt per capita indicator on the previous and following pages reflects outstanding general government debt per capita.

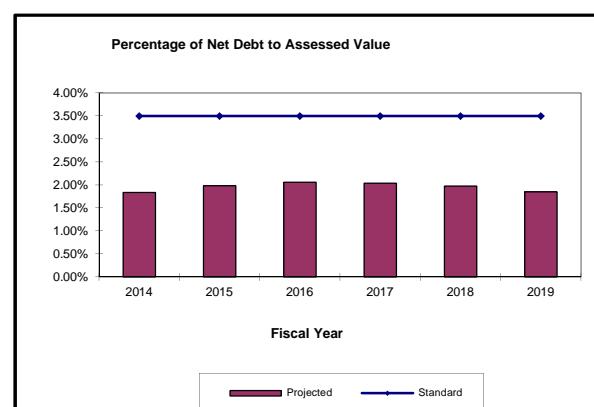
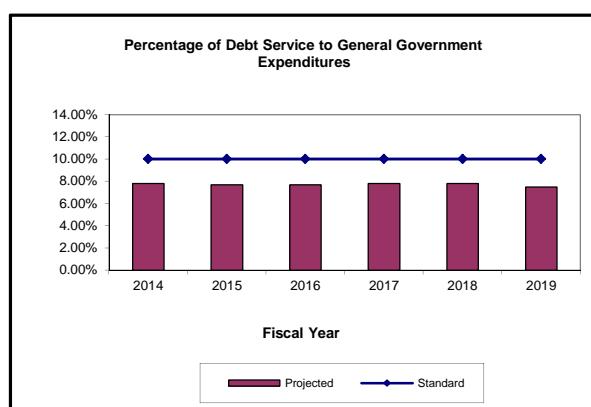


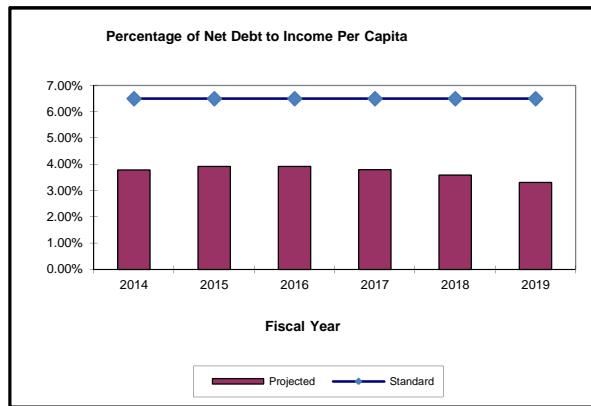
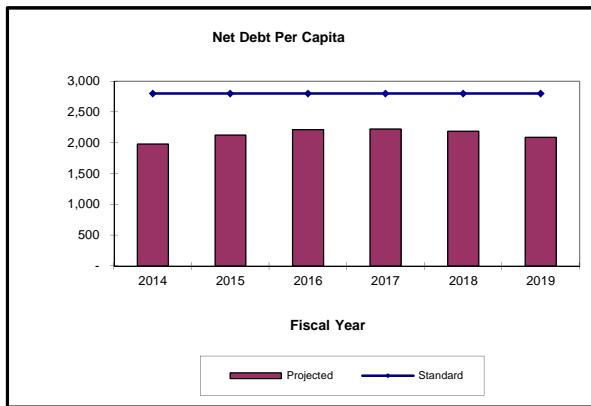
Trends and Issues

- As a reflection of its strong economic condition, Virginia Beach has been rated triple-A by all three major ratings agencies, Moody's, Standard & Poor's, and Fitch. This translates into reduced borrowing costs.
- The city has consistently taken advantage of the favorable interest rate environment to refund previously issued debt. Much of the city's bonds have already been refunded. The city will refund debt issued prior to the Spring of 2013. The bond market conditions will ultimately determine if refunding is feasible.
- Projected Debt - The total outstanding debt for the city is projected to be \$1.3 billion by June 30, 2014, as summarized in the table.

Projected Outstanding Debt As of June 30, 2014		
Purpose	Amount	Percent
Schools	\$ 325,645,685	24.56%
General Government	760,375,493	57.35%
Utilities	239,779,823	18.08%
Total	\$ 1,325,801,001	100.00%

- Legal Debt Limit - State statute imposes on cities a legal debt margin for general obligation debt a limit of 10% of the assessed value of real property. Revenue bonds, such as those for utilities, are not subject to the state limit. Historically, the city's outstanding debt has represented only a fraction of the legal debt limit. For FY 2013-14, the city's assessed value of real property is estimated at \$48.5 billion. By the end of the fiscal year, the city's projected debt amount will only be 2.1% of the total assessed value.
- Debt Indicators - The city uses four indicators to help in its debt management. Using data from the FY 2013-14 through FY 2018-19 Capital Improvement Program, projections of these indicators are shown on the charts. Additional information on the debt management policies of the city is found in the Financial Management section of the budget document.





- **Debt Service by Purpose** - The table illustrates the debt service by functional area. The utility amounts include water, sewer, and storm water debt. The general government amount includes all other city debt and the Agricultural Reserve Program debt.

Debt Service By Purpose			
Purpose	FY 2012-13	FY 2013-14	% Change
Schools	\$ 44,747,986	\$ 43,094,767	-3.7%
General Government	88,614,693	85,456,649	-3.6%
Utilities	22,410,320	24,790,911	10.6%
Total	<u>\$ 155,772,999</u>	<u>\$ 153,342,327</u>	<u>-1.6%</u>

- **Debt Service by Fund** - With the distribution of debt service among the various funds, the table lists the various funds, which have budgeted debt service. The reduction in General Fund debt is attributed to the fact that debt will not be issued in FY 2013-14 for city projects. The increase in debt for Parks & Recreation and Open Space reflect new debt for Williams Farm Recreation Center and Pleasure House Point. The increase in the Water and Sewer Enterprise debt service is a result of the \$65 million revenue bonds sale in June 2010.

Debt Service By Fund			
Fund Name	FY 2012-13	FY 2013-14	% Change
General	\$ 48,083,117	\$ 45,083,433	-6.2%
School Operating	44,747,986	43,094,767	-3.7%
Parks & Recreation	1,889,313	2,106,472	11.5%
Tourism Investment Program	26,252,872	25,041,384	-4.6%
Agricultural Reserve Program	3,643,024	3,838,198	5.4%
Central Business District South TIF	5,588,312	5,866,866	5.0%
Open Space	2,433,043	2,827,433	16.2%
Water and Sewer Enterprise	20,050,544	22,527,690	12.4%
Parking Enterprise	725,012	692,863	-4.4%
Storm Water Utility Enterprise	2,359,776	2,263,221	-4.1%
Total	<u>\$ 155,772,999</u>	<u>\$ 153,342,327</u>	<u>-1.6%</u>

General Obligation Debt

The following tables show the projected debt over the next six-year period.

The City of Virginia Beach issues General Obligation Bonds for construction of schools, roadways, buildings, and other capital needs of the city. Payment of the bonds are backed by the full faith and credit of the city and paid from property taxes and other general revenues. The amounts below represent the outstanding balance of the city's general obligation debt. The beginning balance of General Obligation Bonds at the start of FY 2013-14 is projected at \$644.8 million. As a result of principal retirements and the anticipated issuances of new debt, the balance is projected to be \$651.7 million at the end of six years. Funding of \$92.4 million of unallocated Charter Bond capacity is available in the six-year CIP. If the Charter Bond capacity is used, the outstanding debt reflected in this table would increase as well as the net debt per capita.

Projection of Outstanding Debt						
	Issue Amt.	FY 14	FY 15	FY 16	FY 17	FY 18
General Obligation Bonds						
Beginning General Obligation Debt		644,795,111	585,865,231	529,845,841	477,251,523	427,516,663
Less: Principal Retirement		58,929,880	56,019,390	52,594,318	49,734,860	46,648,194
Ending General Obligation Debt		<u>585,865,231</u>	<u>529,845,841</u>	<u>477,251,523</u>	<u>427,516,663</u>	<u>380,868,469</u>
Spring 2014 Issue	96,100,000		96,100,000	96,100,000	91,295,000	86,490,000
Less: Principal Retirement				4,805,000	4,805,000	4,805,000
Ending General Obligation Debt			<u>96,100,000</u>	<u>91,295,000</u>	<u>86,490,000</u>	<u>81,685,000</u>
Spring 2015 Issue	82,534,125			82,534,125	82,534,125	78,407,419
Less: Principal Retirement				4,126,706	4,126,706	4,126,706
Ending General Obligation Debt				<u>82,534,125</u>	<u>78,407,419</u>	<u>74,280,713</u>
Spring 2016 Issue	70,177,818				70,177,818	70,177,818
Less: Principal Retirement					3,508,891	3,508,891
Ending General Obligation Debt					<u>70,177,818</u>	<u>66,668,927</u>
Spring 2017 Issue	59,979,542				59,979,542	59,979,542
Less: Principal Retirement					2,998,977	2,998,977
Ending General Obligation Debt					<u>59,979,542</u>	<u>56,980,565</u>
Spring 2018 Issue	47,790,478					47,790,478
Less: Principal Retirement						47,790,478
Ending General Obligation Debt						<u>47,790,478</u>
Total-Outstanding Gen Obligation Debt		<u>585,865,231</u>	<u>625,945,841</u>	<u>651,080,648</u>	<u>662,591,900</u>	<u>663,482,651</u>
						<u>651,714,519</u>

Leases and Other Debt

Leases and Other Debt are comprised of long-term financing from Lease-Purchases, Certificates of Participation, and Public Facility Bonds. A Lease-Purchase is a contractual agreement whereby the city acquires equipment or real property through a lease from a vendor, leasing company, or another governmental entity. Certificates of Participation and Public Facility Bonds are subject to the annual appropriation of funds. The city's balance for Leases and Other Debt totals \$306.4 million at the start of FY 2013-14. At the end of the six-year period, the projected balance is \$317.4 million. This debt is included in the net debt per capita calculation.

Projection of Outstanding Debt						
	Issue Amt.	FY 14	FY 15	FY 16	FY 17	FY 18
Leases and Other Debt						
Beginning Outstanding Debt		306,407,500	283,450,000	259,840,000	238,005,000	215,140,000
Less: Principal Retirement		22,957,500	23,610,000	21,835,000	22,865,000	24,035,000
Ending Outstanding Debt		<u>283,450,000</u>	<u>259,840,000</u>	<u>238,005,000</u>	<u>215,140,000</u>	<u>191,105,000</u>
FY 2013 Issue	21,500,000	21,500,000	21,500,000	20,425,000	19,350,000	18,275,000
Less: Principal Retirement				1,075,000	1,075,000	1,075,000
Ending General Obligation Debt		<u>21,500,000</u>	<u>20,425,000</u>	<u>19,350,000</u>	<u>18,275,000</u>	<u>17,200,000</u>
FY 2014 Issue	55,000,000		55,000,000	55,000,000	52,250,000	49,500,000
Less: Principal Retirement				2,750,000	2,750,000	2,750,000
Ending General Obligation Debt		<u>-</u>	<u>55,000,000</u>	<u>52,250,000</u>	<u>49,500,000</u>	<u>46,750,000</u>
FY 2015 Issue	46,102,101			46,102,101	46,102,101	43,796,996
Less: Principal Retirement				2,305,105	2,305,105	2,305,105
Ending General Obligation Debt		<u>-</u>	<u>-</u>	<u>46,102,101</u>	<u>43,796,996</u>	<u>41,491,891</u>
FY 2016 Issue	30,084,784			30,084,784	30,084,784	28,580,545
Less: Principal Retirement				1,504,239	1,504,239	1,504,239
Ending General Obligation Debt		<u>-</u>	<u>-</u>	<u>30,084,784</u>	<u>28,580,545</u>	<u>27,076,306</u>
FY 2017 Issue	18,721,301				18,721,301	18,721,301
Less: Principal Retirement					936,065	
Ending General Obligation Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>18,721,301</u>	<u>17,785,236</u>
FY 2018 Issue	6,729,657					6,729,657
Less: Principal Retirement						
Ending General Obligation Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,729,657</u>	
Total-Outstanding Leases & Other Debt	304,950,000	335,265,000	355,707,101	356,796,780	343,848,737	317,447,984

Agricultural Reserve Program Debt

The Agricultural Reserve Program (ARP) provides funding for the city to buy development rights from rural landowners. The goal of the program is to preserve and protect approximately 20,000 acres of farm and forested lands in the southern part of the city. The city has purchased zero-coupon U.S. Treasury Securities to fund the cost of development rights. For giving up their rights to development of their land, property owners will receive interest payments for 25 years, and at the end of the 25-year period, they will receive a lump sum payment, but they forego their right for development permanently. Additional information on ARP is in the operating budget section for the Agriculture department. The city's obligation for ARP is \$39.0 million at the start of FY 2013-14. At the end of six years, with the anticipated purchase of additional development rights, the balance is projected at \$51.0 million. Because ARP debt is regarded as self-supporting (analogous to enterprise debt), this debt is not included in the net debt per capita calculation.

Projection of Outstanding Debt						
	Issue Amt.	FY 13	FY 14	FY 15	FY 16	FY 17
Agricultural Reserve Program						
Beginning Outstanding Debt		38,984,496	38,984,496	38,984,496	38,984,496	38,984,496
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>38,984,496</u>	<u>38,984,496</u>	<u>38,984,496</u>	<u>38,984,496</u>	<u>38,984,496</u>
FY 13 Installment Purchase	1,509,629	1,509,629	1,509,629	1,509,629	1,509,629	1,509,629
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>1,509,629</u>	<u>1,509,629</u>	<u>1,509,629</u>	<u>1,509,629</u>	<u>1,509,629</u>
FY 14 Installment Purchase	1,686,822		1,686,822	1,686,822	1,686,822	1,686,822
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>1,686,822</u>	<u>1,686,822</u>	<u>1,686,822</u>	<u>1,686,822</u>
FY 15 Installment Purchase	1,881,427			1,881,427	1,881,427	1,881,427
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>1,881,427</u>	<u>1,881,427</u>	<u>1,881,427</u>
FY 16 Installment Purchase	2,096,154				2,096,154	2,096,154
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,096,154</u>	<u>2,096,154</u>
FY 17 Installment Purchase	2,319,470					2,319,470
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,319,470</u>
FY 18 Installment Purchase	2,551,719					2,551,719
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,551,719</u>
FY 19 Installment Purchase	2,793,257					-
Less: Principal Retirement		-	-	-	-	-
Ending Outstanding Debt		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total-Outstanding ARP Debt		40,494,125	42,180,947	44,062,374	46,158,528	48,477,998
						51,029,717

Enterprise Funds Debt

The City has two major Enterprise funds, the Water and Sewer Enterprise Fund, and the Storm Water Enterprise Fund. Revenue bonds are issued for the expansion and maintenance of water lines, sewer lines, and the storm water system. These bonds are paid from the revenues collected from customers. The Water and Sewer debt is \$172.2 million at the start of FY 2013-14. With issuances of \$27 million of revenue bonds annually, the balance is projected at \$276.3 million at six years. The balance for Storm Water Utility revenue bonds is \$26.4 million at the start of FY 2013-14. With planned issuances within the six-year period, the balance is projected at \$106.9 million after six years. Because this is revenue-supported debt, it is not included in the net debt per capita calculation.

Projection of Outstanding Debt						
	Issue Amt.	FY 14	FY 15	FY 16	FY 17	FY 18
Water & Sewer Utility Debt						
Beginning Water & Sewer Revenue Bond Debt		172,210,894	164,959,823	157,163,647	149,070,516	140,728,711
Less: Principal Retirement		7,251,071	7,796,176	8,093,130	8,341,806	8,702,707
Ending Outstanding Debt		<u>164,959,823</u>	<u>157,163,647</u>	<u>149,070,516</u>	<u>140,728,711</u>	<u>132,026,004</u>
FY 2013 Issue	27,000,000	27,000,000	26,351,677	25,677,421	24,976,195	24,246,920
Less: Principal Retirement		648,323	674,256	701,226	729,275	758,446
Ending Outstanding Debt		<u>27,000,000</u>	<u>26,351,677</u>	<u>25,677,421</u>	<u>24,976,195</u>	<u>24,246,920</u>
FY 2014 Issue	27,000,000		27,000,000	27,000,000	26,405,998	25,782,296
Less: Principal Retirement			594,002	623,702	654,887	687,632
Ending Outstanding Debt			<u>-</u>	<u>27,000,000</u>	<u>26,405,998</u>	<u>25,782,296</u>
FY 2015 Issue	27,000,000		27,000,000	27,000,000	26,405,998	25,782,296
Less: Principal Retirement			594,002	623,702	654,887	687,632
Ending Outstanding Debt			<u>-</u>	<u>27,000,000</u>	<u>26,405,998</u>	<u>25,782,296</u>
FY 2016 Issue	27,000,000			27,000,000	27,000,000	26,405,998
Less: Principal Retirement				594,002	623,702	654,887
Ending Outstanding Debt			<u>-</u>	<u>27,000,000</u>	<u>26,405,998</u>	<u>25,782,296</u>
FY 2017 Issue	27,000,000				27,000,000	27,000,000
Less: Principal Retirement					594,002	594,002
Ending Outstanding Debt			<u>-</u>	<u>-</u>	<u>27,000,000</u>	<u>26,405,998</u>
FY 2018 Issue	27,000,000					27,000,000
Less: Principal Retirement						27,000,000
Ending Outstanding Debt			<u>-</u>	<u>-</u>	<u>-</u>	<u>27,000,000</u>
Total Outstanding W&S Debt		<u>191,959,823</u>	<u>210,515,324</u>	<u>228,153,935</u>	<u>244,893,199</u>	<u>260,588,625</u>
 Storm Water Utility Debt						
Beginning Storm Water Bond Debt		26,410,000	25,420,000	24,410,000	23,380,000	22,325,000
Less: Principal Retirement		990,000	1,010,000	1,030,000	1,055,000	1,075,000
Ending Outstanding Debt		<u>25,420,000</u>	<u>24,410,000</u>	<u>23,380,000</u>	<u>22,325,000</u>	<u>21,250,000</u>
FY 2014 Issue	22,400,000		22,400,000	22,400,000	21,862,132	21,302,749
Less: Principal Retirement			537,868	559,383	581,758	605,028
Ending Outstanding Debt			<u>-</u>	<u>22,400,000</u>	<u>21,862,132</u>	<u>21,302,749</u>
FY 2015 Issue	12,500,000		-	12,500,000	12,500,000	12,238,094
Less: Principal Retirement			-	-	261,906	275,001
Ending Outstanding Debt			<u>-</u>	<u>12,500,000</u>	<u>12,238,094</u>	<u>11,963,093</u>
FY 2016 Issue	21,000,000		-	-	21,000,000	21,000,000
Less: Principal Retirement			-	-	440,002	462,002
Ending Outstanding Debt			<u>-</u>	<u>-</u>	<u>21,000,000</u>	<u>20,559,998</u>
FY 2017 Issue	6,000,000		-	-	-	6,000,000
Less: Principal Retirement			-	-	-	125,715
Ending Outstanding Debt			<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>
FY 2018 Issue	29,000,000		-	-	-	29,000,000
Less: Principal Retirement			-	-	-	-
Ending Outstanding Debt			<u>-</u>	<u>-</u>	<u>-</u>	<u>29,000,000</u>
Total Outstanding SWU Utility Debt		<u>25,420,000</u>	<u>46,810,000</u>	<u>57,742,132</u>	<u>76,865,844</u>	<u>80,494,083</u>
						106,917,587

The City Charter allows Virginia Beach to increase its long term general obligation by \$10 million each year. As part of its Capital Improvement Program, City Council is presented with an ordinance to authorize the issuance of General Obligation Bonds equal to the amount of principal retired in a calendar year plus the additional \$10 million as allowed by charter. These general obligation bonds are also known as charter bonds. The table shows the projected amounts of charter bond authorizations over a six year period. The amount for calendar year 2013 is used for FY 2013-14 bond authorization. The calendar year 2014 is used for FY 2014-15 and so forth.

City of Virginia Beach, Virginia Fiscal Years 2013-14 through 2018-19 Capital Improvement Program Computation of Bonding Limits							
CALENDAR YEAR RETIREMENT	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	TOTAL
Additional Annual Bonding Limits	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	60,000,000
Add:							
Prior Bond Issues as of (June 30, 2012)							
Calendar Year Principal Retirement	58,127,238	54,833,608	54,293,534	52,869,074	48,362,406	51,358,245	319,844,105
<u>New Bond Issues</u>	<u>Amount</u>						
2012 Bonds (Spring 2013)	25,000,000	0	1,250,000	1,250,000	1,250,000	1,250,000	6,250,000
2013 Bonds (Spring 2014)	96,100,000	0	4,805,000	4,805,000	4,805,000	4,805,000	24,025,000
2014 Bonds (Spring 2015)	82,534,125	0	0	0	4,126,706	4,126,706	12,380,119
2015 Bonds (Spring 2016)	70,177,818	0	0	0	0	3,508,891	3,508,891
2016 Bonds (Spring 2017)	59,979,542	0	0	0	0	0	2,998,977
2017 Bonds (Spring 2018)	47,790,478	0	0	0	0	0	0
2018 Bonds (Spring 2019)	40,895,936	0	0	0	0	0	0
Total Estimated Principal Retirement	58,127,238	60,888,608	60,348,534	63,050,780	62,053,003	68,047,819	372,515,983
Total Bonding Limits	68,127,238	70,888,608	70,348,534	73,050,780	72,053,003	78,047,819	432,515,983
Total Bonding Limits - Rounded	68,120,000	70,880,000	70,340,000	73,050,000	72,050,000	78,040,000	432,480,000
Charter Bonds Allocated	73,791,959	70,265,635	70,090,000	49,869,084	45,711,872	36,080,000	345,808,550
Total Annual Unallocated Bond Authority	(5,671,959)	614,365	250,000	23,180,916	26,338,128	41,960,000	86,671,450
Prior Year Unallocated Bond Authority	5,713,073	0	0	0	0	0	5,713,073
Cumulative Unallocated Bond Authority	41,114	655,479	905,479	24,086,395	50,424,523	92,384,523	

Note: Retirement of bonded debt assumes the issuance of bonds with 20 year, level principal retirement with principal payments beginning one year from the date of issue (note for the FY 2012-13 bond sale, a principal payment will be made in FY 2013-14). Annual bond limits are calculated on a calendar year-basis. The fiscal year identified in the heading represents the period in which they are traditionally appropriated. The Charter Bond capacity in the out-years is retained for future City Council policy decisions.

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Note Regarding License Requirement Fees: This ordinance is included to accurately reflect the current implementation of the local vehicle license. The denoted fee amounts in this section of the City Code include \$1.00 that was temporarily placed on license fees as part of the Jamestown/First Landing 400th anniversary. The additional \$1.00 expired September 30, 2007. The Commissioner of the Revenue has correctly calculated the rates after September 30, 2007, as not including the extra \$1.00. This ordinance changes the denoted rates to reflect the expiration of the 400th anniversary increase.

AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014 IN THE SUM OF \$ 1,780,373,064 FOR OPERATIONS

WHEREAS, the City Manager has heretofore submitted an Annual Budget for the City for the fiscal year beginning July 1, 2013, and ending June 30, 2014, and it is necessary to appropriate sufficient funds to cover said budget;

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

Sec. 1. That the amounts named aggregating \$2,457,590,592 consisting of \$489,927,169 in inter-fund transfers, \$187,290,359 for internal service funds, and \$1,780,373,064 for operations, are hereby appropriated subject to the conditions hereinafter set forth for the use of departments, and designated funds of the City government, and for the purposes hereinafter mentioned, as set forth in the Annual Operating Budget, which is hereby incorporated by reference, for the fiscal year beginning July 1, 2013, and ending June 30, 2014, a summary of which is attached to this ordinance as "Attachment A – Appropriations."

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

Sec. 3. With the exception of the funds under the control of the School Board, specifically the funds numbered 106, 107, 108, 109, 112, 114, 115, 116, 117, 119, 614, and 615 (hereinafter referred to as "School Board Funds"), the total number of full-time permanent positions shall be the maximum number of positions authorized for the various departments of the City during the fiscal year, except for changes or additions authorized by the Council or as hereinafter provided. The City Manager may from time to time increase or decrease the number of part-time or temporary positions provided the aggregate amount expended for such services shall not exceed the respective appropriations made therefore. The City Manager is further authorized to make such rearrangements of positions within and between the departments as may best meet the needs and interests of the City, including changes necessary to implement the employee transition program.

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

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

Sec. 6. All balances of the appropriations payable out of each fund of the City Treasury at the close of business for the fiscal year ending on June 30, 2014, unless otherwise provided for, are hereby declared to be lapsed into the fund balance of the respective funds, except all appropriations to School Board Funds derived from local public sources which shall lapse and revert to the General Fund Balance, and may be used for the payment of the appropriations that may be made in the appropriation ordinance for the fiscal year beginning July 1, 2014. Prior to the expenditure of any sums that have lapsed to the fund balance of any fund, an appropriation by the City Council shall be required.

Sec. 7. That the City's debt management policies for the Water and Sewer Enterprise Fund shall serve as a basis for developing financial strategies for the water and sanitary sewer system based on the following guidelines: (a) for the Water and Sewer Fund, the goal of retaining working capital equal to 80% to 100% of one year's operating expense shall be pursued; (b) for the Water and Sewer Fund, the goal shall be for debt service coverage on its water and sewer revenue bonds at not less than 1.50 times and, on a combined basis, including water and sewer general obligation bonds, at no less

52 than 1.20 times and (c) for the Water and Sewer Fund, contributions from non-borrowed funds, on a five-year rolling
53 average basis, will be sought for approximately 25% of the annual capital program for the water and sewer system.

54
55 **Sec. 8.** All balances of appropriations in each fund which support authorized obligations or are encumbered at the close
56 of the business for the fiscal year ending on June 30, 2014, are hereby declared to be re-appropriated into the fiscal year
57 beginning July 1, 2014, and estimated revenues adjusted accordingly.
58

59 **Sec. 9.** All balances of appropriations attributable to grants or other similar funding mechanism from state or federal
60 sources and trust or gift funds, whose period of expenditure extends beyond the fiscal year ending on June 30, 2013, are
61 hereby declared to be re-appropriated into the fiscal year beginning July 1, 2013, and estimated revenues adjusted
62 accordingly. The close-out of any grant or similar funding mechanism shall account for all expenditures in such grant, and
63 provided there is any remaining balance in the grant, the portion of the balance attributable to local sources shall revert to
64 the General Fund, special revenue fund, or enterprise fund that provided the local contribution.
65

66 **Sec.10.** No department or agency for which appropriations are made under the provisions of this ordinance shall exceed
67 the amount of such appropriations except with the consent and approval of the City Council first being obtained. It is
68 expressly provided that the restrictions with respect to the expenditure of the funds appropriated shall apply only to the
69 totals for each Appropriation Unit included in this ordinance and does not apply to Inter-fund Transfers.
70

71 **Sec.11.** The City Manager or the Director of Management Services is hereby authorized to approve transfers of
72 appropriations in an amount up to \$100,000 between any Appropriation Units included in this ordinance. The City
73 Manager shall make a monthly report to the City Council of all transfers between \$25,000 and \$100,000. In addition, the
74 City Manager may transfer, in amounts necessary, appropriations from all Reserves for Contingencies except Reserve for
75 Contingencies – Regular, within the intent of the Reserve as approved by City Council.
76

77 **Sec. 12.** The City Manager or the Director of Management Services is hereby authorized to establish and administer
78 budgeting within Appropriation Units consistent with best management practices, reporting requirements, and the
79 programs and services adopted by the City Council. The City Manager or the Director of Management Services is further
80 authorized to establish administrative directives to provide additional management oversight and control to ensure the
81 integrity of the City's budget.
82

83 **Sec. 13.** The City Manager or the Director of Management Services is hereby authorized to change the Estimated Revenues
84 included in this ordinance to reflect expected collections. If the Estimated Revenue in support of an Operating
85 Appropriation Unit declines, the City Manager or the Director of Management Services is hereby authorized to reduce,
86 subject to any other provision of law, those appropriations to equal the decline in Estimated Revenue. The City Manager
87 shall give prior notice to the City Council of any reduction to total appropriations exceeding \$100,000. The notice to City
88 Council shall identify the basis and amount of the appropriation reduction and the Appropriation Units affected. The
89 accounting records of the City will be maintained in a manner that the total of Estimated Revenue is equal to the total of
90 the Appropriation Units for each of the City's funds. The City Manager or the Director of Management Services is hereby
91 authorized to transfer any excess appropriations to the Reserve for Contingencies after all anticipated expenditures for
92 which those funds were appropriated have been incurred. Nothing in this section shall be construed as authorizing any
93 reduction to be made in the amount appropriated in this ordinance for the payment of interest or principal on the bonded
94 debt of the City Government.
95

96 **Sec. 14.** Allowances made from the appropriations made in this ordinance by any or all of the City departments, bureaus,
97 or agencies, to any of their officers and employees for expenses on account of the use by such officers and employees of
98 their personal automobiles in the discharge of their official duties shall not exceed forty two cents (\$0.42) per mile of
99 actual travel for the first 15,000 miles and fifteen cents (\$0.15) per mile for additional miles of such use within the fiscal
100 year.
101

102 **Sec. 15.** In the event of an emergency and under emergency circumstances wherein the City Council cannot reasonably
103 hold a meeting, the City Manager is authorized to transfer and expend appropriated sums from any budget account to
104 ensure that the emergency is handled as efficiently and expeditiously as possible. Immediately following the expenditure

105 of funds under this provision, and as soon as the City Council can reasonably meet under the existing circumstances, the
106 City Manager shall notify the City Council of the reason for such action, how funds were expended, and present to the City
107 Council for adoption an emergency appropriations ordinance that sets forth what measures are required to ensure that
108 funds are forthwith restored to the appropriate accounts and that the budget is balanced at the end of the fiscal year in
109 which the emergency expenditures occurred.

110
111 An emergency is defined for the purposes of this provision as an event that could not have been reasonably
112 foreseen at the time of the adoption of the budget, and in which (i) an immediate threat to the public health, safety or
113 welfare is involved, such as clean-up after a hurricane, and/or (ii) immediate action is required to protect or preserve public
114 properties.

115
116 **Sec. 16.** All travel expense accounts shall be submitted on forms approved by the Director of Finance and according to
117 regulations approved by the City Council. Each account shall show the dates expenses were incurred or paid; number of
118 miles traveled; method of travel; hotel expenses; meals; and incidental expenses. The Director of Finance is specifically
119 directed to withhold the issuance of checks in the event expense accounts are submitted for "lump-sum" amounts.

120
121 **Sec. 17.** The City Manager is hereby authorized to allocate funding, within the aggregate amounts approved by City Council
122 for total compensation, to implement the General Assembly mandated changes to the Virginia Retirement System ("VRS")
123 that require all full-time City employees hired before July 1, 2010 to pay one five percent (1%) (5%) of their salaries to the
124 VRS to be offset by a pay increase of one five percent (1%) (5%) by July 1, 2016. The City Council has chosen to phase this
125 in with 1% increments with 1% provided for fiscal year 2014. While not mandated by the General Assembly, a 1% increase
126 is provided for all full time City employees hired after July 1, 2010.

127
128 **Sec. 18.** A salary increase of .34% on July 1, 2013 for full-time employees and 1.66% on October 1, 2013 is hereby provided
129 for part-time and full time employees.

130
131 ~~**Sec. 18.** That the City Manager or his designee is hereby authorized to implement the organizational and financial
132 adjustments necessary to eliminate the Print Shop Internal Service Fund. Any funds provided to the Print Shop Internal
133 Service Fund that are unobligated and unencumbered at the close of business on June 30, 2012, shall lapse and such lapsed
134 funds shall be transferred to the fund balance of the General Fund.~~

135
136 ~~**Sec. 19.** That the City Manager or his designee is hereby authorized to implement the organizational and financial
137 adjustments necessary to functions of the Office of the Real Estate Assessor and the Commissioner of the Revenue in the
138 following manner:~~

- 139
140 a. ~~The Commissioner of the Revenue will be the City Manager's designee for the processing of applications
141 for the Real Estate Tax Relief for the Elderly and Disabled Persons Program and the recently enacted tax
142 exemption for service disabled veterans;~~
143 b. ~~Two FTEs are transferred from the Office of the Real Estate Assessor to the Commissioner of the Revenue
144 to execute the above subsection;~~
145 c. ~~The duties for the processing of the land book are transferred from the Commissioner of the Revenue to
146 the Office of the Real Estate Assessor;~~
147 d. ~~Funding in the amount of \$178,500 is provided for the delivery of the services in the above subsections.~~

148
149 **Sec. 2019.** Violation of this ordinance may result in disciplinary action by the City Manager against the person or persons
150 responsible for the management of the Appropriation Unit in which the violation occurred.

151
152 **Sec. 2120.** This ordinance shall be effective on July 1, 2013.

153
154 **Sec. 2221.** If any part of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not
155 affect the validity of the remaining parts of this ordinance.

156
157 Adopted by the Council of the City of Virginia Beach, Virginia, on this the 14th day of May, 2013.

158

159

Requires an affirmative vote by a majority of all the members of City Council.

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment A - Appropriations

**FY 2013-14
Adopted**

002 General Fund

Agriculture	784,013
Benefits Administration	635,538
Board of Equalization	9,583
Budget and Management Services	1,520,668
Circuit Court	1,085,522
City Attorney	3,995,079
City Auditor	654,945
City Clerk	564,215
City Manager	2,762,829
City Real Estate Assessor	3,183,950
City Treasurer	5,110,433
Clerk of the Circuit Court	3,058,205
Commissioner of the Revenue	4,042,415
Commonwealth's Attorney	7,692,485
Communications and Information Technology	23,457,648
Community Organization Grants	409,126
Convention and Visitor Bureau	8,891,354
Cultural Affairs	2,267,523
Debt Service	45,083,433
Economic Development	2,771,193
Emergency Communications and Citizen Services	10,525,863
Emergency Medical Services	8,550,938
Employee Special Benefits	5,716,592
Finance	5,053,202
Fire	45,854,388
General District Court	354,118
General Registrar	1,343,936
Health	3,126,439
Housing and Neighborhood Preservation	1,762,100
Human Resources	4,132,967
Human Services	106,720,949
Independent Financial Services	153,878
Juvenile and Domestic Relations District Court	134,689
Juvenile Probation	1,444,869
Leases	1,612,227
Library	17,571,418
Magistrates	95,514
Municipal Council	533,110
Museums	11,452,874
Parks and Recreation	13,023,439
Planning	9,710,010
Police	93,151,147
Public Works	64,637,700
Regional Participation	2,065,720
Reserve for Contingencies	7,912,649
Revenue Reimbursements	16,193,730
Strategic Growth Area	6,387,382
Transfer to Other Funds	421,786,714
Vehicle Replacements	6,032,514

Fund 002 Appropriation Totals 985,021,233

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment A - Appropriations

**FY 2013-14
Adopted**

098 School Reserve Special Revenue Fund

Transfer to Other Funds	14,000,000
	Fund 098 Appropriation Totals

107 School Equipment Replacement Special Revenue Fund

Reserve for Contingencies	453,782
	Fund 107 Appropriation Totals

109 School Vending Operations Fund

Athletic	363,047
	Fund 109 Appropriation Totals

112 School Communication Tower Technology Fund

Instructional Technology	600,000
	Fund 112 Appropriation Totals

114 School Cafeteria Fund

Cafeteria	28,600,954
	Fund 114 Appropriation Totals

115 School Operating Fund

Administration, Attendance, and Health	21,615,583
Debt Service	43,094,767
Instruction	518,411,377
Operations and Maintenance	86,963,647
Pupil Transportation	30,893,091
Technology	26,975,580
	Fund 115 Appropriation Totals

116 School Grants Fund

Grants	67,040,031
	Fund 116 Appropriation Totals

117 School Textbook Fund

Textbook	9,556,428
	Fund 117 Appropriation Totals

119 School Athletic Special Revenue Fund

Athletic	4,910,642
	Fund 119 Appropriation Totals

130 Law Library Fund

Library	233,437
Reserve for Contingencies	1,761
Transfer to Other Funds	57,252
	Fund 130 Appropriation Totals

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment A - Appropriations

**FY 2013-14
Adopted**

142 DEA Seized Property Special Revenue Fund

Commonwealth's Attorney	200,000
	<u>200,000</u>

Fund 142 Appropriation Totals 200,000

144 Waste Management Special Revenue Fund

Public Works	38,562,151
Reserve for Contingencies	125,000
Transfer to Other Funds	3,626,771
	<u>42,313,922</u>

Fund 144 Appropriation Totals 42,313,922

147 Federal Section 8 Program Special Revenue Fund

Housing and Neighborhood Preservation	18,676,860
	<u>18,676,860</u>

Fund 147 Appropriation Totals 18,676,860

149 Sheriff's Department Special Revenue Fund

Sheriff and Corrections	39,252,773
Transfer to Other Funds	24,551
	<u>39,277,324</u>

Fund 149 Appropriation Totals 39,277,324

151 Parks and Recreation Special Revenue Fund

Debt Service	2,106,472
Parks and Recreation	27,766,931
Public Works	2,833,125
Reserve for Contingencies	146,123
Transfer to Other Funds	3,331,436
	<u>36,184,087</u>

Fund 151 Appropriation Totals 36,184,087

152 Tourism Investment Program Fund

Convention and Visitor Bureau	100,000
Cultural Affairs	50,500
Debt Service	25,041,384
Parks and Recreation	34,099
Public Works	968,133
Reserve for Contingencies	134,902
Strategic Growth Area	4,311,472
Transfer to Other Funds	4,349,015
	<u>34,989,505</u>

Fund 152 Appropriation Totals 34,989,505

157 Sandbridge Special Service District Spec Rev Fd

Transfer to Other Funds	4,390,194
	<u>4,390,194</u>

Fund 157 Appropriation Totals 4,390,194

161 Agriculture Reserve Program Special Revenue Fund

Agriculture	214,886
Debt Service	3,838,198
Reserve for Contingencies	258,733
	<u>4,311,817</u>

Fund 161 Appropriation Totals 4,311,817

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment A - Appropriations

**FY 2013-14
Adopted**

163 Tourism Advertising Program Special Revenue Fund

Convention and Visitor Bureau	10,647,193
Reserve for Contingencies	11,331
Transfer to Other Funds	56,838
	<hr/>

Fund 163 Appropriation Totals **10,715,362**

166 Sandbridge Tax Increment Financing Fund

Future C.I.P. Commitments	6,893,992
Transfer to Other Funds	909,806
	<hr/>

Fund 166 Appropriation Totals **7,803,798**

169 Central Business District-South TIF (Twn Cntr) Fd

Debt Service	5,866,866
Transfer to Other Funds	150,000
	<hr/>

Fund 169 Appropriation Totals **6,016,866**

172 Open Space Special Revenue Fund

Debt Service	2,827,433
Parks and Recreation	502,537
Public Works	15,300
Reserve for Contingencies	6,016
Transfer to Other Funds	1,827,258
	<hr/>

Fund 172 Appropriation Totals **5,178,544**

174 Town Center Special Service District

Parks and Recreation	30,501
Town Center Special Tax District	1,531,700
Transfer to Other Funds	337,197
	<hr/>

Fund 174 Appropriation Totals **1,899,398**

180 Community Development Special Revenue Fund

Housing and Neighborhood Preservation	1,941,269
Transfer to Other Funds	128,858
	<hr/>

Fund 180 Appropriation Totals **2,070,127**

181 CD Loan and Grant Fund

Housing and Neighborhood Preservation	699,104
	<hr/>

Fund 181 Appropriation Totals **699,104**

182 Federal Housing Assistance Grant Fund

Housing and Neighborhood Preservation	900,639
	<hr/>

Fund 182 Appropriation Totals **900,639**

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment A - Appropriations

**FY 2013-14
Adopted**

183 Grants Consolidated Fund

Commonwealth's Attorney	333,680
Emergency Medical Services	375,000
Fire	770,853
Housing and Neighborhood Preservation	1,356,097
Human Services	1,684,321
Museums	31,000
Police	58,111
Public Works	15,000
Reserve for Contingencies	100,000
Transfer to Other Funds	400,000
	Fund 183 Appropriation Totals
	5,124,062

241 Water and Sewer Fund

Debt Service	22,527,690
Public Utilities	76,097,986
Reserve for Contingencies	1,112,052
Transfer to Other Funds	17,977,327
	Fund 241 Appropriation Totals
	117,715,055

253 Parking Enterprise Fund

Debt Service	692,863
Reserve for Contingencies	284,072
Strategic Growth Area	1,786,721
Transfer to Other Funds	933,428
	Fund 253 Appropriation Totals
	3,697,084

255 Storm Water Utility Enterprise Fund

Debt Service	2,263,221
Public Works	16,635,590
Reserve for Contingencies	3,060,469
Transfer to Other Funds	15,501,034
	Fund 255 Appropriation Totals
	37,460,314

310 Old Donation Creek Area Dredging SSD

Transfer to Other Funds	65,651
	Fund 310 Appropriation Totals
	65,651

311 Bayville Creek Neighborhood Dredging SSD Fund

Transfer to Other Funds	48,751
	Fund 311 Appropriation Totals
	48,751

312 Shadowlawn Area Dredging SSD

Transfer to Other Funds	25,088
	Fund 312 Appropriation Totals
	25,088

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment A - Appropriations

**FY 2013-14
Adopted**

540 General Government Capital Projects Fund

Building Capital Projects	1,641,287
Coastal Capital Projects	5,439,490
Economic and Tourism Development Capital Projects	4,149,297
Parks and Recreation Capital Projects	7,825,198
Roadways Capital Projects	10,581,817
Fund 540 Appropriation Totals	<u>29,637,089</u>

541 Water and Sewer Capital Projects Fund

Water and Sewer Capital Projects	8,000,000
Fund 541 Appropriation Totals	<u>8,000,000</u>

555 Storm Water Capital Projects Fund

Storm Water Capital Projects	13,962,480
Fund 555 Appropriation Totals	<u>13,962,480</u>

606 City Garage Internal Service Fund

Public Works	11,732,660
Reserve for Contingencies	89,690
Fund 606 Appropriation Totals	<u>11,822,350</u>

607 Risk Management Internal Service Fund

Finance	12,030,968
Reserve for Contingencies	9,520
Fund 607 Appropriation Totals	<u>12,040,488</u>

610 Capital Projects Internal Service Fund

Communications and Information Technology	197,938
Economic Development	63,300
Finance	162,711
Public Works	286,782
Reserve for Contingencies	2,330
Fund 610 Appropriation Totals	<u>713,061</u>

613 School Landscaping Internal Service Fund

Parks and Recreation	3,522,500
Reserve for Contingencies	41,852
Fund 613 Appropriation Totals	<u>3,564,352</u>

614 School Risk Management Fund

School Risk Management	11,488,946
Fund 614 Appropriation Totals	<u>11,488,946</u>

615 City and School Health Insurance Fund

City and School Health Insurance	132,851,160
Fund 615 Appropriation Totals	<u>132,851,160</u>

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment A - Appropriations

**FY 2013-14
Adopted**

616 Fuels Internal Service Fund

Public Works	7,872,002
	<u>7,872,002</u>

Fund 616 Appropriation Totals 7,872,002

620 Telecommunications Internal Service Fund

Communications and Information Technology	3,457,477
Reserve for Contingencies	197,242
	<u>3,654,719</u>

Fund 620 Appropriation Totals 3,654,719

621 Subscriptions Internal Service Fund

Communications and Information Technology	3,027,774
Reserve for Contingencies	255,507
	<u>3,283,281</u>

Fund 621 Appropriation Totals 3,283,281

908 City Beautification Fund

Parks and Recreation	72,500
	<u>72,500</u>

Fund 908 Appropriation Totals 72,500

909 Library Gift Fund

Library	7,000
	<u>7,000</u>

Fund 909 Appropriation Totals 7,000

910 Parking Meters - Homeless Donation Fund

Housing and Neighborhood Preservation	10,000
	<u>10,000</u>

Fund 910 Appropriation Totals 10,000

911 Parks and Recreation Gift Fund

Parks and Recreation	55,000
	<u>55,000</u>

Fund 911 Appropriation Totals 55,000

Total Budget Appropriations

2,457,590,592

Less Internal Service Funds 187,290,359

Less Interfund Transfers 489,927,169

1,780,373,064

NET BUDGET APPROPRIATIONS

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment B - Revenue

**FY 2013-14
Adopted**

002 General Fund

Revenue From Local Sources	
Automobile License	9,419,062
Business License	42,791,543
Charges for Services	37,054,562
Cigarette Tax	12,109,969
Fines and Forfeitures	5,757,400
From the Use of Money and Property	5,282,570
General Sales Tax	57,987,462
Hotel Room Tax	6,066,374
Miscellaneous Revenue	6,159,205
Other Taxes	17,005,932
Permits, Privilege Fees, and Regulatory Licenses	4,794,486
Personal Property	138,576,713
Real Estate	427,074,330
Restaurant Meal Tax	37,060,590
Utility Tax	44,818,891
Revenue from the Commonwealth	
Other Sources from the Commonwealth	95,152,606
Revenue from the Federal Government	17,448,209
Specific Fund Reserves	3,116,978
Transfers from Other Funds	<u>17,344,351</u>
	Fund 002 Revenue Totals
	<u>985,021,233</u>

098 School Reserve Special Revenue Fund

Specific Fund Reserves	<u>14,000,000</u>
	Fund 098 Revenue Totals
	<u>14,000,000</u>

107 School Equipment Replacement Special Revenue Fund

Specific Fund Reserves	<u>453,782</u>
	Fund 107 Revenue Totals
	<u>453,782</u>

109 School Vending Operations Fund

Revenue From Local Sources	
Miscellaneous Revenue	192,550
Specific Fund Reserves	<u>170,497</u>
	Fund 109 Revenue Totals
	<u>363,047</u>

112 School Communication Tower Technology Fund

Revenue From Local Sources	
From the Use of Money and Property	260,000
Specific Fund Reserves	<u>340,000</u>
	Fund 112 Revenue Totals
	<u>600,000</u>

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment B - Revenue

**FY 2013-14
Adopted**

114 School Cafeteria Fund

Revenue From Local Sources	
Charges for Services	13,789,527
From the Use of Money and Property	9,051
Miscellaneous Revenue	207,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	488,000
Revenue from the Federal Government	13,675,982
Specific Fund Reserves	431,394
	<hr/>
	Fund 114 Revenue Totals
	28,600,954

115 School Operating Fund

Revenue From Local Sources	
Charges for Services	2,203,383
From the Use of Money and Property	465,000
Miscellaneous Revenue	657,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	240,866,735
State Shared Sales Tax	70,522,688
Revenue from the Federal Government	17,141,085
Transfers from Other Funds	396,098,154
	<hr/>
	Fund 115 Revenue Totals
	727,954,045

116 School Grants Fund

Revenue From Local Sources	
Miscellaneous Revenue	3,044,467
Revenue from the Commonwealth	
Other Sources from the Commonwealth	15,904,631
Revenue from the Federal Government	48,090,933
	<hr/>
	Fund 116 Revenue Totals
	67,040,031

117 School Textbook Fund

Revenue From Local Sources	
From the Use of Money and Property	100,000
Miscellaneous Revenue	10,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	3,606,022
Specific Fund Reserves	5,840,406
	<hr/>
	Fund 117 Revenue Totals
	9,556,428

119 School Athletic Special Revenue Fund

Revenue From Local Sources	
Charges for Services	499,000
From the Use of Money and Property	5,000
Miscellaneous Revenue	4,406,642
	<hr/>
	Fund 119 Revenue Totals
	4,910,642

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment B - Revenue

**FY 2013-14
Adopted**

130 Law Library Fund

Revenue From Local Sources	
Charges for Services	283,000
From the Use of Money and Property	4,450
Specific Fund Reserves	5,000
	<hr/>
Fund 130 Revenue Totals	292,450

142 DEA Seized Property Special Revenue Fund

Specific Fund Reserves	200,000
	<hr/>
Fund 142 Revenue Totals	200,000

144 Waste Management Special Revenue Fund

Revenue From Local Sources	
Charges for Services	42,003,532
From the Use of Money and Property	125,000
Permits, Privilege Fees, and Regulatory Licenses	150,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	35,390
	<hr/>
Fund 144 Revenue Totals	42,313,922

147 Federal Section 8 Program Special Revenue Fund

Revenue From Local Sources	
Charges for Services	845,600
Miscellaneous Revenue	32,000
Revenue from the Federal Government	17,448,950
Specific Fund Reserves	139,629
Transfers from Other Funds	210,681
	<hr/>
Fund 147 Revenue Totals	18,676,860

149 Sheriff's Department Special Revenue Fund

Revenue From Local Sources	
Charges for Services	4,894,758
From the Use of Money and Property	15,000
Miscellaneous Revenue	10,000
Revenue from the Commonwealth	
Other Sources from the Commonwealth	17,605,275
Revenue from the Federal Government	229,950
Specific Fund Reserves	1,314,990
Transfers from Other Funds	15,207,351
	<hr/>
Fund 149 Revenue Totals	39,277,324

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment B - Revenue

FY 2013-14
Adopted

151 Parks and Recreation Special Revenue Fund

Revenue From Local Sources	
Charges for Services	12,982,690
From the Use of Money and Property	1,514,877
Miscellaneous Revenue	2,700
Permits, Privilege Fees, and Regulatory Licenses	700
Real Estate	16,653,197
Revenue from the Commonwealth	
Other Sources from the Commonwealth	27,000
Specific Fund Reserves	77,000
Transfers from Other Funds	<u>4,925,923</u>
	Fund 151 Revenue Totals
	<u>36,184,087</u>

152 Tourism Investment Program Fund

Revenue From Local Sources	
Amusement Tax	5,941,774
Cigarette Tax	932,081
Fines and Forfeitures	748,000
From the Use of Money and Property	626,400
Hotel Room Tax	15,443,711
Permits, Privilege Fees, and Regulatory Licenses	124,960
Restaurant Meal Tax	<u>11,172,579</u>
	Fund 152 Revenue Totals
	<u>34,989,505</u>

157 Sandbridge Special Service District Spec Rev Fd

Revenue From Local Sources	
From the Use of Money and Property	6,764
Hotel Room Tax	779,012
Real Estate	591,675
Specific Fund Reserves	642,747
Transfers from Other Funds	<u>2,369,996</u>
	Fund 157 Revenue Totals
	<u>4,390,194</u>

161 Agriculture Reserve Program Special Revenue Fund

Revenue From Local Sources	
Real Estate	<u>4,311,817</u>
	Fund 161 Revenue Totals
	<u>4,311,817</u>

163 Tourism Advertising Program Special Revenue Fund

Revenue From Local Sources	
Charges for Services	101,665
From the Use of Money and Property	42,432
Hotel Room Tax	5,259,938
Miscellaneous Revenue	41,243
Restaurant Meal Tax	<u>5,270,084</u>
	Fund 163 Revenue Totals
	<u>10,715,362</u>

City of Virginia Beach, Virginia
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Attachment B - Revenue

**FY 2013-14
Adopted**

166 Sandbridge Tax Increment Financing Fund

Revenue From Local Sources		
From the Use of Money and Property	25,000	
Real Estate	7,410,157	
Specific Fund Reserves	368,641	
		<u>Fund 166 Revenue Totals</u>
		7,803,798

169 Central Business District-South TIF (Twn Cntr) Fd

Revenue From Local Sources		
From the Use of Money and Property	900	
Hotel Room Tax	500,000	
Real Estate	5,208,136	
Specific Fund Reserves	307,830	
		<u>Fund 169 Revenue Totals</u>
		6,016,866

172 Open Space Special Revenue Fund

Revenue From Local Sources		
From the Use of Money and Property	21,144	
Restaurant Meal Tax	4,637,674	
Specific Fund Reserves	519,726	
		<u>Fund 172 Revenue Totals</u>
		5,178,544

174 Town Center Special Service District

Revenue From Local Sources		
From the Use of Money and Property	2,600	
Real Estate	1,480,463	
Specific Fund Reserves	266,335	
Transfers from Other Funds	150,000	
		<u>Fund 174 Revenue Totals</u>
		1,899,398

180 Community Development Special Revenue Fund

Revenue From Local Sources		
Charges for Services	70,000	
Revenue from the Federal Government	1,291,730	
Transfers from Other Funds	708,397	
		<u>Fund 180 Revenue Totals</u>
		2,070,127

181 CD Loan and Grant Fund

Non-Revenue Receipts	100,000	
Revenue from the Federal Government	484,175	
Transfers from Other Funds	114,929	
		<u>Fund 181 Revenue Totals</u>
		699,104

182 Federal Housing Assistance Grant Fund

Non-Revenue Receipts	70,000	
Revenue from the Federal Government	830,639	
		<u>Fund 182 Revenue Totals</u>
		900,639

City of Virginia Beach, Virginia
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Attachment B - Revenue

**FY 2013-14
Adopted**

183 Grants Consolidated Fund

Revenue From Local Sources	
Charges for Services	43,632
Revenue from the Commonwealth	
Other Sources from the Commonwealth	3,027,510
Revenue from the Federal Government	1,562,561
Transfers from Other Funds	490,359
	<hr/>
	Fund 183 Revenue Totals
	5,124,062

241 Water and Sewer Fund

Non-Revenue Receipts	2,665,095
Revenue From Local Sources	
Charges for Services	112,518,740
From the Use of Money and Property	444,274
Miscellaneous Revenue	390,773
Revenue from the Federal Government	1,017,733
Transfers from Other Funds	678,440
	<hr/>
	Fund 241 Revenue Totals
	117,715,055

253 Parking Enterprise Fund

Revenue From Local Sources	
Charges for Services	3,688,584
From the Use of Money and Property	8,500
	<hr/>
	Fund 253 Revenue Totals
	3,697,084

255 Storm Water Utility Enterprise Fund

Revenue From Local Sources	
Charges for Services	37,018,136
From the Use of Money and Property	125,000
Revenue from the Federal Government	288,159
Transfers from Other Funds	29,019
	<hr/>
	Fund 255 Revenue Totals
	37,460,314

310 Old Donation Creek Area Dredging SSD

Revenue From Local Sources	
Real Estate	65,651
	<hr/>
	Fund 310 Revenue Totals
	65,651

311 Bayville Creek Neighborhood Dredging SSD Fund

Revenue From Local Sources	
Real Estate	48,751
	<hr/>
	Fund 311 Revenue Totals
	48,751

312 Shadowlawn Area Dredging SSD

Revenue From Local Sources	
Real Estate	25,088
	<hr/>
	Fund 312 Revenue Totals
	25,088

City of Virginia Beach, Virginia
Fiscal Year 2013-14 Budget Ordinance

Attachment B - Revenue

**FY 2013-14
Adopted**

540 General Government Capital Projects Fund

Transfers from Other Funds	29,637,089
	<u>29,637,089</u>

541 Water and Sewer Capital Projects Fund

Transfers from Other Funds	8,000,000
	<u>8,000,000</u>

555 Storm Water Capital Projects Fund

Transfers from Other Funds	13,962,480
	<u>13,962,480</u>

606 City Garage Internal Service Fund

Revenue From Local Sources	
Charges for Services	11,140,970
Specific Fund Reserves	681,380
	<u>681,380</u>
	<u>11,140,970</u>
	<u>11,822,350</u>
Fund 606 Revenue Totals	<u>11,822,350</u>

607 Risk Management Internal Service Fund

Revenue From Local Sources	
Charges for Services	12,000,488
From the Use of Money and Property	40,000
	<u>40,000</u>
	<u>12,000,488</u>
Fund 607 Revenue Totals	<u>12,040,488</u>

610 Capital Projects Internal Service Fund

Revenue From Local Sources	
Charges for Services	713,061
	<u>713,061</u>
Fund 610 Revenue Totals	<u>713,061</u>

613 School Landscaping Internal Service Fund

Revenue From Local Sources	
Charges for Services	3,564,352
	<u>3,564,352</u>
Fund 613 Revenue Totals	<u>3,564,352</u>

614 School Risk Management Fund

Revenue From Local Sources	
Charges for Services	11,465,209
Miscellaneous Revenue	23,737
	<u>23,737</u>
	<u>11,465,209</u>
Fund 614 Revenue Totals	<u>11,488,946</u>

615 City and School Health Insurance Fund

Revenue From Local Sources	
Miscellaneous Revenue	132,851,160
	<u>132,851,160</u>
Fund 615 Revenue Totals	<u>132,851,160</u>

616 Fuels Internal Service Fund

Revenue From Local Sources	
Charges for Services	7,872,002
	<u>7,872,002</u>
Fund 616 Revenue Totals	<u>7,872,002</u>

City of Virginia Beach, Virginia
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620 Telecommunications Internal Service Fund

Revenue From Local Sources	
Charges for Services	3,317,173
Specific Fund Reserves	337,546
	<hr/>
	Fund 620 Revenue Totals
	3,654,719

621 Subscriptions Internal Service Fund

Revenue From Local Sources	
Charges for Services	2,351,644
Specific Fund Reserves	931,637
	<hr/>
	Fund 621 Revenue Totals
	3,283,281

908 City Beautification Fund

Revenue From Local Sources	
Miscellaneous Revenue	72,500
	<hr/>
	Fund 908 Revenue Totals
	72,500

909 Library Gift Fund

Revenue From Local Sources	
Miscellaneous Revenue	7,000
	<hr/>
	Fund 909 Revenue Totals
	7,000

910 Parking Meters - Homeless Donation Fund

Revenue From Local Sources	
Miscellaneous Revenue	10,000
	<hr/>
	Fund 910 Revenue Totals
	10,000

911 Parks and Recreation Gift Fund

Revenue From Local Sources	
Miscellaneous Revenue	55,000
	<hr/>
	Fund 911 Revenue Totals
	55,000

Total Budget Revenues	2,457,590,592
Less Internal Service Funds	187,290,359
Less Interfund Transfers	489,927,169
	<hr/>
NET BUDGET REVENUES	1,780,373,064

**AN ORDINANCE ESTABLISHING THE TAX LEVY ON REAL ESTATE FOR FISCAL
YEAR 2014**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on Real Estate.

There shall be levied and collected for fiscal year 2014 taxes for general purposes on all real estate, including all separate classifications of real estate set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of ninety-three five cents (\$0.93) (\$0.95) on each one hundred dollars (\$100) of assessed valuation thereof. The real property tax rate that has been prescribed in this section shall be applied on the basis of one hundred percentum of the fair market value of such real property, except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia. It is the intention of the Council that four cents of the tax rate is dedicated, subject to annual appropriation, to provide funding for the Schools to offset the decrease in State funding through the Local Composite Index, and two cents of the tax rate is dedicated, subject to annual appropriation, to offset the State reduction in funding for urban road construction and the increased local obligations under the Line of Duty Act. The Council directs the City Manager in the production of future budgets to provide an analysis of State funding for Schools, urban road construction, and the Line of Duty Act. At such time as the State restores funding above the following benchmarks: funding for Schools at \$350M (per annum, net of School Facility Funds); urban road construction at \$20M (per annum); and Line of Duty Act at \$0 (per annum), the City Manager will recommend a reduction, in whole or in part, to the four cent or two cent tax rate dedication in an amount roughly equal to the increased State funding with a corresponding decrease in the real estate tax rate.

Sec. 2. Amount of Levy on “Certified Pollution Control Equipment and Facilities” Classified as Real Estate, “Certified Storm Water Management Developments and Property,” “Certified Solar Energy Recycling Equipment, Facilities or Devices” Classified as Real Estate, and “Environmental Restoration Sites,” Real Estate Improved by Erosion Controls, and Certain Wetlands and Riparian Buffers.

In accordance with Sections 58.1-3660 (A), 58.1-3660.1, 58.1-3661, 58.1-3664, 58.1-3665 and 58.1-3666 of the Code of Virginia, there shall be levied and collected for general purposes for fiscal year 2014, taxes on all real estate (a) certified by the Commonwealth of Virginia as "Certified Pollution Control Equipment and Facilities," (b) certified by the Department of Environmental Quality as "Certified Storm Water Management Developments and Property," (c) certified as provided by Code of Virginia Section 58.1-3661 as "Certified Solar Energy Equipment, Facilities or Devices," or "Certified Recycling Equipment, Facilities or Devices," (d) defined by Code of Virginia Section 58.1-3664 as an "Environmental Restoration Site," (e) improved to control erosion as defined by Code of Virginia § 58.1-3665, or (f) qualifying as wetlands and riparian buffers as described by Code of Virginia § 58.1-3666, not exempt from taxation, at a rate of ninety-three five cents (\$0.93) (\$0.95) on each one hundred dollars of assessed valuation thereof. The real property tax rates imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 3. Amount of Levy on Real Estate Within the Sandbridge Special Service District.

There shall be levied and collected for fiscal year 2014, taxes for the special purpose of providing beach and shoreline restoration and management at Sandbridge on all real estate within the Sandbridge Special Service District, not exempt from taxation, at the rate of six cents (\$0.06) on each one hundred dollars (\$100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. For real property that qualifies for Land Use Assessment, pursuant to Division 2 of Chapter 35 of the City Code, or Exemption, Deferral or Freeze for Elderly and Disabled Persons, pursuant to Division 3 of Chapter 35 of the City Code, this real estate tax rate shall be applied in the same manner as the real estate tax rate set forth in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 4. Amount of Levy on Real Estate Within the Town Center Special Service District.

For the special purpose of operating and maintaining the parking garage and providing enhanced services for the plaza and public spaces within the boundaries of the service district at the Town Center, as well as other additional services authorized by Virginia Code § 15.2-2403, there shall be levied and collected for fiscal year 2014, taxes on all real estate

53 within the Town Center Special Service District, not exempt from taxation, at the rate of forty-five cents (\$0.45) on each
54 one hundred dollars (\$100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax set
55 forth in Section 1 of this ordinance. For real property that qualifies for Land Use Assessment, pursuant to Division 2 of
56 Chapter 35 of the City Code, or Exemption, Deferral or Freeze for Elderly and Disabled Persons, pursuant to Division 3 of
57 Chapter 35 of the City Code, this real estate tax rate shall be applied in the same manner as the real estate tax rate set forth
58 in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred
59 percentum of the fair market value of such real property, except for public service real property, which shall be on the basis
60 as provided in Section 58.1-2604 of the Code of Virginia.

61

62 **Sec. 5. Amount of Levy on “Energy-Efficient Buildings”.**

63 In accordance with Section 58.1-3221.2 of the Code of Virginia and any relevant section of the City Code, there
64 shall be levied and collected for general purposes for the fiscal year 2014, taxes on all real estate that has been classified as
65 an energy efficient building, not exempt from taxation, at a rate of seventy-eight ~~eighty~~ cents (\$0.78) ~~(\$0.80)~~ on each one
66 hundred dollars of assessed valuation thereof. The real property tax rate imposed in this section shall be applied on the
67 basis of one hundred percentum of fair market value of such real property except for public service property, which shall be
68 on the basis as provided in Section 58.1-2604 of the Code of Virginia.

69

70 **Sec. 6. Amount of Levy on Properties Listed in the Virginia Landmarks Register.**

71 In accordance with Section 58.1-3221.5 of the Code of Virginia and any relevant section of the City Code, there
72 shall be levied and collected for general purposes for the fiscal year 2014, taxes on buildings that are individually listed on
73 the Virginia Landmarks Register, not including the real estate or land on which the building is located, so long as the
74 building is maintained in a condition such that it retains the characteristics for which it was listed on the Virginia Landmarks
75 Register at a rate of forty-nine ~~fifty-one~~ cents (\$0.49) ~~(\$0.51)~~ on each one hundred dollars of assessed valuation thereof.
76 The real property tax rate imposed in this section shall be applied on the basis of one hundred percentum of fair market
77 value of such real property except for public service property, which shall be on the basis as provided by Section 58.1-2604
78 of the Code of Virginia.

79

80 **Sec. 7. Amount of Levy on Real Estate Within the Old Donation Special Service District.**

81 There shall be levied and collected for fiscal year 2014, taxes for the special purpose of providing neighborhood
82 channel dredging of creeks and rivers to maintain existing uses on all real estate within the Old Donation Special Service
83 District, not exempt from taxation, at the rate of eighteen and four-tenths cents (\$0.184) on each one hundred dollars
84 (\$100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1
85 of this ordinance. Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall
86 apply without reduction to any properties subject to ad valorem taxes including those properties enrolled in the Exemption,
87 Deferral or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in Code of Virginia, section
88 15.2-2403(6), written consent is required to apply this tax rate to the full assessed value of properties subject to special use
89 value assessment. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum (100%)
90 of the fair market value of such real property except for public service real property, which shall be on the basis as provided
91 in Section 58.1-2604 of the Code of Virginia.

92

93 **Sec. 8. Amount of Levy on Real Estate Within the Bayville Creek Special Service District.**

94 There shall be levied and collected for fiscal year 2014, taxes for the special purpose of providing neighborhood
95 channel dredging of creeks and rivers to maintain existing uses on all real estate within the Bayville Creek Special Service
96 District, not exempt from taxation, at the rate of thirty six and three-tenths cents (\$0.363) on each one hundred dollars
97 (\$100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1
98 of this ordinance. Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall
99 apply without reduction to any properties subject to ad valorem taxes including those properties enrolled in the Exemption,
100 Deferral or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in Code of Virginia, section
101 15.2-2403(6), written consent is required to apply this tax rate to the full assessed value of properties subject to special use
102 value assessment. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum (100%)
103 of the fair market value of such real property except for public service real property, which shall be on the basis as provided
104 in Section 58.1-2604 of the Code of Virginia.

105

106 **Sec. 9. Amount of Levy on Real Estate Within the Shadowlawn Special Service District.**

107 There shall be levied and collected for fiscal year 2014, taxes for the special purpose of providing neighborhood
108 channel dredging of creeks and rivers to maintain existing uses on all real estate within the Shadowlawn Special Service
109 District, not exempt from taxation, at the rate of fifteen and nine-tenths cents (\$0.1594) on each one hundred dollars
110 (\$100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1
111 of this ordinance. Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall
112 apply without reduction to any properties subject to ad valorem taxes including those properties enrolled in the Exemption,
113 Deferral or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in Code of Virginia, section
114 15.2-2403(6), written consent is required to apply this tax rate to the full assessed value of properties subject to special use
115 value assessment. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum (100%)
116 of the fair market value of such real property except for public service real property, which shall be on the basis as provided
117 in Section 58.1-2604 of the Code of Virginia.

118 **Sec. 910. Severability.**

119 If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not
120 affect the validity of the remaining portions of this ordinance.

121 **Sec. 1011. Effective Date.**

122 The effective date of this ordinance shall be July 1, 2013.

123 Adopted by the City Council of the City of Virginia Beach, Virginia on this 14th day of May, 2013.

124 *Requires an affirmative vote by a majority of all the members of City Council.*

AN ORDINANCE ESTABLISHING THE TAX LEVY ON PERSONAL PROPERTY AND MACHINERY AND TOOLS FOR THE CALENDAR YEAR 2014

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on the General Classification of Tangible Personal Property.

In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for general purposes for the calendar year 2014 on all tangible personal property, including all separate classifications of personal property set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of three dollars and seventy cents (\$3.70) on each one hundred dollars (\$100) assessed valuation thereof.

Sec. 2. Personal Property Tax Relief.

As required by § 58.1-3523 of the Code of Virginia, qualifying vehicles (as defined by § 58.1-3523), not otherwise exempted from taxation in this ordinance or by law, shall be subject to the following:

- 1 Any qualifying vehicle with a total assessed value of \$1,000 or less will be levied no tax.
 2. Any qualifying vehicle with an assessed value of between \$1,001 and \$20,000 will be levied 41% of the tax based on the total assessed value of the vehicle. Reimbursement is expected from the state under the Property Tax Relief Act equal to the remaining 59% of the computed tax on the first \$20,000 of assessed value.
 3. Any qualifying vehicle with an assessed value of over \$20,000 will be levied 41% of the computed tax based on \$20,000 of assessed value and 100% of the computed tax based on the assessed value in excess of \$20,000. Reimbursement is expected from the state under the Personal Property Tax Relief Act equal to the remaining 59% of the tax on the first \$20,000 of assessed value.
 4. Pursuant to authority conferred in Item 503.D of the 2005 Virginia Appropriations Act, the City Treasurer is authorized to issue a supplemental personal property tax bill, in the amount of 100% of the tax due without regard to any entitlement to state relief, plus applicable penalties and interest, to any taxpayer whose taxes with respect to a vehicle for tax year 2005 or any prior tax year remain unpaid on September 1, 2006, or such earlier date as the tax with respect to such bill is no longer available from the Commonwealth, whichever earlier occurs. Penalties and interest with respect to bills issued pursuant to this section shall be computed on the entire amount of tax owed. The tax shall be computed from the original due date of the tax.

Sec. 3. Amount of Levy on Certain Classifications of Tangible Personal Property

In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for general purposes for the calendar year 2014 on the certain classifications of tangible personal property set forth below at the rate of three dollars and seventy cents (\$3.70) on each one hundred dollars (\$100) assessed valuation thereof.

- a. heavy construction equipment as described in Code of Virginia § 58.1-3506 (A) (8);
 - b. computer equipment as described in Code of Virginia § 58.1-3506 (A) (11);
 - c. tangible personal property as described in (a) Code of Virginia § 58.1-3506 as “certified pollution control equipment and facilities” and (b) Code of Virginia § 58.1-3661 as “certified solar equipment, facilities or devices and certified recycling equipment, facilities or devices”;
 - d. furniture, office, and maintenance equipment as described in Code of Virginia § 58.1-3506 (A) (24);
 - e. all tangible personal property employed in a trade or business other than described in subdivisions A 1 through A 18, except for subdivision A 17, of § 58.1-3503 as described in Code of Virginia § 58.1-3506 (A) (26);
 - f. programmable computer equipment and peripherals employed in a trade or business ad described in Code of Virginia § 58.1-3506 (A) (27);
 - g. tangible personal property used in the provision of internet service as described in Code of Virginia § 58-1-3506 (A) (31);
 - h. forest harvesting and silvicultural activity as described in Code of Virginia § 58-1-3506 (A) (33);
 - i. equipment used primarily for research, development, production or provision of biotechnology as described in Code of Virginia § 58-1-3506 (A) (34);
 - j. tangible personal property which is owned and operated by a service provider who is not a CMRS provider and is not licensed by the FCC used to provide, for a fee, wireless broadband internet service as described in Code of Virginia § 58-1-3506 (A) (37).

53
54 **Sec. 4. Amount of Levy on Manufactured Homes.**

55 There shall be levied and collected for general purposes for the calendar year 2014 taxes on all vehicles without
56 motive power, used or designated to be used as manufactured homes, as defined by Section 36-85.3 of the Code of
57 Virginia, at the rate of ninety-three five cents (~~\$0.93~~) (\$0.95) on each one hundred dollars (\$100) of assessed valuation
58 thereof. Such property declared a separate class of tangible personal property in Section 58.1-3506 (A) (10).

59
60 **Sec. 5. Amount of Levy on All Boats or Watercraft Used for Business Purposes Only.**

61 There shall be levied and collected for general purposes for the calendar year 2014 taxes on all boats or watercraft
62 used for business purposes (both boats weighing less than five (5) tons and boats weighing five (5) tons or more), except as
63 provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents (\$1.50) on each one hundred dollars
64 (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections
65 58.1-3506 (A) (35) and (A) (36).

66
67 **Sec. 6. Amount of Levy on All Boats or Watercraft Not Used Solely for Business Purposes.**

68 There shall be levied and collected for general purposes for the calendar year 2014 taxes on all boats or watercraft
69 not used solely for business purposes weighing less than five (5) tons, and weighing five (5) tons or more, except as
70 provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents (\$1.50) on each one hundred dollars
71 (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections
72 58.1-3506 (A) (1) (a) and (A) (1) (b).

73
74 **Sec. 7. Amount of Levy on Machinery and Tools.**

75 In accordance with Section 58.1-3507 of the Code of Virginia, there shall be levied and collected for general
76 purposes for the calendar year 2014 taxes on machinery and tools, including machinery and tools used directly in the
77 harvesting of forest products or semiconductor manufacturing, not exempt from taxation, at the rate of one millionth of
78 one cent (\$.000001) on each one hundred dollars (\$100) of assessed valuation thereof. As provided by Code of Virginia §
79 58.1-3506 (B), the following personal property shall also be taxed at the rate of machinery and tools:

- 80 a. all tangible personal property used in research and development businesses, as described in Code of
81 Virginia § 58.1-3506 (A) (7);
82 b. generating or cogenerating equipment, as described in Code of Virginia § 58.1-3506 (A) (9); and
83 c. all motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to
84 transport property for hire by a motor carrier engaged in interstate commerce, as described in Code of Virginia § 58.1-3506
85 (A) (25).

86
87 **Sec. 8. Amount of Levy on Privately Owned Pleasure Boats and Watercraft Used for Recreational Purposes Only.**

88 There shall be levied and collected for general purposes for the calendar year 2014 taxes on all privately owned
89 pleasure boats and watercraft used for recreational purposes only, at the rate of one millionth of one cent (\$.000001) on
90 each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal
91 property in Sections 58.1-3506 (A) (12), (A) (28), and (A) (29).

92
93 **Sec. 9. Amount of Levy on Privately Owned Camping Trailers, Privately Owned Travel Trailers, and Motor Homes Used for
Recreational Purposes Only, and Privately Owned Horse Trailers.**

94 There shall be levied and collected for general purposes for the calendar year 2014 taxes at the rate of one dollar
95 and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation thereof on the following property: (a) all
96 privately owned camping trailers and motor homes as defined in Section 46.2-100 of the Code of Virginia and privately
97 owned travel trailers as defined in Code of Virginia § 46.2-1900, that are used for recreational purposes only; and (b)
98 privately owned trailers as defined in § 46.2-100 of the Code of Virginia that are designed and used for the transportation of
99 horses, except those trailers described in subdivision (A) (11) of § 58.1-3505 of the Code of Virginia. Such property declared
100 a separate class of tangible personal property in Sections 58.1-3506 (A) (18) and (A) (30).

101
102 **Sec. 10. Amount of Levy on One Motor Vehicle Owned and Regularly Used by a Disabled Veteran.**

103 There shall be a reduced tax, levied and collected for general purposes for the calendar year 2014 at the rate of
104 one dollar and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation, on one (1) motor vehicle owned

106 and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is
107 blind, or who is permanently and totally disabled as certified by the Department of Veterans' Affairs. Any motor vehicles in
108 addition to the one (1) so taxed shall not qualify for the taxation at the rate established herein, and shall be taxed at the
109 rate or rates applicable to that class of property. To qualify, the veteran shall provide a written statement to the
110 Commissioner of the Revenue from the Department of Veterans' Affairs that the veteran has been so designated or
111 classified by the Department of Veterans' Affairs as to meet the requirements of Section 58.1-3506 (A) (19), and that his or
112 her disability is service connected. Such property declared a separate class of tangible personal property in Section 58.1-
113 3506 (A) (19).

114

115 **Sec.11. Amount of Levy on a Motor Vehicle Owned and Used Primarily by or for Someone at Least Sixty-Five
116 Years of Age or Anyone Found to be Permanently and Totally Disabled.**

117 a. In accordance with Sections 58.1-3506.1 et seq. of the Code of Virginia, there shall be a reduced tax, levied and
118 collected for general purposes for calendar year 2014, at the rate of three dollars (\$3.00) on each one hundred dollars
119 (\$100.00) of assessed valuation, on one (1) automobile or pickup truck owned and used primarily by or for anyone at least
120 sixty-five years of age or anyone found to be permanently and totally disabled, as defined in Section 58.1-3506.3 of the
121 Code of Virginia, subject to the following conditions:

122 1. The total combined income received, excluding the first \$7,500 of income, from all sources during
123 calendar year 2013 by the owner of the motor vehicle shall not exceed twenty-two thousand dollars (\$22,000).

124 2. The owner's net financial worth, including the present value of all equitable interests, as of December
125 31 of calendar year 2013, excluding the value of the principal residence and the land, not exceeding one (1) acre, upon
126 which it is situated, shall not exceed seventy thousand dollars (\$70,000).

127 3. All income and net worth limitations shall be computed by aggregating the income and assets, as the
128 case may be, of a husband and wife who reside in the same dwelling and shall be applied to any owner of the motor vehicle
129 who seeks the benefit of the preferential tax rate permitted under this ordinance, irrespective of how such motor vehicle
130 may be titled.

131 b. Any such motor vehicle owned by a husband and wife may qualify if either spouse is sixty-five or over or if
132 either spouse is permanently and totally disabled, and the conditions set forth in subsection (a) have been satisfied.

133

134 **Sec. 12. Assessed Value Determination.**

135 In accordance with Section 58.1-3103 of the Code of Virginia, personal property mentioned in the above sections
136 shall be assessed at actual fair market value, to be determined by the Commissioner of the Revenue for the City of Virginia
137 Beach.

138

139 **Sec. 13. Severability.**

140 If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not
141 affect the validity of the remaining portions of this ordinance.

142

143 **Sec. 14. Effective Date.**

144 This ordinance shall be effective January 1, 2014.

145

146 Adopted by the Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

147

148 *Requires an affirmative vote by a majority of all of the members of City Council.*

AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO SUBMIT AN ANNUAL FUNDING PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the United States Congress has established legislation designated as the Housing and Community Development Act of 1974 that sets forth the development of viable urban communities as a national goal;

WHEREAS, there is federal assistance available for the support of Community Development and Housing activities directed toward specific objectives, such as eliminating deteriorated conditions in low and moderate income neighborhoods that are detrimental to the public health, safety, and welfare, as well as improving the City's housing stock and community services, along with other related activities; and

WHEREAS, as a prerequisite to receiving the above-referenced federal assistance, the City of Virginia Beach has developed an Annual Funding Plan for submission to the Department of Housing and Urban Development and has created the necessary mechanisms for its implementation in compliance with federal and local directives.

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

That the City Manager is hereby authorized and directed, as the executive and administrative head of the City, to submit the City's FY 2013-14 Annual Funding Plan (the "Plan") and amendments thereto, along with understandings and assurances contained therein and such additional information as may be required, to the Department of Housing and Urban Development to permit the review, approval, and funding of the Plan.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

**AN ORDINANCE TO APPROPRIATE \$236,384 AND DECLARE
\$7,350,000 OF FUNDING WITHIN THE SANDBRIDGE TAX INCREMENT
FINANCING DISTRICT AS SURPLUS FUNDS IN THE FY 2012-13
OPERATING BUDGET**

WHEREAS, the Sandbridge Tax Increment Financing District (Sandbridge TIF) and the Sandbridge Special Service District (Sandbridge SSD), were established to provide a funding source for beach and shoreline restoration and management at Sandbridge;

WHEREAS, an analysis of the Sandbridge TIF and the Sandbridge SSD occurs annually to ensure that funding is adequate for long-term beach and shoreline restoration and management along Sandbridge;

WHEREAS, current projections indicate that the Sandbridge TIF and Sandbridge SSD have sufficient funding to meet long-term obligations for beach and shoreline restoration and management;

and WHEREAS, projections also indicate that the funding available exceeds the long-term obligations of the project;

WHEREAS, \$ 7,350,000 is available as an unencumbered appropriation in the FY 2013-14 Sandbridge TIF Reserve for Future Commitments.

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

(1) That \$ 7,350,000 of funding within the Sandbridge TIF is hereby declared to be in excess of the long-term obligations for beach and shoreline restoration and management and is hereby declared surplus.

(2) That \$236,384 is hereby appropriated from the fund balance of the Sandbridge Tax Increment Financing District and \$ 7,350,000 is hereby transferred within the FY 2012-13 Operating Budget from the Sandbridge TIF to the General Fund – Unappropriated Real Estate Tax Revenues.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on June 30, 2013.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

Requires an affirmative vote by a majority of all of the members of City Council.

1 **AN ORDINANCE TO INCREASE THE SOLID WASTE MANAGEMENT FEE**
2 **TO BE CHARGED BY THE CITY OF VIRGINIA BEACH FOR THE SERVICES**
3 **OF SOLID WASTE COLLECTION, MANAGEMENT, AND DISPOSAL OF**
4 **SOLID WASTE AND OTHER REFUSE**

5 WHEREAS, under Virginia Code § 15.2-928, the City Council of the City of Virginia Beach, Virginia, is authorized to
6 impose fees for providing the services to its residents of collection, management, and disposal of solid waste, recyclable
7 materials, and other refuse; and

8 WHEREAS, the City held public hearings on this fee to provide public comment; and

9 WHEREAS, the City Council desires to have a fiscally responsible solution to solid waste collection, management,
10 and disposal.

11 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

12 A. That rates to be charged for access to the service of solid waste collection, management, and disposal of
13 solid waste materials, and other refuse shall be as follows:

14 1. A waste collection fee of \$21.36 \$10.00 per month shall be charged to each occupied dwelling unit eligible for,
15 and each participating church receiving, City trash collection services in accordance with City Code Chapter 31.

16 2. The foregoing fee shall become effective on July 1, 2013.

17 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

**AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO CIGARETTE TAX
BY INCREASING THE AMOUNT OF THE TAX**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Section 35-207 of the Code of the City of Virginia Beach is hereby amended and reordained to read as follows:

Sec. 35-207. Levied; Amount.

There is hereby levied and imposed by the City, upon each sale of cigarettes, a tax equivalent to thirty five thirty two and fifty (35.00) (32.50) mills per cigarette sold within the City, the amount of such tax to be paid by the seller, if not previously paid, in the manner and at the time provided for in this article. The tax shall be reduced by two and one-half (2.5) mills per cigarette on June 30, 2027. There shall be a penalty for late payment of the tax imposed herein in the amount of ten (10) per centum per month, and interest in the amount of three-quarters of-one (0.75) per centum per month, upon any tax found to be overdue and unpaid.

This ordinance shall be effective July 1, 2013.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

Requires an affirmative vote by a majority of the members of City Council.

**AN ORDINANCE TO AMEND SECTION 2-246
AND 2-247 OF THE CITY CODE FOR
DEPARTMENT NAME ALTERATION**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH THAT SECTION 2-246 AND 2-247 ARE AMENDED AND REORDAINED AS FOLLOWS:

ARTICLE VII. - DEPARTMENT OF BUDGET AND MANAGEMENT SERVICES

Sec. 2-246. Created; composition.

There is hereby created a department to be designated the department of budget and management services, which shall consist of a director of the department, and such other employees as may be prescribed by the Charter, or by ordinance, or by the city manager or the director consistent therewith.

Sec. 2-247. Functions.

The department of budget and management services shall be responsible for resource management, review and allocation, for budget and capital program policy development, and for the following general duties, including any other duties which may be required, assigned, or prescribed by the council or the city manager:

- (1) Plan, prepare, and develop the annual operating budget, including estimates of appropriations and revenues for support of the operating budget, consistent with the provisions of chapter 5 of the Charter, and carry out the same duties for all amendments thereto.
 - (2) Plan, prepare, and develop the capital improvements program and capital budget in accordance with section 2-195 and carry out the same duties for all amendments thereto.
 - (3) Be responsible for short-term and multi-year financial forecasts of both expenditures and revenues and annually prepare a five-year forecast of expenditures and revenues.
 - (4) Be responsible for economic and fiscal impact analysis, policy and fiscal analysis, and program evaluation services regarding city programs, agencies, business processes and projects, and for provision of management assistance services to teams, agencies and programs to improve cost management, business processes and operations.
 - (5) Coordinate or carry out city-wide surveys, strategic and fiscal planning, and provide staff support for special studies and projects.
 - (6) Reserved.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on July 1, 2013.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1 **A RESOLUTION TO DIRECT THE CITY MANAGER TO RECOUP CERTAIN**
2 **EXPENSES RELATED TO SPECIAL EVENTS**

3 WHEREAS, the City of Virginia Beach hosts hundreds of special events annually, which draw participants and
4 spectators who raise contributions to support nonprofit organization or contribute to the local economy and often provide
5 additional revenue to the City and the community;

6 WHEREAS, many special events held on public property require some form of city services, such as road closures,
7 traffic control, security, contingencies for emergency services, utility connections, and clean up resulting in additional costs,
8 which city operational departments are asked to absorb;

9 WHEREAS, the increase in special event permits and request for City services has placed a financial burden on
10 departmental budgets and less funding for other City functions and services;

11 WHEREAS, recouping a portion City expenses related to certain special events should reduce the economic burden
12 placed on City departments as a result of providing support services for special events;

13 WHEREAS, as currently written, Section 4-1 of the City Code provides the recoupment of expenses related to
14 special events is discretionary;

15 WHEREAS, to provide clarity and align the City's policies with that of other municipalities, the Council desires to
16 direct the City Manager to recoup certain expenses.

17 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

- 25 1. That, subject to the exceptions provided in Section 4-1 of the City Code, the City Manager or his designee is
26 hereby directed to implement the following procedure for recouping City expenses related to special events:
 - 28 a. For all events, the applicant shall be provided a list of safety standards and service requirements needed to
29 obtain a special event permit. Any determination of the level of services required to support a particular
30 event shall be at the discretion of the City Manager or designee;
 - 32 b. At the applicant's request, the City will provide an estimated cost for City personnel and equipment to
33 perform all safety standards and service requirements for the event. The applicant shall have the option of
34 hiring contractors to perform such support requirements in lieu of the City providing such services, provided
35 the applicant meets the required safety standards and levels of service;
 - 37 c. If the applicant elects to use the City to perform the safety standards and support service requirements for the
38 special event permit a cash deposit of 50% of the estimated City costs or a bond for 50% of the estimated City
39 costs will be required. In the event that actual City costs were less than the amount of a cash deposit, the
40 applicant will be entitled to a refund.
 - 42 d. For events hosted by City departments or on behalf of City departments by the department's contractor(s), no
43 recoupment is required;
 - 45 e. Due to the personnel costs and duration, stationary event street closures shall be responsible for the
46 recoupment of all City expenses and shall not be eligible for the credit described in subsection f;
 - 48 f. Because of special events held on public property are an amenity to the residents of the City and provide
49 publicity of the City's resources and advantages, special events will be entitled to a credit of up to \$3,000 of
50 the actual cost to the City to provide safety standards and support service requirements. Should the City's
51 costs exceed \$3,000, the applicant may request an additional credit of up to 50% of the City's support costs
52 based on City tax revenues generated by event participants attending from at least 50 miles away. The

53 amount of the 50% portion of the credit shall be based on the average overnight spending calculated by the
54 City's Convention and Visitors Bureau and any doubt with regard to such determination shall be resolved in
55 the favor of the City.

- 56
- 57 2. That the effective date of this resolution is January 1, 2014.

58

59 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1
2
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5
6 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO**
7 **THE LODGING TAX BY EXTENDING ITS SUNSET PROVISIONS**
8 **AND TO LOWER THE SANDBRIDGE SPECIAL SERVICE**
9 **DISTRICT LODGING TAX**

10 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11 That section 35-159 of the Code of the City of Virginia Beach, Virginia is hereby amended and reordained to read as
12 follows:
13
14

15 **Sec. 35-159. Levied; Amount.**

- 16 (a) There is hereby levied and imposed on each transient a tax equivalent to eight (8) percent of the total amount
17 paid for lodging, by or for any such transient, to any lodging place, plus a flat tax of one dollar (\$1.00) for each
18 night of lodging at any lodging place other than a campground. The percentage-based portion of the tax rate shall
19 be reduced by one-half (0.5) percent on July 1, 2018~~2013~~ and further reduced by an additional two and one-half
20 (2.5) percent on June 30, 2027. The flat tax shall remain in effect through June 30, 2018~~2013~~.
21 (b) There is hereby levied and imposed on each transient within the Sandbridge Special Service District (district) a tax,
22 in addition to that levied in subsection (a) hereof, equivalent to one ~~two~~ and one-half (1.5) ~~(2.5)~~ percent of the
23 total amount paid for lodging within the district, by or for any such transient to any lodging
24 place, excluding hotels, motels and travel campgrounds.

25 Adopted by the Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1
2 **AN ORDINANCE TO AMEND SECTION 35-280 OF THE CITY CODE**
3 **FOR LICENSE REQUIREMENT FEES**

4 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH THAT SECTION 2-246 AND 2-247 ARE AMENDED
5 AND REORDAINED AS FOLLOWS:

6 **Sec. 35-280. - License requirement; imposition of fee.**

- 7 (a) There is hereby imposed a requirement for a local vehicle license, for the terms as established by this Article,
8 on motor vehicles, trailers and semitrailers, regularly kept in the City and used upon public roadways of the
9 City. The amount of the fee for this license shall be as set forth in the following subsections of this Section, and
10 shall be due annually at the same time the state registration is obtained, unless specifically provided for
11 otherwise. A valid vehicle registration, issued by the State Department of Motor Vehicles after April 21, 2003,
12 shall, as necessary, document compliance with the local vehicle license requirements imposed by this
13 ordinance and serve as a license.
- 14 (b) The license fee on a motor vehicle, designed and used for the transportation of passengers, which is self-
15 propelled or designed for self-propulsion, shall be, except as otherwise specifically provided in this Section,
16 imposed in accordance with the following schedule:
17 (1) Motor vehicles weighing four thousand (4,000) pounds or less, and pickup trucks with a gross
18 weight of four thousand (4,000) pounds or less\$26.00 \$25.00
19 (2) Motor vehicles weighing more than four thousand (4,000) pounds, and pickup trucks with a gross
20 weight from four thousand and one (4,001) pounds to seven thousand five hundred (7,500)
21 pounds\$31.00 \$30.00
22 (3) Motorcycle\$24.00 \$23.00
23 (4) Antique motor vehicles licensed permanently pursuant to Code of Virginia, § 46.2-730
24 (motorcycles or cars)\$13.50
25 (5) Any motor vehicle, trailer or semitrailer upon which well-drilling machinery is attached and which
26 is permanently used solely for transporting such machinery and any specialized mobile
27 equipment as defined by Code of Virginia, § 46.2-700\$15.00
28 (c) (1) Unless otherwise specified in this Article, the license fees for trailers and semitrailers not
29 designed and used for the transportation of passengers on the highways in the commonwealth
30 shall be as follows:

Registered Gross Weight	Annual Fee	Permanent Fee
0—1,500 lbs.	\$8.50 \$7.50	\$52.00
1,501—4,000	\$19.00 \$18.00	52.00
4,001 lbs and above	25.50	52.00

- 31 (2) The license fee for each trailer or semitrailer designed for use as living quarters for human beings
32 shall be twenty-five dollars (\$26.00)(\$25.00).
33 (3) The license fee for all trailers designed exclusively to transport boats or horses shall be seven
34 dollars and fifty cents (\$7.50).

35 (d) There is hereby imposed a license fee, to be paid by the owner, upon each motor vehicle not designed and
36 used for the transportation of passengers, whether operated under lease or not. The amount of the license
37 fee shall be determined by the gross weight of the vehicle or combination of vehicles of which it is a part,
38 when loaded to the maximum capacity for which it is registered and licensed by the state, according to the
39 following schedule:
40

Pounds	Fee
4,000 or less	\$ 25.00 <ins>\$ 24.00</ins>
4,001—16,000	30.00 <ins>29.00</ins>
16,001—17,000	31.80 <ins>30.80</ins>
17,001—18,000	33.10 <ins>32.10</ins>
18,001—19,000	34.40 <ins>33.40</ins>
19,001—20,000	35.70 <ins>34.70</ins>
20,001—21,000	37.00 <ins>36.00</ins>
21,001—22,000	38.30 <ins>37.30</ins>
22,001—23,000	39.60 <ins>38.60</ins>
23,001—24,000	40.90 <ins>39.90</ins>
24,001—25,000	42.20 <ins>41.20</ins>
25,001—26,000	43.50 <ins>42.50</ins>
26,001—27,000	44.80 <ins>43.80</ins>
27,001—28,000	46.10 <ins>45.10</ins>
28,001—29,000	47.40 <ins>46.40</ins>
29,001—30,000	48.70 <ins>47.70</ins>
30,001—31,000	50.00 <ins>49.00</ins>
31,001—32,000	51.30 <ins>50.30</ins>
32,001—33,000	52.60 <ins>51.60</ins>
33,001—34,000	53.90 <ins>52.90</ins>
34,001—35,000	55.20 <ins>54.20</ins>
35,001—36,000	56.50 <ins>55.50</ins>
36,001—37,000	57.80 <ins>56.80</ins>
37,001—38,000	59.10 <ins>58.10</ins>
38,001—39,000	60.40 <ins>59.40</ins>
39,001—40,000	61.70 <ins>60.70</ins>
40,001—41,000	63.00 <ins>62.00</ins>
41,001—42,000	64.30 <ins>63.30</ins>
42,001—43,000	65.60 <ins>64.60</ins>
43,001—44,000	66.90 <ins>65.90</ins>
44,001—45,000	68.20 <ins>67.20</ins>
45,001—46,000	69.50 <ins>68.50</ins>
46,001—47,000	70.80 <ins>69.80</ins>
47,001—48,000	72.10 <ins>71.10</ins>
48,001—49,000	73.40 <ins>72.40</ins>
49,001—50,000	74.70 <ins>73.70</ins>
50,001—51,000	76.00 <ins>75.00</ins>
51,001—52,000	77.30 <ins>76.30</ins>

80	52,001—53,000	78.60	<u>77.60</u>
81	53,001—54,000	79.90	<u>78.90</u>
82	54,001—55,000	81.20	<u>80.20</u>
83	55,001—56,000	82.50	<u>81.50</u>
84	56,001—56,800	83.80	<u>82.80</u>
85	56,801 and over	86.00	<u>85.00</u>

- 86 (e) In the case of a combination of a truck or tractor truck and a trailer or semitrailer, each vehicle constituting a
 87 part of such combination shall be registered as a separate vehicle, and a separate local vehicle license fee shall
 88 be imposed thereon, but, for the purpose of determining the gross weight group into which any such vehicle
 89 falls pursuant to subsection (d) of this Section, the combination of vehicles of which such vehicle constitutes a
 90 part shall be considered a unit, and the aggregate gross weight of the entire combination shall determine such
 91 gross weight group. In determining the fee to be paid for the local license for a truck or tractor truck
 92 constituting a part of such combination, the fee shall be assessed on the total gross weight of the combination
 93 when loaded to the maximum capacity for which it is registered and licensed. However, there shall be no
 94 deduction from this fee for the local vehicle license fee of the trailer or semitrailer in the combination.
 95 (f) ~~The increases in fees authorized on May 9, 2006, shall be effective for October 1, 2006 through September 30,
 96 2007, and the additional revenue resulting from the fee increase shall fund activities associated with the
 97 Virginia Beach 2007 celebration to commemorate the 400th anniversary of the First Landing at Cape Henry
 98 and subsequent settling of Jamestown as the first settlement in the New World. Absent further action by the
 99 City Council, on October 1, 2007, all fees shall revert to those rates in effect on May 9, 2006.~~

100 BE IT FURTHER ORDAINED: That this ordinance shall be effective on July 1, 2013.

101
102 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1 **A RESOLUTION PROVIDING CERTIFICATION TO THE VIRGINIA RETIREMENT**
2 **SYSTEM REGARDING MEMBER CONTRIBUTIONS BY SALARY REDUCTION**

4 WHEREAS, the City of Virginia Beach (VRS #55234) (the "City") employees who are Virginia Retirement
5 System members who commence or recommence employment on or after July 1, 2012, shall be required to
6 contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code §
7 414(h) on a pre-tax basis upon commencing or recommencing employment; and

9 WHEREAS, the City employees who are Virginia Retirement System members and in service on June 30,
10 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to
11 Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

13 WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one
14 percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until
15 the employees' contributions equal five percent of creditable compensation; and

17 WHEREAS, the City may elect to require such employees in service on June 30, 2012, to contribute more
18 than an additional one percent each year, in whole percentages, until the employees' contributions equal five
19 percent of creditable compensation; and

21 WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an
22 increase in total creditable compensation, effective July 1, 2013, to each such employee in service on June 30,
23 2013, who was also in service with the City on June 30, 2012, to offset the cost of the member contributions, such
24 increase in total creditable compensation to be equal to the percentage increase of the member contribution paid
25 by such pursuant to this resolution (For example, if the member contribution paid by the employee increases from
26 two to three percent pursuant to this resolution, the employee must receive a one percent increase in creditable
27 compensation.).

28 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA, THAT:

31 The City of Virginia Beach (VRS #55234) does hereby certify to the Virginia Retirement System Board of
32 Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the
33 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2013:

Plan 1			Percent	Plan 2			Percent
Employer	Paid	Member	3%	Employer	Paid	Member	0%
Employee	Paid	Member	2%	Employee	Paid	Member	5%
Total			5%	Total			5%

35 BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to
36 be made by the City in lieu of member contributions; and

39 BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds
40 as used in paying the wages to affected employees; and

42 BE IT FURTHER RESOLVED, that member contributions made by the City under the pick up arrangement
43 shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same
44 manner and to the same extent as member contributions made prior to the pick up arrangement; and

46 BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to
47 VRS members to receive pick up contributions made by the City directly instead of having them paid to VRS; and

49 BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each
50 member of VRS who is an employee of the City shall be reduced by the amount of member contributions picked up
51 by the City on behalf of such employee pursuant to the forgoing resolutions; and

52
53 BE IT FURTHER RESOLVED, that in accordance with the Appropriation Act, no salary increases that were
54 provided solely to offset the cost of required member contributions to the Virginia Retirement System under
55 §51.1-144 of the Code of Virginia will be used to certify that the salary increases required by the Appropriations
56 Act have been provided.

57
58 NOW, THEREFORE, the City Manager or designee is hereby authorized and directed in the name of the
59 City to carry out the provisions of this resolution, and said officers are authorized and directed to pay over to the
60 Treasurer of Virginia from time to time such sums as are due to be paid by the City for this purpose.

61
62 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 2-72 OF THE CITY CODE**
2 **PERTAINING TO THE PERSONNEL BOARD**

3
4 WHEREAS, the Operating Budget eliminates compensation for all City boards.
5
6 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

7
8 Sec. 2-72. - Personnel board—Established; composition; appointment, terms and compensation of
9 members; etc.

10

11
12 (c) A majority of the members of the personnel board shall constitute a quorum. Members of the board shall serve
13 on a volunteer basis. ~~receive such compensation as may be authorized by the council.~~

14
15 BE IT FURTHER ORDAINED: That this ordinance shall be effective on the day of adoption.

16
17 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 2-452.1 OF THE CITY CODE**
2 **PERTAINING TO THE CHESAPEAKE BAY AREA PRESERVATION BOARD**

3
4 WHEREAS, the Operating Budget eliminates compensation for all City boards.
5
6
7 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:
8

9 **Sec. 2-452.1. - Chesapeake Bay Preservation Area Board.**

10 (a)

11 There is hereby created the Chesapeake Bay Preservation Area Board, which shall have such authority as
12 is conferred upon it by the provisions of the Chesapeake Bay Preservation Area Ordinance. Such board
13 shall consist of nine (9) members, who shall be appointed by the city council for terms of three (3) years;
14 provided, however, that original appointments shall be made as follows: Three (3) members shall be
15 appointed for a term of three (3) years, two (2) members for a term of two (2) years, and two (2)
16 members for a term of one (1) year. Members may serve for no more than three (3) consecutive three-
17 year terms in addition to an initial term, if such initial term is less than three (3) years, but a member
18 whose term expires shall continue to serve until his successor is appointed and qualifies. Appointments to
19 fill vacancies shall be for the unexpired portion of the term. Members of the board shall be appointed on
20 a volunteer basis compensated in the amount of fifty dollars (\$50.00) per regularly scheduled meeting
21 attended and shall be reimbursed for their necessary expenses in discharging their duties.

22 BE IT FURTHER ORDAINED: That this ordinance shall be effective on the day of adoption.

23
24 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.
25
26

1 AN ORDINANCE TO AMEND SECTION 8.3 OF THE
2 SUBDIVISION REGULATIONS PERTAINING TO THE FEE FOR A
3 SUBDIVISION VARIANCE

4
5 Section Amended: §8.3
6

7 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

8 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

9
10 That Section 8.3 of the Subdivision Regulations is hereby amended and reordained, to read as follows:

11
12 **Sec. 8.3. Subdivision variance fees.**

13
14 Any appeal for a variance shall be accompanied by the following fees to cover the costs of processing the
15 appeal ~~and publication of the notice of public hearing: Five hundred twenty five six hundred fifty dollars~~
16 (\$~~525~~⁶⁵⁰.00). The cost of public notices required by Section 15.2-2204 of the Code of Virginia shall be charged to
17 the applicant.

18
19 **COMMENT**

20
21 This ordinance changes the fee for a subdivision variance from \$525 to \$650. It also requires the applicant
22 to pay the cost of required notices, signs and notifications to adjacent property owners.

23
24 The effective date of this ordinance shall be July 1, 2013.

25
26 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 8-31 OF THE CITY CODE**
2 **PERTAINING TO THE ADDITION OF REVIEW FEES FOR**
3 **RESIDENTIAL BUILDING PLANS, COMMERCIAL BUILDING**
4 **PLANS AND FIRE PLANS**

5
6 Section Amended: § 8-31
7

8 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

9 That Section 8-31 of the Code of the City of Virginia Beach, Virginia, is hereby amended and reordained to
10 read as follows:

11 **DIVISION 1. - GENERALLY**

12
13

14

15 **Sec. 8-31. Permit fees—Building permits.**

16
17

18

19 (c) For the construction of any building or addition thereto where the floor area is increased and for the
20 installation or erection of any industrialized building unit, the fee shall be based on the floor area to be
21 constructed, as computed from exterior building dimensions at each floor, as follows:
22

23
24

25

26 (20) There shall also be a review fee in the amount of one hundred fifty dollars (\$100.00~~150.00~~) for review
27 of commercial plans.

28

29 (21) There shall also be a review fee in the amount of seventy five dollars (\$75.00) for review of residential
30 plans.

31 (22) There shall also be a review fee in the amount of seventy five dollars (\$75.00) for review of fire plans.

32

33

34

35 **COMMENT**

36

37 This ordinance changes the fee for review of commercial plans from \$100 to \$150. It also adds the fee
38 of \$75 for review of residential plans and fire plans.

39

40 The effective date of this ordinance shall be July 1, 2013.

41

42 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 8-33 OF THE CITY CODE**
2 **PERTAINING TO THE FEE FOR FIVE YEAR INSPECTIONS FOR**
3 **ELEVATORS**

5 Section Amended: § 8-33
6

7 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

8 That Section 8-33 of the Code of the City of Virginia Beach, Virginia, is hereby amended and reordained to
9 read as follows:

10 **DIVISION 1. - GENERALLY**

11

14 **Sec. 8-33. - Same—Mechanical, life safety, elevator and gas permits.**

16

18 (d) For annual inspections of elevators and escalators, the fees shall be as follows:

- 20 (1) Annual safety test and inspection:
21 a. Tractor/cable elevator—\$100.00.
22 b. Hydraulic elevator—\$100.00.
23 c. Freight elevators—\$100.00.
24 d. Escalator—\$100.00.

- 26 (2) Five-year full rate load safety test and inspection:
27 a. Tractor/cable elevators—~~\$100.00~~\$300.00.

29

31 **COMMENT**

33 This ordinance changes the five-year fee for safety test and inspection of tractor/cable elevators from
34 \$100 to \$300.

36 The effective date of this ordinance shall be July 1, 2013.

38 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 33-111.2 OF THE CITY CODE**
2 **PERTAINING TO THE FEES REQUIRED FOR THE VACATION OF PUBLIC**
3 **WAYS**

4
5 Section Amended: § 33-111.2
6

7 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

8 That Section 33-111.2 of the Code of the City of Virginia Beach, Virginia, is hereby amended and reordained to read
9 as follows:

10 **ARTICLE V. - VACATION OF PUBLIC STREETS, ALLEYS, EASEMENTS AND OTHER PUBLIC WAYS**

11
12

13
14 Sec. 33-111.2. - Appointment of viewers for one year terms.

15 Three (3) viewers shall be appointed each year to serve terms of one year beginning July 1 to view each and every
16 street or alley proposed to be altered or vacated during the term. The applicant for closure of streets or alleys shall not be
17 required to advertise, and city council shall not be required to hold a separate hearing, for appointment of viewers for each
18 specific street or alley proposed to be altered or vacated. The notice requirements of section 15.2-2204 of the Code of
19 Virginia and section 33-111.1 of the Code of Virginia Beach shall be complied with for each hearing regarding
20 discontinuance of the street or alley proposed to be altered or vacated. The cost of public notices required by §15.2-2204 of
21 the Code of Virginia shall be charged to the applicant. Also, the applicant and city council shall comply with all other
22 provisions of section 15.2-2006 of the Code of Virginia for the alteration and vacation of streets and alleys.

23 **COMMENT**

24 This ordinance requires the applicant to pay the cost of public notices for street closures.
25

26 The effective date of this ordinance is July 1, 2013.
27

28 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 105 OF THE CITY
2 ZONING ORDINANCE PERTAINING TO THE APPLICATION FEE
3 FOR ENLARGEMENT, EXTENSION, OR CONVERSION OF A
4 NONCONFORMING USE**

5
6 Section Amended: City Zoning Ordinance §105
7

8 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

9
10 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11 That Section 105 of the City Zoning Ordinance is hereby amended and reordained, to read as follows:

12 **ARTICLE 1. GENERAL PROVISIONS**

13

14 **Sec. 105. Nonconformity.**

15

16 (d) (1) *Enlargement or extension of nonconformity.* No nonconforming use shall be increased in
17 magnitude. No nonconforming use shall be enlarged or extended to cover a greater land area than was occupied
18 by the nonconformity on the effective date of this ordinance or amendment thereto. No nonconforming use shall
19 be moved in whole or in part to any other portion of the lot, parcel, or structure not occupied by the
20 nonconformity on the effective date of this ordinance or amendment thereto, and no nonconforming structure
21 shall be moved at all except to come into compliance with the terms of this ordinance. No nonconforming
22 structure shall be enlarged, extended, reconstructed, or structurally altered, if the effect is to increase the
23 nonconformity. As an exception to the above, any condition of development prohibited by this section may be
24 permitted by resolution of the city council based upon its finding that the proposed condition is equally
25 appropriate or more appropriate to the district than is the existing nonconformity city council may attach such
26 conditions and safeguards to its approval as it deems necessary to fulfill the purposes of this ordinance.
27 Applications for the enlargement, extension or relocation of a nonconforming use or structure shall be filed with
28 the planning director. The application shall be accompanied by a fee of one hundred twenty-five dollars (\$125.00)
29 five hundred dollars (\$500.00) to cover the cost of publication of notice of public hearing and processing the
30 application. Notice shall be given as provided by Section 15.2-2204 of the Code of Virginia; provided, however, that
31 written notice as prescribed therein shall be given at least fifteen (15) days prior to the hearing. The cost of the
32 public notices required by Section 15.2-2204 of the Code of Virginia shall be charged to the applicant. A sign shall
33 be posted on the site in accordance with the requirements of section 108 of this ordinance.

34

35 (e) (1) *Conversion of a nonconforming use to another use.* No nonconforming use shall be
36 converted to another use which does not conform to this ordinance except upon a resolution of the city council
37 authorizing such conversion, based upon its finding that the proposed use is equally appropriate or more
38 appropriate to the district than is the existing nonconforming use. In the resolution authorizing such change, the

47 city council may attach such conditions and safeguards to its approval as it deems necessary to fulfill the purposes
48 of this ordinance. When any nonconforming use is converted to another use, the new use and accompanying
49 conditions of development shall conform to the provisions of this ordinance in each respect that the existing use
50 conforms, and in any instance where the existing use does not conform to those provisions, the new use shall not
51 be more deficient. Any such use authorized by the city council shall thereafter be subject to the provisions of this
52 section and to any conditions or restrictions attached by the city council. Applications for the conversion of a
53 nonconforming use or structure shall be filed with the planning director. The application shall be accompanied by a
54 fee of ~~one hundred twenty five dollars (\$125.00)~~five hundred dollars (\$500.00) to cover the cost of ~~publication of~~
55 ~~notice of public hearing and processing the application.~~ Notice shall be given as provided by Code of Virginia, §
56 15.2-2204; provided, however, that written notice as prescribed therein shall be given at least fifteen (15) days
57 prior to the hearing. The cost of the public notices required by Section 15.2-2204 of the Code of Virginia shall be
58 charged to the applicant. A sign shall be posted on the site in accordance with the requirements of section 108 of
59 this ordinance.

60

61 **COMMENT**

62

63 This ordinance changes the application fee for enlargement, extension, or conversion of a
64 nonconforming use from \$125 to \$500. It also charges the cost of public notices, signs, media advertising and
65 adjacent property owner notification to the applicant.

66

67 The effective date of this ordinance shall be July 1, 2013.

68

69 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 106 OF THE CITY
2 ZONING ORDINANCE PERTAINING TO THE FEE FOR AN
3 APPEAL TO THE BOARD OF ZONING APPEALS**

5 Section Amended: City Zoning Ordinance §106

7 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

9 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11 That Section 106 of the City Zoning Ordinance, is hereby amended and reordained, to read as follows:

13 **ARTICLE 1. GENERAL PROVISIONS**

15

17 **Sec. 106. Appeals and variances.**

19 (a) The board of zoning appeals shall hear and decide appeals from any order, requirement,
20 decision, or determination made by an administrative officer in the administration or enforcement of this
21 ordinance. An appeal shall be filed with the zoning administrator, and include the grounds of appeal, within thirty
22 (30) days of the date of the decision appealed, unless the notice of violation involves temporary or seasonal
23 commercial uses, parking of commercial trucks in residential zoning districts, or similar short-term recurring
24 violations, in which case the appeal period is ten (10) days from the date of the notice of violation. All decisions not
25 timely appealed shall be final and unappealable. In addition thereto, the board shall have such other powers and
26 duties as are set forth in Code of Virginia, § 15.2-2309; provided, however, that the board shall have no authority
27 to hear and decide applications for conditional use permits, and provided further, that written notice as prescribed
28 in Code of Virginia, § 15.2-2204 shall be given at least fifteen (15) days prior to the hearing before the board. The
29 cost of the public notices required by Section 15.2-2204 of the Code of Virginia shall be charged to the applicant.

31

33 (c) Every application concerning a single-family residence, semi-detached residence or duplex to the
34 board of zoning appeals shall be accompanied by a fee of two hundred and fifty dollars (\$200250.00), and all other
35 applications shall be accompanied by a fee of three five hundred dollars (\$300500.00), ~~, which shall be applied to~~
36 ~~the costs of advertising and expenses incidental to the processing of the application.~~ Each lot upon which a
37 variance is requested shall be the subject of a separate application and a separate fee; provided, however, that
38 variances from the setback and landscaping provisions of section 201(e)(1), pertaining to fences and walls, may be
39 the subject of a single application and fee where the following conditions are met

41

43 **COMMENT**

45 **This ordinance changes the fee for an appeal to the Board of Zoning Appeals from \$200 to \$250 for a single-
46 family residence, semi-detached residence or duplex. For all other applications, the fee will be increased from**

47 **\$300 to \$500. This ordinance also charges the cost of public notices, signs and notification to adjacent property**
48 **owners to the applicant.**

49

50 The effective date of this ordinance shall be July 1, 2013.

51

52 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTIONS 107 AND 108 OF THE CITY ZONING**
2 **ORDINANCE, PERTAINING TO APPLICATION FEES FOR A PETITION TO AMEND,**
3 **SUPPLEMENT OR CHANGE THE DISTRICT BOUNDARIES OR CLASSIFICATION OF**
4 **PROPERTY AND THE FEE FOR PUBLIC NOTICE SIGNS**

5
6 Sections Amended: City Zoning Ordinance Sections 107 and 108
7

8 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

9
10 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11
12 That Sections 107 and 108 of the City Zoning Ordinance are hereby amended and reordained, to read as
13 follows:

14
15 **ARTICLE 1. GENERAL PROVISIONS**

16
17

18
19 **Sec. 107. Amendments.**

20
21

22
23 (c) *Planning commission action; notice of public hearing.* Before making any recommendation on a
24 proposed amendment, the planning commission shall give notice of a public hearing thereon, as set forth in
25 Section 15.2-2204 of the Code of Virginia, as amended, or any successor statute; provided, however, that written
26 notice as prescribed therein shall be given at least fifteen (15) days prior to the hearing and in the case of a
27 condominium or a cooperative, the written notice may be mailed to the unit owners' association or proprietary
28 lessees' association, respectively, in lieu of each individual owner. In the case of a proposed change of zoning
29 district classification, the public notice shall state the general usage and density range of the proposed zoning
30 district classification and the general usage and density range, if any, set forth in the applicable part of the
31 comprehensive plan; provided, however, that where a conditional change of zoning is sought, the public notice
32 shall state the proposed uses and density sought in the petition. The cost of the public notices required by Section
33 15.2-2204 of the Code of Virginia shall be charged to the applicant.

34
35

36
37 (g) *Fee.* A petition to amend, supplement or change the district boundaries or classification of
38 property shall be accompanied by a fee in the amount of nine hundred dollars (\$900.00), plus ten dollars (\$10.00)
39 per acre for each acre or part thereof over ~~one hundred (100)~~ twenty-five (25) acres; provided, that where such a
40 petition is submitted as a conditional zoning, the fee shall be in the amount of one thousand two hundred dollars
41 (\$1,200.00), plus twenty dollars (\$20.00) per acre for each acre or part thereof over twenty five (25) acres. A
42 petition of any property owner for a reconsideration of proffered conditions shall be accompanied by a fee in the
43 amount of two five hundred dollars (\$200500.00).

44
45

47 **Sec. 108. - Posting of signs relating to applications for rezoning, etc.**

48

49 (a) In any case in which a property owner or other authorized person petitions the city council for the
50 approval of any application seeking a rezoning, conditional use permit, approval of a PD-H1 or PD-H2 land use plan,
51 special exception, resolution pertaining to a nonconforming use or structure, subdivision or floodplain variance or
52 reconsideration of conditions, the applicant shall erect, on the property which is the subject of the application or
53 within the unimproved portion of the abutting public street, a sign of a size, type and lettering approved by the
54 planning director. All such signs shall be posted and maintained in such manner as to be unobscured by vegetation
55 or other obstructions. One such sign shall be posted within ten (10) feet of the paved portion or, if present, the
56 sidewalk of every public street adjoining the property or in such alternate location or locations as may be
57 prescribed by the planning director. The cost of such signs shall be charged to the applicant. Such sign shall be
58 erected not less than thirty (30) days before the planning commission hearing, or if none, the city council hearing,
59 and shall state the nature of the application and date and time of the hearing. Such signs may not be removed until
60 the city council has acted upon the application, and shall be removed no later than five (5) days thereafter. In any
61 case in which the planning commission or city council determines that the requirements of this section have not
62 been met, the application shall be deferred; provided, however, that the city council may, for any other
63 appropriate reason, deny such application.

64

65 . . .

66

67 **COMMENT**

68

69 The amendments raise the fee for straight rezoning from \$900 plus \$10 per acre over 100 acres to \$900
70 plus \$10 per acre over 25 acres for a straight rezoning application and \$1200 plus \$20 per acre over 25 acres for
71 conditional rezoning. A modification of a rezoning requires a fee of \$500. Applicants will also be charged the
72 cost of any signs that must be posted and the cost of notices required by the Virginia Code, including media
73 advertising and adjacent property owner notification.

74

75 The effective date of this ordinance shall be July 1, 2013.

76

77 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 110 OF THE**
2 **CHESAPEAKE BAY PRESERVATION AREA ORDINANCE**
3 **PERTAINING TO THE FEE FOR AN APPLICATION FOR A**
4 **VARIANCE TO THE CHESAPEAKE BAY PRESERVATION AREA**
5 **BOARD**

6
7 Section Amended: §110
8

9 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

10 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11 That Section 110 of the Chesapeake Bay Preservation Area Ordinance is hereby amended and reordained,
12 to read as follows:

13 **Sec. 110. - Variances.**

14

15 (C) *Board variances.* The City Manager shall review any other application for a variance and the water
16 quality impact assessment and provide the Board with an evaluation of the potential impacts of the proposed
17 variance and such other information as may aid the Board in considering the application. No such application shall
18 be accepted by the City Manager unless accompanied by a nonrefundable fee in the amount of ~~two hundred fifty~~
19 ~~three hundred~~ dollars (\$~~250~~300.00). The City Manager shall transmit the application and supporting information
20 and evaluation to the members of the Board and the applicant no less than five (5) days prior to the scheduled
21 hearing on such application.

22 (D) Not later than sixty (60) days after the receipt of an application, the Board shall hold a public hearing
23 on such application. Notice of the time and place of the hearing shall be published no less than once per week for
24 two (2) consecutive weeks prior to such hearing in a newspaper having a general circulation in the City. The second
25 such notice shall appear not less than five (5) days nor more than twenty-one (21) days prior to the hearing. The cost of the public notice shall be charged to the applicant.

26 (E) The Board shall notify, by first class mail, all property owners adjacent to the subject property and
27 each waterfront property owner across the waterway from the subject property, if the water body is less than five
28 hundred (500) feet wide, of the public hearing at least five (5) days prior to the hearing. The cost of such
29 notification shall be charged to the applicant.

30
31 **COMMENT**

32 This ordinance changes the fee for an application for a variance to the Chesapeake Bay Preservation
33 Area Board from \$250 to \$300. It also charges the cost for public notices, signs and notices to adjacent property
34 owners to the applicant.

35 The effective date of this ordinance is July 1, 2013.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 221 OF THE CITY**
2 **ZONING ORDINANCE PERTAINING TO THE FEES FOR A**
3 **CONDITIONAL USE PERMIT**

5 Section Amended: City Zoning Ordinance § 221
6

7 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

9 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11 That Section 221 of the City Zoning Ordinance is hereby amended and reordained, to read as follows:

13 **Sec. 221. Procedural requirements and general standards for conditional uses.**

15

17 (b) *Fees.* The application shall be accompanied by the following fees to cover the costs of processing
18 the application. ~~and publication of the notice of public hearing: EightNine hundred dollars (\$800900.00) plus~~
19 ~~twenty dollars (\$20.00) per acre for each acre or part thereof over five (5) acres~~ for all applications except
20 applications submitted by a nonprofit organization or for a home occupation under section 234 of this ordinance.
21 The fee for such applications shall be ~~one two hundred fifty dollars (\$150200.00)~~. An application to reconsider
22 existing conditions shall be accompanied by a fee of ~~two five hundred dollars (\$200500.00), except that~~
23 ~~applications submitted by a nonprofit organization or for a home occupation under section 234 of this ordinance,~~
24 ~~which shall be accompanied by a fee of two hundred dollars (\$200.00).~~

26

28 (d) *Action by the planning commission.* After receiving the report of the director, with all pertinent
29 related material, the planning commission shall give notice of and hold a public hearing in accordance with
30 applicable provisions of Virginia Code Section 15.2-2204; provided, however, that written notice as prescribed
31 therein shall be given at least fifteen (15) days prior to the hearing. ~~The cost of the public notices required by~~
32 ~~Virginia Code Section 15.2-2204 shall be charged to the applicant.~~ Within forty-five (45) days after the hearing, the
33 commission shall submit its recommendations to the city council through the planning director; provided,
34 however, that upon mutual agreement between the commission and the applicant, such time may be extended.

36 **COMMENT**

37 The amendments raise the fee for applications for conditional use permits from \$800 to \$900 plus \$20
38 per acre over 25 acres. Applications for non-profits and home occupations went from \$200 to \$500. A
39 modification of conditions requires a fee of \$500. Applicants will also be charged the cost of any signs that must
40 be posted and the cost of notices required by the Virginia Code, including media advertising and adjacent
41 property owner notification.

42 The effective date of this ordinance shall be July 1, 2013.

43

44 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 1403 OF THE CITY
2 ZONING ORDINANCE PERTAINING TO THE FEE FOR AN
3 APPLICATION TO THE WETLANDS BOARD INVOLVING
4 WETLANDS**

5
6 Section Amended: City Zoning Ordinance §1403
7

8 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

9
10 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11
12 That Section 1403 of the City Zoning Ordinance is hereby amended and reordained, to read as follows:

13
14 **Sec. 1403. Applications for permits.**

15

16
17
18 (c) A nonrefundable processing fee to cover the cost of processing the application shall accompany
19 each permit application. Such fee shall be in an amount of two-three hundred dollars (\$200300.00) plus the cost of
20 advertisement shall be required. Such fees shall apply to original applications, including after-the-fact applications,
21 and to reapplications. A fee in an amount of one hundred dollars (\$100.00) shall be required for deferral of an
22 application unless waived by the Board for good cause shown.

23
24 **COMMENT**

25
26 This ordinance changes the fee for an application to the Wetlands Board involving wetlands from \$200
27 to \$300.

28
29 The effective date of this ordinance shall be July 1, 2013.

30
31 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

1 **AN ORDINANCE TO AMEND SECTION 1603 OF THE CITY
2 ZONING ORDINANCE PERTAINING TO THE FEE FOR AN
3 APPLICATION TO THE WETLANDS BOARD INVOLVING
4 COASTAL PRIMARY SAND DUNES**

5
6 Section Amended: City Zoning Ordinance §1603
7

8 WHEREAS, the public necessity, convenience, general welfare, and good zoning practice so require;

9
10 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

11
12 That Section 1603 of the City Zoning Ordinance is hereby amended and reordained, to read as follows:

13
14 **Sec. 1603. Applications for permits.**

15

16
17
18 (c) A nonrefundable processing fee to cover the cost of processing the application shall accompany
19 each permit application. Such fee shall be in an amount of two-three hundred dollars (\$200300.00) plus the cost of
20 advertisement shall be required. Such fees shall apply to original applications, including after-the-fact applications,
21 and to reapplications. . . A fee in an amount of one hundred dollars (\$100.00) shall be required for deferral of an
22 application unless waived by the Board for good cause shown.

23
24 **COMMENT**

25
26 This ordinance changes the fee for an application to the Wetlands Board involving coastal primary sand
27 dunes from \$200 to \$300.

28
29 The effective date of this ordinance shall be July 1, 2013.

30
31 Adopted by the Council of the City of Virginia Beach, Virginia, on the 14th day of May, 2013.

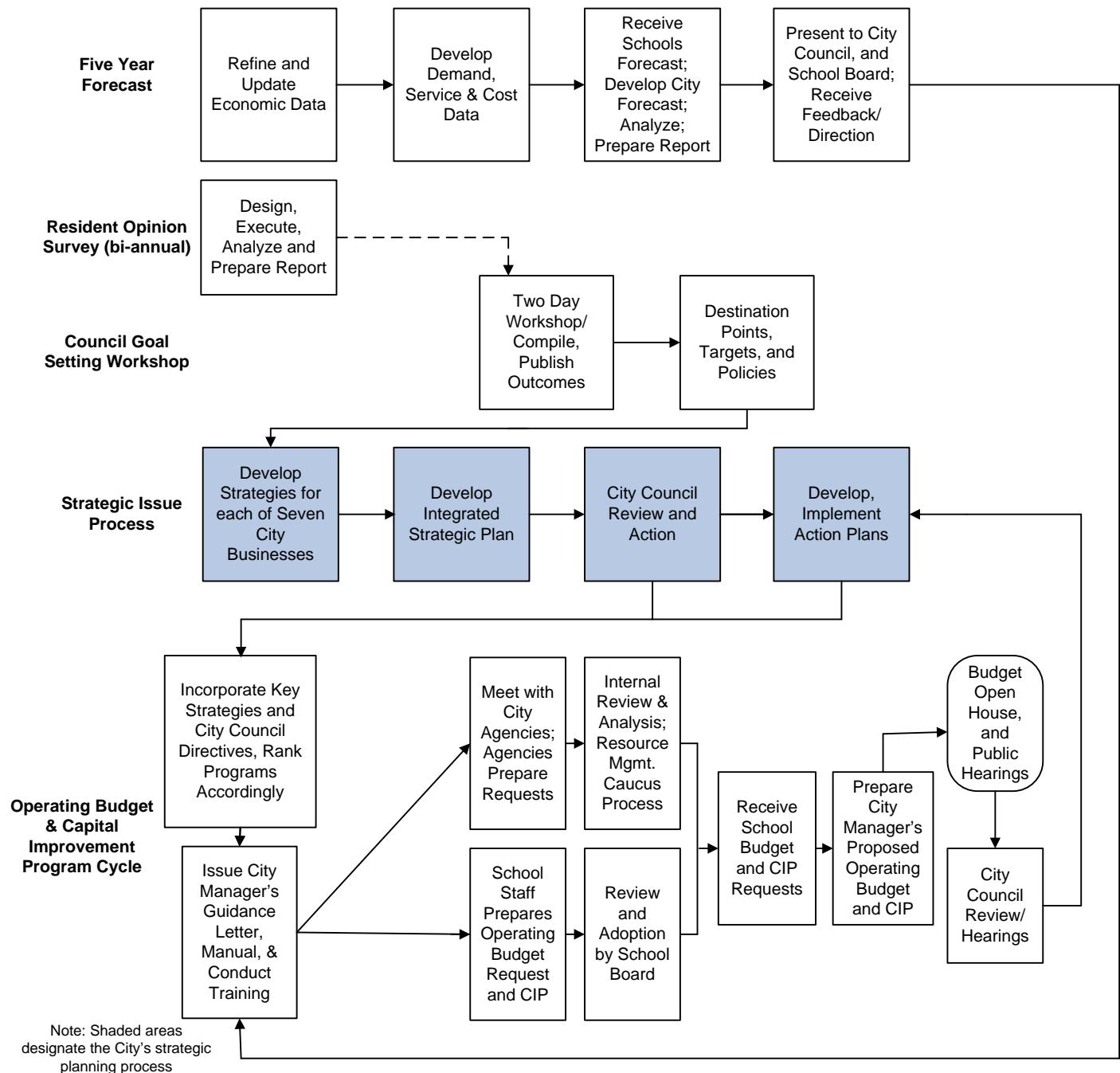
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Resource Management Process Overview

The chart below provides a graphic view of the City's strategic planning and resource allocation process:



Legal Framework

Submission of the Budget - The City Manager shall submit to the City Council a budget and a budget message at least 90 days prior to the beginning of each fiscal year.

Balancing of the Budget - As required by Section 5.04 of the Virginia Beach Charter, the budget recommendation by the City Manager must be balanced with revenues equal to expenditures. If expenditures exceed the receipts estimated, the City Manager shall either recommend an increase in the tax rates on real estate, tangible property, or other new or existing items, or recommend a reduction in expenditures. If estimated receipts exceed estimated expenditures, the City Manager may recommend revisions in the tax and license ordinances to bring the budget into balance.

School Budget - The City's operating budget incorporates the School budget. The School Board submits a School Board approved budget to the City Council and the City Manager. The City Manager may recommend a revised School budget. City Council considers the School budget as part of the total operating budget and may appropriate funds based on categories established by State law, or by lump sum. The City Council appropriates funds based on categories.

Base Level Budget Ordinance - The City Council adopts the operating budget ordinance, which requires the operating budget to be presented with real estate tax revenue grown only by new construction. All other revenues of the government are allowed to reflect their normal growth. The anticipated growth in real estate tax revenue, which results from the growth in assessments, is held off at the base level of the budget. Then, in priority order, programs which would require the use of the growth are added back. This won't apply in the FY 2013-14 operating budget, because real estate assessments are not growing.

Public Hearings on the Budget - Section 5.07 of the Virginia Beach Charter requires City Council to hold a public hearing on the budget as submitted. Notice of the public hearing is published not less than seven days prior to the date of the hearing. As a practice, the City Council holds two such hearings each year. The City Council also holds several workshops to discuss the budget and to seek answers to questions concerning the proposed budget.

Adoption of the Budget - After the public hearing, City Council may make changes in the budget as it may determine. Following its revisions, the City Council then adopts the budget at one reading. To meet State requirements, the City must adopt a budget by May 15. If the City Council does not adopt a budget by 30 days prior to the start of the fiscal year, the City Charter requires that the City Manager's proposed budget take effect on July 1.

Amending the Adopted Budget - The City Council may amend the budget from time to time during the fiscal year. The City Manager may transfer funding in amounts in accordance with the operating budget ordinance. Section 2-187.1 of the Virginia Beach City Code states that supplemental appropriations which exceed 1% of the total revenue shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and public hearing seven days prior to the meeting date.

Amending the Adopted Capital Improvement Program - The Capital Improvement Program and the Capital Budget are governed by City Code Section 2-195 which parallels the requirements of the City's operating budget.

Budget Administration - The legally appropriated funding level determines the spending limits for municipal operations. The City Manager establishes additional controls to assist in managing departmental operations within the amounts and intent approved by City Council. Departments/Agencies are allowed, during the fiscal year, to make adjustments within their appropriation limits through the transfer process; the City Manager may transfer up to \$100,000 on his signature; and the City Council must approve transfers over \$100,000.

Resident Opinion Survey - A bi-annual citizen's survey is conducted to assist in evaluating City services and identifying areas in need of attention. One purpose of the survey is to provide City Council and departments with statistically valid citizen usage rates and perceptions regarding City services.

Council Goal Setting Workshop - An annual two-day City Council workshop is held to review the City's progress, assess its direction, and identify and discuss issues and priorities. The results of this workshop include a Policy Agenda which identifies 1) long-term priorities for a five-year period and 2) shorter-term targets for action. These goals and targets then become a part of management's planning, action, and monitoring process. They are incorporated in the Operating Budget and CIP preparation guidelines and review.

Strategic Issues Process - In order to develop implementation plans for attaining the City Council goal areas, the City Manager and Management Leadership Team (MLT) established a series of Director level teams. Each Strategic Issue Team (SIT), comprised of members from other departments, was charged with a specific goal area or sub-goal area (see discussion of each team's mission included in the City Council Goal Section of this document). The teams examine the root causes, key factors, and driving forces of the issue defined. They work to examine viable alternatives and define potential strategic actions. This process does not automatically assume the need for additional funds, but often the need to redirect existing funds to higher priority areas.

Five-Year Forecast - Each year an updated five-year forecast of revenues and expenditures for school and city programs is prepared and presented to City Council and the School Board. The forecast is designed to provide long-range financial and program information to the City Council and the School Board and to serve as a forum policy review.

Operating Budget Process - The traditional process includes the following : departments requesting funds for their existing and proposed programs; the budget office reviewing those requests and making a recommendation to the departments on resource levels; the departments then appealing their concerns over those recommendations to the City Manager, who referees between the competing needs; and then the City Council reviewing and ultimately approving a package of resources, programs and services for the upcoming fiscal year.

A more collaborative process replaced the traditional process years ago and pulled the participants of the budget process together to jointly make decisions. Department Directors along with, the Management Leadership Team, and the Department of Budget and Management Services staff, set priorities and provide advice on the package of services and programs to be recommended to the City Manager. The following describes the process used to develop the operating budget.

- The departments prepare their resource requests in accordance with the program needs and issues and in response to the Council's goals and the Strategic Plan.
- A description of the department, its mission, objectives, and performance indicators.
- Funding requests necessary to maintain the same levels of effort/service delivery as provided during the current fiscal year.
- Funding requests necessary to meet known increases in demand for existing services.
- Requests for expansion of services or new programs are submitted through the use of budget issues in order to present a systems view of the programs being proposed.

The requests are submitted to the Department of Budget and Management Services where they are analyzed for accuracy, completeness, and policy consistency.

- The Department of Budget and Management Services is responsible for all the revenue estimates.
- The Department of Budget and Management Services coordinates budget hearings between the departments and the Management Leadership Team, and summarizes the funding issues that will receive further consideration.
- Summaries of each department's unfunded requests and information on revenues are provided to the Management Leadership Team and City Manager for information and review. These summaries illustrate any gap between service needs and revenues.
- The Management Leadership Team, through a series of meetings with the leadership of the Department of Budget and Management Services works through the issues and develops funding priorities based on strategic considerations. The City Manager finalizes funding decisions to be included in the upcoming operating budget.

- The City Council receives the Operating Budget and Capital Improvement Program, no later than April 1, for their consideration. As part of their review process, the City Council holds workshops with the department directors to discuss issues and concerns. A public open house is held in which citizens may obtain more information from the departments about their proposed operating budgets. In addition, City Council holds two public hearings to receive public input for the proposed plan. Final action on the operating budget must occur no later than May 15.

Performance Measurement Process - The operating budget emphasizes selected indicators of departmental program performance in terms of impact on the community; internal processes; learning and growth; and, financial management. City-wide indicators assess outcomes at the city-wide and/or community levels within each of the major business areas of the city. In addition, the city regularly benchmarks programs against regional cities and best practices.

Capital Improvement Process - The development of the six-year Capital Improvement Program (CIP), from the distribution of forms to adoption by the City Council, requires approximately 160 days. The process begins with the allocation of target funding levels based on prior years' CIPs and expected availability of financing. The development of the program requires coordination and cooperation from many departments. The following have major responsibilities in producing the CIP:

- Department of Planning and Community Development participates in transportation project planning and prepares the Comprehensive Plan regarding land use development.
- Department of Budget and Management Services coordinates the overall process, determines funding and budget plans, provides technical assistance to departments, and makes recommendations. The CIP Focus Group consists of members from each department that manages/administers the CIP and submits project requests and financing. The purpose of this group is to foster communication and coordination regarding the City's capital projects.
- Departments responsible for submission of Capital Improvement project requests are:
 - Schools Division: schools and educational facilities;
 - Public Works: buildings (new City buildings, renovation, site work, or expansion), coastal, roadways (in cooperation with Public Utilities), and storm water projects;
 - Strategic Growth Area Office: economic and tourism development projects (in cooperation with Public Works);
 - Communications and Information Technology: communication and information technology projects;
 - Parks and Recreation: parks and recreational facilities; and
 - Public Utilities: water and sewer lines, mains, pumps, and related facilities.

The Department of Budget and Management Services analyzes departmental submissions for cost and benefit and to ensure that the CIP meets City Council priorities and overall debt limits.

There is a CIP Caucus comprised of department directors from the City agencies that manage/administer the CIP, Strategic Issue Team leaders, and the Management Leadership Team. The CIP Caucus reviews non-school project requests that are above the basic/target level of funding to determine priorities. Thereafter, the Management Leadership Team meets with the leadership of Budget and Management Services to work through project and funding issues and makes funding decisions.

The CIP is submitted to City Council along with the Operating Budget and they are reviewed together.

Public Information - Citizens have the opportunity to attend two public hearings held to allow the public to make comments before City Council formally votes to adopt the Resource Management Plan for the next fiscal year. The Proposed Resource Management Plan is available to citizens in the public libraries, City Hall, and on the City's website at www.vbgov.com. Public notices, which present highlights of the Plan, are published in the local newspaper.

Resource Management Plan Calendar

August/September

08/01/12 - 09/30/12 – Budget and Management Services staff members start planning for the upcoming Operating Budget and CIP. They develop the initial revenue forecast, and funding targets.

09/13/12 - CIP Focus Group meeting to distribute targets and review the CIP process and any changes.

October

10/05/12 - Operating Budget Caucus is held to disseminate information to departments on revenue estimates, state budget outlook, the economy, budget process overview and changes, and funding targets.

10/08/12 - 11/30/12 - Departments, with assistance as needed from their assigned analysts from Budget and Management Services, spend the next two months developing individual program resource requests, program priority rankings, and entering the data into the Budget and CIP database. Departments develop their capital project requests for the CIP through 11/18/11.

November

11/02/12 - CIP requests are due to the Department of Budget and Management Services.

11/20/12 - Five-Year Forecast is presented to City Council, detailing the city's financial position over the next five years and other economic trends affecting the city.

11/30/12 - Departmental budget requests are due to the Department of Budget and Management Services.

January

01/02/13 - 02/08/13 - Departmental budget hearings are held in which Departments, Budget and Management Services, and the Management Leadership Team discuss the departments' budget requests and reach consensus on which items will receive further consideration for funding.

01/23/13 - The CIP Caucus members meet to listen to presentations by the managing agencies of the CIP outlining the highlights and funding needs for the various sections of the CIP including: roadways, buildings, communication and information technology projects, parks and recreation, water, sewer, storm water, coastal, and economic and tourism development projects.

01/28/13 - CIP Caucus meets to prioritize funding requests of capital project needs.

February

02/05/13 - School Superintendent submits Estimate of Needs for FY 2013-14 to the School Board.

March

03/05/13 - Adoption of Schools Operating Budget and Capital Improvement Program by the School Board.

03/26/13 - Proposed Resource Management Plan is presented to the City Council.

April

04/02/13 - City Council Workshop on the Proposed Resource Management Plan.

04/09/13 - City Council Workshop on the Proposed Resource Management Plan.

04/16/13 - City Council Workshop on the Proposed Resource Management Plan.

04/18/13 - Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/23/13 - Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/23/13 - City Council Workshop on the Proposed Resource Management Plan.

04/30/13 - City Council Workshop on the Proposed Resource Management Plan (if needed).

May

05/07/13 - City Council Reconciliation Workshop on the Proposed Resource Management Plan.

05/14/13 - Vote on the Resource Management Plan.

Accounting and Budgeting Basis

The accounting, budgeting and financial reporting treatment applied to a fund is determined by its measurement focus and the modified accrual basis of accounting. All governmental funds are budgeted and accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The term "available" is limited to collection within forty-five days of the fiscal year end. The City considers property taxes as available if they are collected within 45 days after year end. Expenditures are recorded when the related fund liability is incurred, if measurable (except for un-matured interest on general long-term debt which is recognized when due and paid). Interest on general long-term debt is recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The following is a list of the major revenue sources, which meet the "susceptible to accrual" criteria:

- General Property Taxes
- Interest on Deposits
- General Sales Taxes
- Revenue from the Commonwealth
- Revenue from the Federal Government
- Utility Taxes
- Amusement Taxes
- Hotel Taxes
- Restaurant Taxes

All Proprietary Funds are budgeted and accounted for on a flow of economic resources measurement and the accrual basis of accounting. With this measurement, revenues are recognized when earned and expenses are recorded when a liability is incurred. All assets and liabilities associated with the operation of these funds are included on the statement of net assets.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" (Statement No. 20, Proprietary Fund types follow all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) pronouncements and predecessor Accounting Principles Board Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989). Under paragraph 7 of Statement No. 20, the City has elected not to apply FASB pronouncements issued after November 30, 1989.

The City reports deferred revenue in the fund financial statements. Deferred revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the fund balance sheet and revenue is recognized.

Unbilled Water and Sewer and Storm Water Enterprise Funds accounts receivable for services provide through June 30 are included in the financial statements.



City Council and School Board Policy

Title: City/School Revenue Sharing Policy		Index Number:
Date of Adoption: October 23, 2012	Date of Revision:	Page: 1 of 6

1. Purpose:

- 1.1. This policy (“Policy”) is to establish a procedure for allocating to the City and to the Public School System revenues estimated to be available in any given fiscal year. It is the intent of this Policy to provide sufficient funding to maintain Virginia Beach City Public Schools’ academic success as well as the City’s strategic goals.
- 1.2. This Policy is designed to accomplish these goals by providing better planning for school funding by clearly and predictably sharing local revenues. It provides a balance between the funding requirements for School and City programming. This Policy seeks to provide a diverse stream of revenues that mitigates dramatic changes in the economy by relying upon all local tax revenues that are under the City Council’s control rather than a subset of those revenues. It also recognizes decisions by the City Council to dedicate some of these same revenues to City and School priorities outside of the formula discussed herein. This Policy seeks to rectify some of the concerns with the past formula by linking City funding to the School directly to the State Standards of Quality (“SOQ”) which periodically takes into account changes in student enrollment, true property value, adjusted gross income, taxable retail sales, and population.

2. Definitions:

- 2.1. “City” refers to the City of Virginia Beach exclusive of the Virginia Beach City Public Schools
- 2.2. “Schools” refer to the Virginia Beach City Public Schools.
- 2.3. “Local Tax Revenues” refers to all General Fund revenues generated by non-dedicated local taxes: real estate (less dedications such as the FY 2013 dedication for Schools and road construction, the Outdoor Initiative, the Agricultural Reserve Program, and the Recreation Centers); Personal Property; General Sales; Utility; Utility-Consumption; Virginia Telecommunications; Business License (BPOL); Cable Franchise; Cigarette (less dedication for Economic Development Incentive Program (EDIP); Hotel Room; Restaurant Meals; Automobile License; Bank Net Capital; City Tax on Deeds; and City Tax on Wills).
- 2.4. “Dedicated Local Tax” refers to taxes that have been previously obligated by the City Council or State law to support specific projects or programs. Examples of dedicated local taxes that are excluded from this Policy

include, but are not limited to: Tax Increment Financing District Revenues; Special Services Districts Revenues; the FY 2013 dedications to Schools (4 cents of the real estate tax) and Transportation (2 cents of the real estate tax); taxes established to support Open Space; Agricultural Reserve Program; Recreation Centers; Outdoor Initiative; Economic Development Incentive Program; Tourism Advertising Program; Tourism Investment Program; referendum related taxes; and taxes used to support the BRAC project. A more complete discussion of such dedications is found at page 60 of the Executive Summary in the FY 2013 Budget and pages 1-39 and 1-40 of the FY 2013 Operating Budget.

- 2.5. "Revenue Sharing Formula" refers to the method of sharing Local Tax Revenues between the City and the Schools.
- 2.6. "Budgeted Local Tax Revenues" refers to the appropriation of revenues by City Council in May each year for the upcoming fiscal year beginning July 1.
- 2.7. "Actual Local Tax Revenues" refers to the actual collected revenues reflected in the Comprehensive Annual Financial Report (CAFR).
- 2.8. "School Reversion Funds" refers to unused expenditure appropriations and end of the year adjustments to the Revenue Sharing Formula revenues based on actual collections.
- 2.9. "Discretionary Local Match" refers to the funding level set by the Revenue Sharing Formula and the FY 2013 real estate tax dedication.
- 2.10. "Required Local Match" refers to the City funding required by the SOQ.

3. Procedure to Calculate the Revenue Sharing Formula:

- 3.1. Initial Estimate
 - 3.1.1. In October, Management Services will provide an estimate of local tax revenue for the upcoming fiscal year.
 - 3.1.2. The Required Local Match calculation - Using the SOQ for each of the State Biennial years, Management Services will deduct this amount from the projection of Local Tax Revenues and set it aside as the first step.
 - 3.1.3. Discretionary Local Match calculation – The Discretionary Local Match has two components: the formula component and the FY 2013 four cent real estate dedication.
 - 3.1.3.1. The formula component: Management Services will then allocate to Schools 32.37% of the remaining Local Tax Revenues.
 - 3.1.3.2. The FY 2013 dedication component: In FY 2013 Operating Budget the City Council increased the real estate tax rate by four cents and dedicated it to the Schools' Operating Budget. This dedication amount will be added back to the Discretionary Local Match. This dedication shall exist until such time as the State restores funding for education to the average level provided from FY 2006 to FY 2012 of \$350 million (net of School facility funds) The City Council has directed the City Manager to recommend, as a part of the City's Proposed Operating Budget, reductions in whole or in part to the four cents real estate dedication in an amount roughly equal to the increased

State funding above \$350 million (per annum) as reflected by a decrease in the local composite index below the current FY 2013 level of 0.4110.

3.1.4. The combination of the required local match and the discretionary local match shall comprise the funding for Schools pursuant to this Policy.

3.2. Final Estimate

3.2.1. In February, Management Services will provide a final estimate of the Local Tax Revenues. This will be the estimate included in the City's Proposed Operating Budget.

3.2.2. Required Local Match calculation - By February the final SOQ required local match should be known from the Virginia Department of Education and this figure will be used to set aside the first allocation of revenues.

3.2.3. Discretionary Local Match calculation - Management Services will then allocate to Schools the formula component (32.37% of the remaining estimated Local Tax Revenues) plus the FY 2013 dedication component (four cents of the real estate tax provided no adjustments are required).

3.2.4. The combination of the Required Local Match and the Discretionary Local Match shall comprise the total local funding of the Schools under the Revenue Sharing Formula.

3.2.5. Estimates of the revenues contained in the Revenue Sharing Formula shall be clearly presented in the City's Operating Budget.

4. Procedure to Request an Increase in the Discretionary Local Funding Match:

4.1. After receiving the Superintendent's Estimate of Needs, the School Board will notify the City Council by resolution that it has determined additional local funding is required to maintain the current level of operations or to provide for additional initiatives. The School Board's resolution will provide the following: 1) that additional funding is required; 2) the amount of additional funding requested; 3) the purpose for the additional funding; and 4) that the School Board supports an increase in the real estate tax (or other local tax) should the City Council determine that such a tax increase is necessary.

4.2. If the City Council determines that additional funding is warranted to maintain the current level of City and Schools operations or to provide for additional initiatives, the City Council shall determine appropriate action. This action may include consideration of existing dedications or alternate sources of revenue or tax increases. If, after deliberation and appropriate public involvement, the City Council determines that additional tax revenues are required, City Council may adopt a tax rate increase to any revenue stream within this formula to generate additional local tax revenue.

4.3. Should the City Council dedicate such increase in local taxes, that dedication will be treated in the same manner as other Dedicated Local Tax. If the City Council does not dedicate the increased taxes, this revenue will be part of the Local Tax Revenues for purposes of this Policy.

5. Actual Revenue Collections deviate from Budget Local Tax Revenues:

- 5.1. If, at the end of the fiscal year, the actual Local Tax Revenues exceed the budgeted amount, the amount of excess revenue will be allocated in the same manner as similar revenues were apportioned in the recently ended fiscal year. However, such excess revenues are subject to the City Council's General Fund Balance Reserve Policy. If such funds are not required for the General Fund Balance Reserve Policy, the School Board may request that such funds be appropriated at the same time as the appropriation of reversion funds, discussed in section 6.3, below.
- 5.2. If, the City, through the Manager or his designee, anticipates at any time during the fiscal year that actual revenues will fall below budgeted revenues, the School Board, upon notification by the City Manager or his designee of such an anticipated shortfall, will be expected to take necessary actions to reduce expenditures in an amount equal to the School's portion of the shortfall.

6. Reversion of Formula Revenues:

- 6.1. All other sources of funding shall be expended by the Schools prior to the use of Local Tax Revenues.
- 6.2. All balances of Local Tax Revenues held by the Schools at the close of business for each fiscal year ending on June 30th (to include the accrual period) lapse into the fund balance of the City's General Fund. The reversion described in the preceding sentence is specific to Local Tax Revenues, and while the appropriation to spend funds may lapse, the reversion process is not applicable to moneys in a fund, such as the Athletic Fund, that are attributable to user fees or gate admissions.
- 6.3. Reversion Appropriation Process: The School Board may request, by resolution, the reappropriation and appropriation of funds resulting from the end of the fiscal year. This request should consider the following:
 - 6.3.1. The use of funds whose appropriation has lapsed because of the end of the fiscal year and reverted to the fund balance of the City's General Fund. See Section 6.2.
 - 6.3.2. The use of excess funds discussed in Section 5.1.
 - 6.3.3. The calculation of actual debt payments for the fiscal year recently closed as compared to the estimated debt payments upon which the fiscal year's budget was appropriated. If the actual debt payment exceeds estimated debt payments, the amount of Schools reversion funds will be reduced by this difference. If actual debt is less than estimated debt payments, the amount of Schools reversion funds will be increased by this difference.
 - 6.3.4. The Schools' Budget Office will confer with Management Services to verify that there is sufficient fund balance in the General Fund to meet the City Council Fund Balance Policy. If there is insufficient fund balance according to the Fund Balance Policy, the City Manager shall notify the Superintendent of this condition.
 - 6.3.5. The School Board resolution may request the use of excess or reversion funds for one-time purchases or to be retained according to applicable policy on the Schools Reserve Fund (Fund 098), including School Board Policy #3-28, and City Council Ordinance # 2789F, adopted November 4, 2003.
 - 6.3.5.1. Upon receipt of the resolution, Management Services shall prepare an ordinance for City Council's consideration of the School Board's request at the earliest available City Council meeting.

6.3.5.2. Following City Council's action Management Services shall notify the Schools of the City Council's decision and shall adjust the accounting records accordingly.

7. Revision to the City/School Revenue Sharing Policy:

- 7.1. The Superintendent, City Manager, School Chief Financial Officer, and the City's Director of Management Services shall meet annually to discuss changes in State and Federal revenues that support Schools operations, any use of "one-time" revenues, and any adjustments made to existing revenues affecting this formula. If they determine that an adjustment is needed, the City Manager and Superintendent will brief the City Council and School Board respectively.
- 7.2. City Council may revise this Policy at its discretion after consultation with the School Board.
- 7.3. If no other action is taken by the City Council and School Board, this Policy shall remain effective until June 30th 2015 at which time it will be reviewed and considered for reauthorization.

Approved:

As to Content:	<u>Dr. James G. Merrill</u> School Superintendent	<u>11/28/12</u> Date
	<u>James K. Spore</u> City Manager	<u>11/29/12</u> Date
As to Legal Sufficiency:	<u>Mark D. Stiles</u> City Attorney	<u>11/29/12</u> Date
Approved by School Board:	<u>Daniel D. Edwards</u> School Board Chairman	<u>11/28/12</u> Date
APPROVED BY CITY COUNCIL:	<u>William D. Sessoms, Jr.</u> Mayor	<u>11/28/12</u> Date

School Revenue Sharing Formula

	Adopted FY 2012-13 Budget	Adopted FY 2013-14 Budget
Total General Fund, Non-Dedicated Local Taxes:		
Real Estate	438,975,636	427,074,330
Less: Schools & Transportation Dedication	(28,800,000)	(28,745,448)
Less: Outdoor Initiative Dedication	(2,264,682)	(2,251,727)
Personal Property	132,412,895	140,088,695
General Sales	54,098,252	57,987,462
Utility Tax	24,130,908	23,679,428
Utility Tax - Consumption	1,569,489	1,444,539
Virginia Telecommunications	19,279,076	19,694,924
Business License	42,423,932	42,791,543
Cable Franchise	7,527,233	7,031,293
Cigarette - General Fund Only	11,218,625	11,184,969
Less: EDIP Dedication	(2,243,725)	(2,236,994)
Hotel Room	5,622,146	6,066,374
Restaurant Meals	35,146,135	36,890,590
Automobile License	9,627,435	9,419,062
Bank Net Capital	3,180,790	2,600,000
City Tax on Deeds	5,912,533	7,294,639
City Tax on Wills	70,000	80,000
	Total Non-dedicated Local Taxes	757,886,678
	760,093,679	
Less: Required SOQ Match	165,196,525	163,645,698
	Remaining Non-dedicated Local Taxes	592,690,153
	596,447,981	
Formula %	32.37%	32.37%
Discretionary Local Match	191,853,803	193,070,212
Dedicated 4 Cents of Real Estate Tax to Schools	19,200,000	19,163,632
Additional General Fund Support from Reduction in R.E. Tax to 93 Cents		3,101,633
Formula Contribution	376,250,328	378,981,175
(SOQ Match + Discretionary Local Match + 4 Cents of R.E. Tax)		
School Board Decision to move Sandbridge Surplus to Budget	2,000,000	3,116,978
Council Decision to provide General Fund Balance	9,200,000	-
Total Local Contribution	387,450,328	382,098,153



City Council Policy

Title: Maintenance and Repair of Aging City Infrastructure	Index Number: 45416	
Date of Adoption: 9/7/99	Date of Revision:	Page: 1 of 2

1.0 Purpose

- 1.1 Aging infrastructure is a growing nationwide problem which demands increased attention. Currently, the estimated cost to maintain and repair the nation's infrastructure is at least \$853 billion.
- 1.2 Virginia Beach is a relatively young city, established in 1963, which has now become a mature urban area with a population of approximately 430,000. Over the years, a large public investment has been made in building the City's infrastructure. The estimated replacement value of the City's investment is currently \$5.38 billion. A large portion of that infrastructure, such as public buildings, roads, water and sewer lines, and schools, was constructed during the 1970s and earlier, and these facilities are now reaching ages where major maintenance and repair, if not full replacement, should be planned.
- 1.3 For the last several years, City Council, the School Board, and the City and Schools staffs have recognized the need for this increased commitment to repair, renovate and replace the City's older infrastructure. Council has addressed this issue by including additional funds in the Capital Improvement Program (CIP) for maintenance and repair projects.
- 1.4 Competition for City resources is keen while the City's infrastructure maintenance and repair needs are growing. Since it is in the public interest to plan now for the future maintenance and repair of this substantial public investment, City Council desires to establish a policy on infrastructure maintenance and repair to focus attention on the unseen but growing infrastructure issue and to prevent large and costly replacements in the future.

2.0 Council Policy

- 2.1 It is the policy of City Council to support the planned maintenance and repair of the City's infrastructure in a manner which provides the best facilities at the least cost and maintains the value of the City's investment.
- 2.2 It is the policy of City Council to treat infrastructure maintenance and repair costs as fixed costs for new projects.
- 2.3 It is the long-term goal of City Council to achieve maintenance and repair levels which insure that the City's infrastructure is functional and maintained in good condition by allocating the resources required by condition assessment surveys or generally accepted industry funding standards.
- 2.4 It is the policy of City Council to seek the expansion of resource capacity of these purposes.

3.0 Procedure(s) to Accomplish Policy

- 3.1 Staff will continue its planned infrastructure inventory and assessment until a complete and accurate inventory and assessment of the City's infrastructure is complete. The inventory and assessment will be maintained thereafter so funding requirements can be identified.
- 3.2 The City Manager shall, in the annual budget document, report the amount of the City's resources being applied to infrastructure maintenance and repair, and its relationship to replacement plant valve.
- 3.3 The City Manager shall, in concert with regional efforts, pursue increased resources for infrastructure maintenance and repair with emphasis on increases in State allocations for the maintenance and repair of roads, schools, and other infrastructure.

4.0 Responsibility and Authority

- 4.1 The City Manager shall, be responsible for submitting a budget which adequately funds the maintenance and repair of City infrastructure, and for reporting progress toward achieving Council's goals.

5.0 Definitions

- 5.1 "Maintenance" is defined as the recurrent, day-to-day, periodic, or scheduled work required to preserve real property in such condition that it may be used for its designated purpose.
- 5.2 "Repair" is defined as the restoration or in-kind replacement of real property to such condition that it may be used for its designated purpose. This would include projects like the replacement of Cooke Elementary School or the Social Services building.
- 5.3 "Expansion" or "new construction" is defined as the installation or assembly of a new facility, or the addition, extension, alteration, or conversion of an existing facility for a new or expanded use.

Approved as

to Content:

Clarence Warnstaff _____ 08/17/99
Director/Administrator _____ Date

Approved as

to Legal Sufficiency:

Leslie L. Lilley _____ 08/27/99
City Attorney _____ Date

Reviewed by:

James K. Spore _____ 09/01/99
City Manager _____ Date

Item Number:

#45416

Ruth Hodges-Smith _____ 09/07/99
City Clerk _____ Date



City Council Policy

Title: Not Supplanting State, Federal, and Private Funds with Local Funds	Index Number: 47714	
Date of Adoption: 2/06/01	Date of Revision:	Page: 1 of 2

1.0 Purpose and Need

The citizens of Virginia Beach receive important, beneficial services from a wide variety of State, Federal, and private agencies, as well as from City programs which rely on funding from these agencies. These agencies are critical partners with the City and the School system in the provision of programs to our community. When these agencies terminate programming, reduce services, or curtail funding, it cannot be assumed that the City of Virginia Beach will maintain these programs. The City's ability to assume the financial responsibility for these services without significantly impacting other service areas which are solely the responsibility of the City, or without having to raise taxes, is limited.

The purpose of this policy is to formally adopt the City's long-standing practice of not automatically supplanting funds from State, Federal, or private agencies with local funds when those agencies reduce or eliminate funding to City or School programs.

2.0 Policy

It is the policy of City Council to prevent, to the extent possible, the shifting of financial responsibility for State, Federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to the various community programs that rely on that funding.

3.0 Procedure to Accomplish Administrative Directive

- 3.1 The Department of Management Services will provide information to the City Manager on a periodic basis that reports any reductions in funding from State, Federal, or private sources that are expected to adversely affect services to the citizens of Virginia Beach. When services are severely affected by such reductions, the City Manager and the Department of Management Services will determine what actions, if any, may be necessary to mitigate the impact on local services.
- 3.2 The City Manager will report to City Council any instances where reductions in State, Federal, or private funding will have a severe enough effect on services that Council action is necessary.

4.0 Responsibility and Authority

The Department of Management Services is responsible for reporting to the City Manager any reductions in State, Federal, or private funding that could have an effect on services provided to the citizens of Virginia Beach.

5.0 Definitions

Supplanting: For purposes of this policy, the substituting of local funds for reductions in State, Federal, or private funding.

State, Federal, and private agencies: Agencies of either the State or Federal governments, or non-governmental agencies, that either provide funds to the City of Virginia Beach for the provision of local services or offer those services themselves directly to the citizens.

Approved as to Content:	<u>Catheryn R. Whitesell</u> Director/Administrator	<u>02/05/01</u> Date
Approved as to Legal Sufficiency:	<u>R.M. Blow</u> City Attorney	<u>02/21/01</u> Date
Approved:	<u>Steven T. Thompson</u> Chief Financial Officer	<u>02/26/01</u> Date
Approved:	<u>James K. Spore</u> City Manager	<u>02/26/01</u> Date
Approved:	<u>Meyera E. Oberndorf</u> Mayor	<u>02/26/01</u> Date

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ALTERNATE VERSION

REQUESTED BY COUNCILMEMBERS DIEZEL AND WOOD

**A RESOLUTION TO ADDRESS PUBLIC SAFETY PAY
COMPRESSION DISPARITIES**

WHEREAS, the safety of Virginia Beach's citizens is greatly enhanced by the City retaining its experienced public safety employees; and

WHEREAS, pay compression has led many experienced public safety employees to leave the City workforce to pursue positions with other employers, including the federal government and the private sector.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the City Manager is hereby directed to incorporate into the budget process the following considerations, across the public safety pay and classification ranges, utilizing the current City pay plans:

(1) To prevent future pay compression in the public safety pay and classification plans, pay adjustments shall be applied to all employees and ranges;

(2) For both fiscal year 06-07 and fiscal year 07-08, adjustments based on years of service and years in grade shall be made to the current public safety pay and classification plans, at a maximum cost of \$4.5 million per fiscal year;

(3) Prior to December 1, 2007, a revised step plan shall be submitted to Council for review and discussion so it may be considered as part of the fiscal year 08-09 budget;

(4) Even if the above steps fail to alleviate supervisory pay compression, such compression shall be alleviated within three years of identification;

(5) Future market salary surveys shall be restricted initially to Hampton Roads communities; and

(6) Proposed budgets shall include an annual summary of entry-level public safety salaries in surrounding Hampton Roads communities.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 7th day of February, 2006.

APPROVED AS TO LEGAL SUFFICIENCY

Roderick Ingram
City Attorney's Office

CA-9909
H/P&A/OrdRes/Public Safety Compensation RES.doc
February 7, 2006
R-4

Entry Level Police, Fire and Sheriff Salary Survey
As of February 2013

Locality	<u>Police Officer Recruit</u>				<u>Police Officer</u>			
	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	38,300	46,917	55,535	Police Officer Recruit	40,239	49,293	58,347	Police Officer
Chesapeake	37,494	46,278	55,061	Police Officer Trainee	39,182	48,361	57,540	Police Officer
Hampton	38,325	41,410	44,494	Police Public Safety Recruit	40,478	53,590	66,701	Police Patrol Officer
Newport News	36,000	37,175	38,350	Police Officer Recruit	38,000	40,573	43,146	Police Officer
Norfolk	37,230	37,230	37,230	Police Officer Recruit	40,178	49,907	59,635	Police Officer
Portsmouth	36,347			Police Officer Trainee	38,260	46,182	61,539	Police Officer
Suffolk	35,083	44,644	54,204	Police Officer I	36,722	46,729	56,736	Police Officer II

Note: Hampton and Norfolk have only one non-supervisory level of Police Officer. Virginia Beach has a Master Police Officer level.

Locality	<u>Firefighter Recruit</u>				<u>Firefighter</u>			
	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	38,300	46,917	55,535	Firefighter Recruit	40,239	49,293	58,347	Firefighter
Chesapeake	37,494	46,278	55,061	Firefighter Trainee	39,182	48,361	57,540	Firefighter/EMT
Hampton	38,325	41,410	44,494	Fire and Rescue Recruit	40,478	53,590	66,701	Firefighter
Newport News	36,000	37,175	38,350	Firefighter/Medic Recruit	38,000	40,573	43,146	Firefighter/Medic
Norfolk	35,899	35,899	35,899	Firefighter Recruit	37,478	47,254	57,030	Firefighter/EMT - Enhanced
Portsmouth	36,347			Firefighter Trainee	38,260	46,182	61,539	Firefighter
Suffolk	35,083	44,644	54,204	Firefighter I	36,722	46,729	56,736	Firefighter II

Note: Hampton has only one non-supervisory level of firefighter. Virginia Beach has a Master Firefighter level.

Locality	<u>Deputy Sheriff Recruit</u>				<u>First Level Deputy Sheriff</u>			
	Min	Mid	Max	Title	Min	Mid	Max	Title
Virginia Beach	37,366	37,366	37,366	Deputy Sheriff	37,366	45,774	54,181	Deputy Sheriff
Chesapeake	37,494	46,278	55,061	Deputy Sheriff Trainee	39,182	48,361	57,540	Deputy Sheriff
Hampton	28,234	40,604	52,973	Correctional Officer Professional (Entry Level)	28,234	40,604	52,973	Correctional Officer Professional (1 yr service)
Newport News	30,970	31,283	31,595	Deputy I	32,210	41,751	51,291	Deputy II
Norfolk	0	0	0	No Recruit Level	32,978	42,384	51,791	Deputy Sheriff
Portsmouth	28,234	28,234	28,234	Deputy Sheriff	33,034			Deputy Sheriff
Suffolk	0	0	0	No Recruit Level	35,083	44,644	54,204	Deputy Sheriff

Note: Title changes for Deputy Sheriff positions typically occur after successful completion of Academy, unless otherwise noted.



Administrative Directive

Title: Grant Management	Index Number: AD 1.05	
Date of Adoption: 09/06/94	Date of Revision: 06/30/2006	Page: 1 of 8

1.0 Purpose and Need

Grant funds from state, federal, or other agencies and organizations are an important revenue source that can aid the City in providing quality services to citizens and customers while keeping our taxes as low as possible. The growing increase in the number of grants awarded to the City has necessitated a higher level of coordination to ensure that grant funds are being used to achieve the City's Strategic Plan and derive the greatest benefit.

Departments are urged to solicit grants - especially where a grant will help achieve the City's Strategic Plan, enhance or support the City's basic services, or address any other City priority - while trying not to incur a high level of overhead on small grants that do not greatly influence the City's strategy.

Prior to seeking grant funding, a department should consider the following:

- Will the grant be used to address a City strategy or other priority?
- Would the grant funding be used for a previously identified need of the City for which no other source of funding is available?
- If the program being funded by the grant is needed to accomplish a City priority or achieve the department's mission, should it be supported instead by City funds to ensure that adequate resources are made available?
- Will the grant provide only short-term financing for a long-term commitment on the part of the City?

This Directive provides guidance on the process to be used by City departments in pursuing grants, and establishes a centralized means of identifying which grants are being sought, thereby promoting a systems approach to the use of grant funds.

2.0 Administrative Directive

No part of this Directive should be construed as superceding any portion of the adopted annual operating budget ordinance or Capital Improvement Program ordinance. In the event of a conflict between this Directive and either ordinance, the ordinance shall control.

All grant applications must be signed by the City Manager or appropriate designee prior to submission to the granting agency. All grants must be appropriated through the budgetary process, through the Council Agenda Process, or where applicable, through the use of the grant reserve (which is appropriated annually as part of the budget).

All grants must comply with all City policies and procedures, including the purchasing and technology improvement policies, and the City Attorney's Contract Preparation/Review Guidelines. Any grant that includes personnel costs must comply with all City personnel policies. The agenda request and ordinance shall include language indicating that the position is authorized only for the duration of the grant period, unless continued employment is required

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by the grantor and approved by the City Manager prior to accepting the grant funding. The employee will be notified in writing upon hire that the position is subject to the continuation of grant funding and expiration of the grant will result in elimination of the position.

3.0 Procedure to Accomplish Administrative Directive

A. Grant Application Phase

The procedure for completing and submitting grant applications is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1:** Department identifies a need for services, equipment or programs.
- **Step 2:** Department seeks grant programs that support services related to the identified need.
- **Step 3:** Department informs Management Services staff (assigned budget analyst) of intent to apply for grant funding.
- **Step 4:** Management Services notifies department to proceed with application development; if there is a concern regarding the request, Management Services forwards the request to the responsible Chief who will make the determination whether to proceed with the application phase.
- **Step 5:** Department prepares grant application (with the Director's endorsement), routes it to other affected departments (including ComIT for those with technology components), and forwards it to Management Services, accompanied by the required grant forms (available on the Management Services BEACHnet site).
- **Step 6:** Management Services evaluates grant and forwards the application and recommendation to responsible Chief. In some instances, the City Manager's signature may be required.
- **Step 7:** Once application is approved and signed, department submits grant to grantor agency.

B. Grant Management Phase

The procedure for appropriating and managing grants is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1:** Department notifies Management Services that grant was approved and drafts an agenda request to accept the grant and appropriate funding. If additional paperwork, such as a formal acceptance is required, the department will forward this to Management Services to obtain signature from the responsible Chief and/or City Manager. Department notifies City Manager's Office to place grant on Council agenda.
- **Step 2:** Management Services drafts the ordinance and forwards it to the City Attorney.
- **Step 3:** Department representative attends the agenda meeting (Wednesday prior to Council date).
- **Step 4:** Once Council appropriates the grant, Management Services assigns a grant number and enters the related budget journal in ViBES. In the event that City Council declines the grant, the submitting department is responsible for notifying the grantor in writing that the City will not be accepting the grant.

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- **Step 5:** Department begins managing the grant in accordance with the grant application and guidelines. Department must coordinate with Finance to determine responsibility for financial reporting. If the department submits financial reports, copies of each must be forwarded to the Comptroller's Office of the Finance Department. The department managing the grant is responsible for maintaining all grant-related records and ensuring reporting requirements are met.
- **Step 6:** When the grant period is completed, the department shall contact Finance to coordinate closing the grant in ViBES.

Grant Review and Authorization:

- The specific process required for grant review is outlined on the Management Services intranet site (on BEACHnet) under the "Grant Management" link. This link includes the "City of Virginia Beach Grant Management Process" flow chart and written procedures. These documents outline the specific process that should be followed, list all forms that are required to be completed, and provide a list of resources for departments applying for grants. All applicable forms are also available from this link.
- No grant application shall be submitted to a granting agency without prior review by the Department of Management Services and signature of approval by a member of the Management Leadership Team.
- Any City department or agency that intends to apply for a grant shall provide a copy of the full grant application and all required forms to the Department of Management Services at least ten (10) business days prior to the date the grant application is due to the granting agency.
 - It is necessary to allow Management Services ten (10) business days for review to ensure that it is adequately reviewed by Management Services staff and allow routing and review by the appropriate member(s) of the Management Leadership Team.
 - Management Services staff will work with departments on a case-by-case basis, where the granting agency has not provided ample notice to provide the required ten (10) business days for review; however, this does not exempt any grant from review by Management Services.

Requirements for Completing and Submitting Online Grants:

- If a grant is completed in an online database, a hard copy should be provided to Management Services to complete the required review and to maintain for central filing.
- The signature can be obtained on the grant routing form or on the cover letter from Management Services.
- A "Designee Authorization Form" should be completed and signed as well (available on the Management Services BEACHnet website).
- Please note that many online databases require authorization of the applicant prior to submission that may require several days to complete. Departments should plan their grant development accordingly.

Requirements for Legislative Approval:

- While all grants are subject to review by Management Services and require authorization by the City Manager, some grants may not require independent Council action. Certain grants can be appropriated through the use of grant reserve accounts, which are appropriated annually as part of the budget.
- Grants meeting the following criteria do not require City Council action, provided there is ample funding in the grant reserve accounts to accommodate the appropriation.

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- The grant does not establish new and/or ongoing services to the community.
- The grant in total is \$10,000 or less (amount from grantor, plus any associated match).
- The grant does not authorize additional full-time or part-time FTEs.
- Grantor requirements do not mandate acceptance by legislative body (i.e., City Council).
- Management Services will work with departments when there are special circumstances for other small grant programs, such as compressed timelines, that do not easily facilitate Council approval.

Requirements for Grants with Technology Components:

- The submitting department is responsible for routing grants that have technology components associated with them to ComIT during the application phase. The department is responsible for coordinating all technology equipment and infrastructure needs with ComIT staff after submission of the grant.

Inclusion of Grants in the Operating or Capital Budget:

- Guidelines for including grants in the annual operating budget include: the grant is on-going, non-competitive and/or allocated on a formula basis such that the revenue can be reasonably estimated based on the historical amount received.
- A department can include a grant in the operating budget request; however, the grant should be included in the appropriate grant fund and necessitates assignment of a grant number by Management Services.
- The CIP may also include grant funding that is of a one-time or ongoing nature.
- Grants that are appropriated as part of the annual operating or capital budgets will be reviewed in conjunction with departmental budget requests; however, Management Services will still review applicable paperwork for grants that are budgeted. The grant application and/or acceptance paperwork must still be approved and signed by the City Manager or appropriate Chief prior to submission to the granting agency for budgeted grants.
- It is still necessary for the requesting department to forward any documentation to Management Services for signature by an appropriate member of the MLT and inclusion in central filing.
- The department must notify Management Services of differences between the estimated and actual amount of all grants so that adjustments to appropriations may be made.
- An award letter is required for any new grant before it can be included in either the operating budget or CIP.

Financial Controls Applied to Grants (Source: June 20, 2005 memo to departments from Finance and Management Services):

- The ViBES controls that are applied to operating budget appropriation units also apply to grants. However, grants are also controlled at the budget unit level. In general (exceptions are outlined below), the grant controls apply first to the grant number, then the budget unit number and then the object code. A grant number designates the overall appropriation unit; appropriations in one grant within a fund cannot offset appropriations within another grant in that same fund. Grants are also controlled at the budget unit level, which affects multi-departmental grants that have multiple budget units under the same grant number. Every single budget unit must balance within that grant.
- Grants also have the same controlled accounts applied, except at the budget unit level: Reserve for Contingencies (600s), Personal Services (601s and 602s combined), Operating Expenses (603s to 606s combined), Leases and Rentals (608s), Land Structures and Improvements (609s), and Debt Service (610s). These categories cannot exceed appropriations for those accounts. Part-time salaries and capital outlay are controlled at the line item level in ViBES; however, for budgetary and purchasing

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- purposes, it is necessary to have adequate appropriations for each capital item (not the line item in total).
- Grants involving FEMA-Team deployments and certain housing grants that are subject to special circumstances are the exceptions to the application of the above ViBES controls. The requirements of these grants would render the application of these financial controls impractical.

Supplanting:

- Special focus is needed in the evaluation of grants regarding supplanting. Supplanting involves replacing one source of funding for another.
- The City Council adopted a policy in 2001 which states, "It is the policy of the City Council to prevent, to the extent possible, the shifting of financial responsibility for state, federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to various community programs that rely on that funding."
- In addition, many grants are requiring that the City certify that the funding will not supplant any funding already being used for the same purpose. For example, a Police Department grant may require that the grant funding not supplant any funding allocated for law enforcement uses, thus using vacancy funding from police officers to match the grant would not be allowable under the grant. In meeting non-supplanting requirements, the City considers the redirection of appropriated funding supplanting. This would not apply to funding that is programmed or planned in future years.

4.0 Responsibility and Authority

Department Directors shall be responsible for reviewing and providing a written endorsement of all grant applications submitted by their department, either in paper form or electronically. All grant applications shall be reviewed by Management Services and approved with signature by the responsible Chief and/or the City Manager prior to submission to the granting agencies. Before a grant can be submitted electronically, the individual that is preparing the application must be authorized by the City Manager to submit the grant. A "Designee Authorization Form" is located on the Management Services BEACHnet site under "Grant Management."

A. City departments are responsible for the following:

1. Seeking grant funding for identified needs that are not otherwise funded.
2. Obtaining all required signatures pertaining to the grant application and grant acceptance (recommended to be coordinated through Management Services after grant review).
3. Completing applications for identified grants in accordance with guidelines prescribed by the granting agency.
4. Collaborating with other departments as needed to ensure that grant funding provides the greatest possible benefit.
5. Submitting the full grant application package and completed grant forms to the Department of Management Services, ten (10) business days prior to the grantor's due date.
6. Initiating the agenda request process to acquire City Council acceptance of the grant and appropriation of grant funds once written approval notice is received from the grantor agency, if applicable.
7. Developing agenda requests for resolutions as required by granting agencies.
8. Administering the grant-funded program and ensuring that all City policies are followed and all grant requirements are met.
9. Ensuring that grant expenditures are within the awarded grant funding.

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- 10. Coordinating with the City's Finance Department to ensure that grant funding is requested and received in a timely manner, and providing the Finance Department with a copy of the grant agreement and fiscal procedures.
 - 11. Submitting all reports as required by the granting agency, including coordinating financial reporting with the City's Finance Department.
 - 12. Notifying Human Resources at least one (1) pay period prior to any grant position no longer being funded.
 - 13. Maintaining all documentation for grants for a minimum of three (3) years, unless the grantor specifies a longer duration.
 - 14. Notifying Audit Services of any contact from the granting agency or other external agency concerning an audit or review.
 - 15. Notifying Audit Services of concerns about violations of federal, state and/or local laws and regulations or suspected improprieties related to the grant program.
- B. The Department of Management Services is responsible for the following:
- 1. Functioning as process owner of the grant management process and a resource for agencies, with regard to the grant process and grant development.
 - 2. Assisting departments in identifying sources of grant funding and reviewing grant proposals.
 - 3. Providing a timely review of grant applications prepared by departments.
 - 4. Assisting departments in the preparation of agenda items seeking City Council acceptance of a grant and appropriation of grant funding.
 - 5. Maintaining the following information on file as part of the department's role in resource management:
 - a. A copy of the grant application.
 - b. The department's grant analysis review.
 - c. A copy of the agenda package, including the signed appropriation ordinance, and the associated journal voucher.
 - d. A copy of the signed grant acceptance form, where applicable.
 - e. A copy of the award letter.
 - 6. Communicating with other City agencies and departments after acceptance and appropriation of the grant.
 - 7. Providing copies of all grant-related budget information to the Comptroller's Office of the Finance Department, and to the Payroll Division of the Finance Department and Human Resources when a grant involves changes to part-time or full-time personnel.
 - 8. Ensuring that City departments are familiar with the grant management process and providing grant training about the City's process on an annual basis.
 - 9. Ensuring that Council ordinances include wording that indicates that grant-funded positions will be terminated when grant funding is no longer available.
 - 10. Assigning revenue codes and grant numbers to awarded grants, and notifying Finance of awarded grants through a copy of the completed budget journal.
 - 11. Coordinating multi-departmental grants to ensure a Citywide focus.
- C. The Department of Finance is responsible for the following:
- 1. Functioning as process owner of grant reporting and accounting.
 - 2. Serving as fiscal agent, when required by the grant.

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- 3. Reviewing each grant periodically to ensure that grant funding is requested and received in a timely manner, including tracking all revenues received and expenditures made.
 - 4. Ensuring that ended grants are properly closed out.
 - 5. When necessary, submitting required financial reports to the granting agency.
 - 6. Ensuring that grant controls are set in ViBES.
 - 7. Providing grant training on grant reporting and accounting on an annual basis.
 - 8. Obtaining copies of all funding requests and financial reports that are not completed by the Finance Department.
- D. The Department of Human Resources is responsible for the following:
- 1. Indicating on the Personnel Transaction Form (P-3) of any employee hired with grant funding that the position is funded under a grant.
 - 2. Ensuring that grant-funded personnel are aware upon hire that their positions are authorized for a set time frame or certain amount of grant funding and ensuring that grant-funded personnel sign paperwork to that effect.
 - 3. Processing a grant-funded position out of the system after receiving notification that the grant has been discontinued.
 - 4. Assigning position control numbers to full-time grant positions.
- E. The Department of Audit Services is responsible for the following:
- 1. Providing technical and/or advisory services to the department or program managers regarding program operations and compliance.
 - 2. Providing advice and guidance on audit related matters.

5.0 Definitions

Grant: Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets the following requirements:

- The funding supports a public purpose.
- The funding is for a specified period of time.
- An application process is required to obtain the funds.
- Acquiring the funds is generally the result of a competitive process or funds are distributed on a formulary basis.
- Periodic reports are required to be submitted to the granting agency.
- The grant is subject to audit by the granting agency.

Annual Grant: A grant that is awarded annually, regardless of the specific grant period (e.g., City fiscal year, federal fiscal year, or calendar year).

Multi-Year Grant: A grant that affects the appropriation of funding beyond one (1) fiscal year.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for grant programs can be included in and approved by City Council in the Adopted Operating Budget and Adopted Capital Improvement Program or may require subsequent action by City Council outside of the budgetary process.

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Legislative Approval: Refers to (1) the need for City Council to accept and appropriate a grant to provide departments the authority to spend grant funding; or (2) the requirement by the grantor that City Council formally endorse or accept a grant, whether before the application is submitted or after the grant is awarded. Guidance for when legislative approval is not required to provide spending authority is provided on page 3 of this Directive.

Agenda Request: A formal request to be placed on the City Council agenda. The agenda request is required to allow the Council to vote to appropriate the grant funding. Grant funding that has not been appropriated may not be spent.

Ordinance: An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. Before grant funding can be spent it must be appropriated. Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate ordinance. The ordinance appropriates grant funds for the department to spend.

Resolution: A resolution is a formal type of Council legislation. Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the City Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Supplanting: Substituting one source of funding to augment reductions in funding by another agency. The City's policy of not supplanting federal, state or private funding reductions with local funding applies to grants. Match requirements for grants are not considered supplanting. Grants are increasingly requiring that the City certify that federal, state or private funding are not supplanting local funds intended for the same purpose as well.

6.0 Specific Requirements

Subject to any other provision of the law, all agencies and departments shall administer all grants in accordance with this Directive and related supporting documents.

Approved as to Content:	Catheryn R. Whitesell Director of Management Services	08/25/06 Date
Approved as to Legal Sufficiency:	Leslie L. Lilley City Attorney	08/30/06 Date
Approved:	David L. Hansen Chief Financial and Technology Officer	08/31/06 Date
Approved:	James K. Spore City Manager	08/31/06 Date



Administrative Directive

Title: Resource Administration Directive	Index Number: AD 7.01	
Date of Adoption: 07/01/92	Date of Revision: 01/31/03	Page: 1 of 8

1.0 Purpose and Need

The Annual Operating Budget Appropriation Ordinance authorizes the City Manager or the Director of Management Services to establish and administer budgeting within appropriation units, consistent with best management practices, reporting requirements, and programs and services adopted by the City Council.

The Resource Administration Directive has been established to:

1. Maintain the requirements of the City Charter, the City Code, the Annual Operating Budget Appropriation Ordinance and the Capital Improvement Program Appropriation Ordinance.
2. Ensure the financial integrity of the City through the establishment of policies which provide that the appropriation authority granted by the Annual Operating Budget and the Capital Improvement Program Appropriation Ordinances is not exceeded, without prior approval of Council.
3. Provide a framework for responsible expenditure decisions.
4. Maximize the flexibility and accountability of Department Directors in responding to the demands of their departments' missions and in fulfilling their program objectives, while adhering to legal and administrative policies.

2.0 Administrative Directive

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

3.0 Procedure to Accomplish Administrative Directive

The Department of Management Services is responsible for coordinating the City's Resource Management Plan and making recommendations to the City Manager. Management Services shall act as the City Manager's designee in the approval of appropriation transfer requests. Management Services will coordinate annual fiscal management training with Finance, Human Resources, Audit Services, and other interested departments. Budget unit managers are strongly encouraged to attend.

All related forms are available on the Department of Management Services intranet page. Detailed instructions and overviews of procedures are also described on the site. Forms can be submitted electronically; however, a signed hard copy must also be submitted to Management Services. Only employees whose signatures are on file with Management Services are authorized to sign transfers.

Any modifications to appropriations within controlled accounts will require submission of a Transfer of Appropriations form or Redefinition of Funds Letter to be approved by Management Services. The departments

Title: Resource Administration Directive		Index Number: AD 7.01
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3.0 **Procedure to Accomplish Administrative Directive** (continued)

should send these requests directly to Management Services. Management Services will notify Council of approved transfers between \$25,000 to \$100,000 on a monthly basis.

City Council approval is required for any transfer that 1) exceeds \$100,000, 2) significantly expands an existing program, 3) initiates a program that has not previously been requested in the budget, 4) increases permanent positions, or 5) appropriates new funds. Departments must follow the Agenda Process for these requests.

All requests for new programs, program enhancements, or expansions of programs will be reviewed by Management Services, with recommendations made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. In general, only program additions or enhancements that were requested but not funded during the budget process are eligible for consideration. Exceptions may be made in cases where the department could not reasonably foresee the need for the request (example: new mandate, change in technology, etc). Programs that involve redirection of existing funds that are available within the requesting department's fiscal year appropriation and do not require additional funding in future years or involve additional permanent FTEs may not necessitate Council action.

Internal Service Funds will also be required to submit requests for new programs, program enhancements, or expansions of programs, which will be reviewed by Management Services. Recommendations will be made to the City Manager or his designee as to the appropriateness of the request. Management Services will evaluate all requests for changing the scope of use for funds appropriated in the budget document. The same evaluation criteria apply to requests from Internal Service Funds. Additionally, the only use of retained earnings by Internal Service Funds that does not require Council action is increasing the cost of goods sold.

Department Directors may appeal the disapproval of funding requests by Management Services staff to the Director of Management Services. All information related to the request, including the reason(s) for denial, will be forwarded for review and reconsideration. Should the Director of Management Services also disapprove the request, Department Directors may appeal the decision to the Management Leadership Team. All information related to the request, including the reason(s) for denial, will be forwarded to the Management Leadership Team for review and reconsideration. Decisions of the Management Leadership Team are final.

4.0 **Responsibility and Authority**

1. Department Directors

Department Directors have a responsibility to ensure that:

- a. The expenditures and encumbrances do not expand, enhance or create programs which will be an ongoing commitment or will create a future liability of the City, beyond the current fiscal year, without the approval of the City Manager and City Council.
- b. The appropriation units remain balanced so that the aggregate total of expenditures and encumbrances does not exceed the aggregate total of the adjusted appropriations in each appropriation unit.
- c. The estimated revenues which support each program are or will be realized by the City, and that Special Revenue and Enterprise Funds do not expend more than the realized revenues.

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4.0 **Responsibility and Authority** (continued)

- d. The balance of each appropriation unit is maintained within each fund. Should an appropriation unit contain appropriations from different funds, the balance of each fund must be maintained separately and exclusively from the other funds within that appropriation unit.
- e. The expenditures and encumbrances conform to City Council's policies and other expenditure restrictions. Department Directors should be aware of unique policies or restrictions relating to their own programs. (In general, copies of all policies established by the administrative departments are forwarded to operating departments, who are responsible for retaining them.)
- f. Departments conform to the policies and procedures of the City's Grant Management Process, as described in Administrative Directive 1.05.
- g. The total expenditures for Personal Services (601s and 602s), Capital Purchases (607s), and Land Structures and Improvements (609s), do not exceed appropriations for those accounts.

Note: Part-time salaries line item is the exception to balancing at the account category level for the above controlled accounts. This line must balance alone at the appropriation unit level to ensure that the aggregate amount expended for part-time salaries does not exceed the amount appropriated for that purpose because overspending in this account may result in exceeding the number of authorized positions within the appropriation unit. Appropriations in this line may offset other Personal Services expenditures, but other appropriations in Personal Services expenditures cannot offset part-time salaries.

- h. The aggregate total of expenditures and encumbrances for non-controlled accounts (603s, 604s, 605s, and 606s) does not exceed the aggregate total appropriated for those accounts for the appropriation unit.
- i. Budget Unit Managers are encouraged to attend annual training provided jointly by Management Services, Finance, Human Resources, Audit Services, and other interested departments to maintain accurate and effective budget management.

Department Directors are authorized to perform the following:

- j. Make spending adjustments within non-controlled accounts that do not exceed the scope or intent of the department's approved budget (i.e., there should be no new or expanded programs). It is not necessary for individual line items to balance; the non-controlled accounts for the appropriation unit must balance in total. See definition in section 5.0. All other requests will be evaluated and approved by Management Services in the form of Transfers of Appropriations and City Council Agenda Requests.
- k. Request a personnel transaction (i.e., promotion or reclassification) provided that existing budgetary funds are available in the salary and fringe benefit accounts within the budget unit to offset any increase in expenditures.

Prior to making a personnel request, the department must certify to the Department of Human Resources that adequate appropriations are available within the personnel accounts to offset increased costs. If the funds are not available, the department must request a transfer to the appropriate budget unit. The transfer must be approved prior to the effective date of the promotion/reclassification.

- l. Prepare a Transfer of Appropriations Request or prepare a City Council Agenda Request, where applicable. (See City Manager and City Council sections for requirements of these requests.)

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4.0 **Responsibility and Authority** (continued)

- m. Request a redefinition of Capital Outlay appropriations via submission of a letter to Management Services indicating the justification for the request and the reason that there is available funding to be redefined.
- 2. The City Manager, or his designee, is authorized to transfer funding in accordance with the Annual Operating Budget Appropriation Ordinance, Capital Improvement Program Appropriation Ordinance, and Section 2-187.1 of the City Code.

Authorization is required from the City Manager, or his designee, to:

- a. Transfer appropriations of up to \$100,000, to or from controlled accounts, between appropriation units, from Reserves for Contingencies accounts, or between capital projects. Management Services provides a monthly report to City Council of transfers between \$25,000 and \$100,000.
 - i. Transfers to and from controlled accounts (especially personnel accounts) will be evaluated on a case-by-case basis to determine the emergency nature of the request. Criteria for consideration include: 1) the request is mission critical, 2) there is an adequate justification of the emergency nature, 3) the benefits of the request exceed the costs and the impact of not immediately implementing the request would disrupt service delivery (i.e., why the request cannot wait until the next budget process), and 4) the item was requested by the department during the budget process and was ranked favorably by the Caucus.
 - ii. Evaluation criteria for Transfers of Appropriations include: 1) the expenditure could not be reasonably anticipated during the budget process, 2) the request results from a mandate, or 3) the request constitutes a change in operating policies and procedures as a result of direction from the City Manager or City Council.
 - iii. Requests for transfers from Reserves for Contingencies will not be considered unless Management Services determines with the department that the appropriation unit cannot absorb the cost first, within the department's non-controlled accounts and second, within controlled accounts that are anticipated to have excess funding.
 - iv. Transfers within Internal Service Funds exceeding \$100,000 must be approved by City Council if it is outside the scope of the approved budget. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.
- b. Transfer positions between budget units, divisions, and departments, subject to the \$100,000 limit on transfers. (Operating Budget Ordinance).
- c. Approve and redefine the use of appropriations for specific Capital Outlay items (607s).
- d. Increase the number of part-time FTEs within the current fiscal year, subject to the \$100,000 limit on transfers, provided that the aggregate amount expended for such positions does not exceed the respective appropriations. (Operating Budget Ordinance).
- e. Transmit items to City Council for adoption.
- f. Decrease estimated revenues and corresponding appropriations to reflect expected revenue collections. City Council must be notified of reductions greater than \$100,000.

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4.0 **Responsibility and Authority** (continued)

- g. Transfer excess appropriations to Reserves for Contingencies, after all anticipated expenditures for which those funds were appropriated have been included.
 - h. Transfer appropriated funds and existing positions as necessary to implement organizational adjustments that have been authorized by the City Council. The City Manager shall report to the City Council regarding the status and progress of any such organizational adjustments on an annual basis.
 - i. Carry forward appropriations which were authorized but not completed prior to the end of the fiscal year. These requests are reviewed for appropriateness and to ensure that there is sufficient fund balance to meet City Council policies. Salary funds are not eligible to be carried forward (Operating Budget Ordinance). Criteria for Carry-forward appropriations are: 1) the funds shall remain in the same fund, budget unit, and account code; 2) the item was specifically appropriated for the purpose identified in the request; 3) the legal appropriation unit or department has an unencumbered balance greater than the amount requested; 4) the fund balance of the affected fund has sufficient funding available at the close of the books to fund the continuation of the appropriation and is compliant with all prescribed policies; and, 5) the item to be carried forward must be critical to the mission of a program or service offered by the City. Carry-forwards are not to be used to re-appropriate "surplus" funds or to be used as an alternative source of funding from the current fiscal year to the subsequent fiscal year that is not in alignment with its original intended use.
 - j. Adjust the financing sources for various capital projects to reflect effective utilization of financing sources. The City Manager or his designee may also reduce appropriations to any capital project to reflect reductions in financing sources. However, prior notice to City Council is required for any reductions to total appropriations greater than \$100,000.
 - k. Transfer from dedicated Reserves for Contingencies that have funding for a specific purpose.
 - l. Make corrections to the budget where movement of funds does not change the intent of the original appropriation, but allows for proper accounting of the funds.
3. City Council is authorized to amend the Operating Budget during the fiscal year. City Council approval is required for all of the following actions prior to the utilization of funds:
- a. Amend original appropriations through supplemental appropriations of additional revenue, fund balance or retained earnings.
 - b. Amend the Operating Budget and Capital Budget through the transfer of appropriations that exceed \$100,000.
 - c. Increase the total number of permanent positions.
 - d. Implement new, significant expansions or enhancements to programs or services, which will be an ongoing commitment or a future liability for the City beyond the current fiscal year. Any request that was not considered during the budget process will constitute a new program and will require City Council action. Any request deemed to exceed the scope of authority and intent reflected in the Resource Management Plan by the City Manager or his designee will require City Council action.
 - e. Initiate a new capital project.

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5.0 Definitions

Terms are defined as they relate to the Operating and Capital Budget administration and provide a general explanation of technical concepts.

Account Categories: Line item expenditure account codes are grouped and numbered according to general uses. They are identified by the first three digits: 60X, where the 6 signifies that it is an expenditure. Following is a list and brief description of account codes.

- 601s – Personal Services: Compensation of direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- 602s – Fringe Benefits: Job-related benefits provided for employees as part of their total compensation.
- 603s – Contractual Services: Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- 604s – Internal Services: Charges to departments for intra-governmentally provided support services such as microcomputer support, automotive services, internal telecommunications, print shop and risk management.
- 605s and 606s – Other Charges: Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- 607s – Capital Outlay: Expenditures resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more.
- 608s – Leases and Rentals: Leases not capitalized and rental of land, structures and equipment.
- 609s – Land Structures and Improvements: Major capital facilities, with a total cost less than \$50,000, that are constructed or acquired, such as land or buildings, and alterations to existing properties. Any project over \$50,000 may be a Capital Project and is addressed through the Capital Improvement Program.

Agenda Request: Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Adopted Capital Improvement Program.

Appropriation Amendment: Adjustments made to the Annual Operating Budget during the fiscal year.

Appropriation Ordinance: Formal legislative enactment by Council. Means through which the Resource Management Plan is enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent Council actions. It is also the mechanism used to amend the Operating and Capital Improvement Budgets.

Appropriation Unit: The legal level at which the Operating Budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the Operating Budget and Capital Budget. In general, an appropriation unit is equivalent to a department, within a single fund.

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5.0 Definitions (continued)

Controlled Accounts: Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Estimated Revenues: The amount of revenue estimated to support appropriations.

Full-Time Equivalent (FTE): Equivalent to the actual hours worked by a full-time position (greater than or equal to 1950 hours annually), employed a minimum of 37.5 hours per week for 52 weeks per year.

Fund: Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance: Referred to as retained earnings in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. It must be authorized for expenditure (appropriated) by Council prior to spending. Any use of retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

Management Leadership Team: Decision-making body comprised of the City Manager, the Chief Operating Officer, the Chief of Staff, the Chief Financial Officer and the Chief Information Officer.

Non-Controlled Accounts: Accounts over which the City Manager does not exercise control. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Part-Time Employee: A City employee who is scheduled to actually work less than 37.5 hours per consecutive week, or an employee who is scheduled to actually work 37.5 hours per consecutive week for less than 52 consecutive weeks.

Redefinition: Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Resource Management Plan: Document that outlines the expenditures, personnel and revenues needed for financing the annual operations, services and programs of the City government. It is comprised of the Annual Operating Budget and the Capital Improvement Program.

Retained Earnings: See Fund Balance.

6.0 Specific Requirements

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

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Approved as to Content:	Catheryn R. Whitesell Director, Department of Management Services	01/17/03 Date
Approved as to Legal Sufficiency:	Leslie L. Lilley City Attorney	02/09/03 Date
Approved:	Steven T. Thompson Chief Financial Officer	02/12/03 Date
Approved:	James K. Spore City Manager	02/17/03 Date

Glossary of Terms

Definitions of terms used in the Operating Budget document are given below:

Account Categories - Line item expenditure account codes are grouped and numbered according to general uses. Following is a list and brief description of account codes.

- Personal Services - Compensation of direct labor of persons in the employment of the city; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- Fringe Benefits - Job-related benefits provided for employees as part of their total compensation.
- Contractual Services - Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- Internal Services - Charges to departments for intra-governmentally provided support services such as microcomputer support, automotive services, internal telecommunications, print shop and risk management.
- Other Charges - Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- Capital Outlay - Expenditures resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more.
- Leases and Rentals - Leases not capitalized and rental of land, structures and equipment.
- Land Structures and Improvements - Major capital facilities, with a total cost less than \$50,000 that are constructed or acquired, such as land or buildings, and alterations to existing properties. Any project over \$50,000 may be a capital project and is addressed through the Capital Improvement Program.

Accrual Basis of Accounting - Where revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. This is the accounting basis that generally is required to be used in order to conform to generally accepted accounting principles (GAAP) in preparing financial statements for external users.

Agenda Request - Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Agricultural Reserve Program (ARP) - A program aimed at preserving agricultural land and identity and reducing urban sprawl in Virginia Beach. Through this program, the city will acquire development rights via preservation easements to farm land.

Annual Grant - A grant that is awarded annually, regardless of the specific grant period (e.g. city fiscal year, federal fiscal year, or calendar year).

Appropriation - Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the city. Appropriations for each program area are outlined and approved by City Council each fiscal year in the adopted operating budget and adopted capital improvement program, and are also used in conjunction with the appropriation of estimated revenues.

Appropriation Amendment - Adjustments made to the annual operating budget during the fiscal year.

Appropriation Ordinance - Formal legislative enactment by City Council. This ordinance is the means through which the Resource Management Plan is enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent City Council actions. It is also the mechanism used to amend the operating and capital improvement budgets.

Appropriation Unit - The legal level at which the operating budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the operating budget and capital improvement budget. In general, an appropriation unit is equivalent to a department, within a single fund.

Bad Debt Expense - Incurred when the buyer of a good or service fails to pay for the item. Used primarily by the enterprise funds.

Base Realignment and Closure Commission (BRAC) - A federally appointed task force whose mission is to review military installations for possible closure; and/or consolidation and realignment of existing missions, programs, personnel and facilities.

Biennial Budget - A Resource Management Plan that includes revenue and expenditure projections for two years. Usually the first year is adopted by the legislative body and the second year is approved for planning purposes. Virginia State Code requires localities to adopt a budget annually.

Budget Issue - The process for requesting funding for new and expanded programs, and/or identifying existing programs for continuation of funding, given limited resources.

Budget Unit/Organization Code - A compilation of all the costs associated with a particular program.

Capital Improvement Program (CIP) - A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to City Council policies, plans, and goals.

Capital Outlay - Outlays resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more and have an expected service life of more than one year. Exceptions to this are major capital facilities with costs greater than \$50,000, which are constructed or acquired - such as land and buildings. These are funded in the Capital Improvement Program (CIP).

Capital Projects Internal Service Fund - Provides for the costs of capital project management staff in the departments of Finance, Communications and Information Technology, Economic Development, and Public Works for the various road, economic development, and technology projects. Funding for these expenses is derived from charges to the CIP projects receiving this additional staff support.

Carry Forwards - Funds that are designated for specific needs (e.g., equipment, contracts, etc.) that were approved within the current fiscal year, but were unexpended by year-end are re-appropriated forward into the subsequent fiscal year.

Caucus - An advisory group established in the FY 1997-98 budget development process to share in the decision making process, set priorities, determine approaches, strategies, and actions to ensure a balanced budget, and provide input on the package of services and programs to be recommended to the City Manager. This group is comprised of the City Manager, the department of Management Services (serving as facilitators and resources), and various department directors.

Charges for Services - Fees the city charges users of government services, such as recreation fees, court costs, library fines, and admissions to the Virginia Aquarium and Marine Science Center.

Charter Bonds - The City Council is authorized by the Virginia Beach City Charter to "... issue bonds or other obligations in any calendar year for any proper purpose in such amounts as shall not increase the total indebtedness of the City ... by

more than ten million dollars above the amount of such indebtedness at the beginning of such calendar year ..." without the approval of the qualified voters of the city.

Class - A grouping of jobs having similar duties and responsibilities, requiring similar knowledge, skills and abilities, and demanding similar qualifications so that the jobs may be appropriately titled and described, and the employees performing such jobs may be equally compensated.

Commonwealth, Revenue from the - Funds provided by the Commonwealth of Virginia in support of joint operations and programs.

Comprehensive Regional Information Management and Exchange System (CRIMES) - Computer database access system used by the regional city police departments to access information from the databases of each participating locality.

Contractual Services - Services acquired on a fee basis or a fixed time contract basis from outside sources.

Controlled Accounts - Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personal Services (601s), Fringe Benefits (602s), Capital Outlay (607s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Current Services - Provision of the existing programs and services by city departments without new position requests or additional capital outlay.

Debt Service - The annual principal and interest payments for the debt incurred by the city in the process of acquiring capital outlay or constructing capital facilities.

Depreciation - Used to record de-valuable capital investment of buildings and equipment, and to record anticipated uncollectible accounts. Generally this account is not used in the operating budget.

Economic Development Investment Program Fund (EDIP) - This program is a proactive and creative initiative, which enables the city to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These funds are leveraged by business for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).

Encumbrances - Commitments related to unperformed contracts for goods or services.

Estimated Revenues - The amount of revenue projected to support appropriations.

Expenditures - Decreases in net financial resources.

Federal Government, Revenue from the - Funds provided by the federal government to compensate the locality for federal program impact, for programs jointly funded by the locality and the federal government, and outright grants such as Library Grants and Sand Replenishment.

Fines and Forfeitures - A broad range of fines and forfeitures for violations of local government ordinances. Examples include fines remitted to the city by the courts for violation of city ordinances, or fines collected by the City Treasurer for violations of city parking regulations.

Fleet Assets - Vehicles and equipment managed by the department of Public Works Automotive Services division. These assets may or may not be included on the rolling stock replacement inventory.

Fringe Benefits - Job-related benefits provided for employees as part of their total compensation, such as employer's portion of FICA, FICA-Medicare, retirement, insurance (health, life, and dental), disability income, and employees allowances (e.g. car allowance, clothing allowance, cell phone stipends, etc.).

Full-Time Equivalents (FTE) - Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full-time employee.

Full-Time Position - A position employed 40 hours per week for 52 weeks.

Fund - Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance (Specific Fund Reserves) - Referred to as net assets in an Enterprise or Internal Service Fund. It results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. In all funds, local sources are the last dollars in, with all other sources of revenue being fully expended first to support program expenditures. It must be authorized for expenditure (appropriated) by City Council prior to spending. Any use of fund balance or net assets must be approved by City Council unless it involves increasing the cost of goods sold.

GASB 45 - Beginning July 1, 2007, the Governmental Accounting Standards Board required governments to fully reflect the actuarial costs of "Other Post Employment Benefits" (OPEB) in their accounting records. For the City, retiree health insurance represents OPEB's.

GASB 54 - Beginning July 1, 2010, this requirement from the Governmental Accounting Standards Board completely changed the reporting requirements for Special Revenue Funds (Agricultural Reserve Program, Tourism Investment Program, etc.) making revenues the determining factor in the budgeting of these funds. Under GASB 54, Special Revenue Funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues, and the actual source of the revenue must be shown.

General Property Taxes - Taxes on real and personal properties, both tangible and intangible, such as vehicles, real estate, and business equipment. Interest and penalties on delinquent taxes are also included in this category.

GovMax - The City's budget system, which is an internet-based application the City leases from Sarasota County, Florida, and incorporates both an operating budget and a capital budget system, and a performance measurement system.

Grants - Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets certain requirements for use and reporting.

Health Insurance Portability and Accountability Act (HIPAA) - The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted on August 21, 1996 and is enforced by the U.S. Department of Health and Human Services Office of Civil Rights. HIPAA provides for: (1) standardization of electronic formats for transmission of nine specific transactions including claims, electronic remittance advice, eligibility, authorization, pharmacy, enrollment, coordination of benefits, attachments and first notice of claim; (2) security of electronic health information and electronic signatures; and (3) privacy of such patient identifiable information. Covered entities include health plans, health care clearinghouses (public or private entities that process standard transactions) and health care providers. It is important to note that the regulations extend to business and trade partners of covered entities.

Index of Service Demand - Measurement of the annual increase in demand for City services relative to the rate of growth in population. Services included in this index are police, fire, and rescue calls, library book borrowing, solid waste collections, recreation class registrations, health clinic clients, and vehicle registration.

Internal Services - Charges to department for intra-governmentally provided support services such as microcomputer support, mainframe computer services, automotive services, print shop, and risk management.

Lake Gaston - Capital project, which constructed an approximately 84-mile pipeline from Lake Gaston to Norfolk's raw water transmission system to secure a long-term permanent drinking water supply for Virginia Beach. Lake Gaston is a hydroelectric reservoir 35 miles long covering over 20,000 acres, with 350 miles of shoreline and is located in the North Carolina counties of Halifax, Northampton, and Warren, as well as in the Virginia counties of Brunswick and Mecklenburg.

Land Structures - Major capital facilities constructed or acquired, such as land and buildings, alterations and additions to such major capital facilities, street and dike systems, and water and sewer taps and mains. Total cost of these projects is less than \$250,000.

Lease-Purchase - A means of financing whereby the city borrows the funds from a financial institution to pay for the acquisition of major pieces of equipment or computer software.

Leases and Rentals - Leases not capitalized and rental of land, structures, and equipment.

Legislative Approval - The need for City Council to approve a grant, as identified in the guidelines of the grant for which funding is being sought. Such approval would typically be required either before the application is submitted or after the grant is awarded. Not all grants include this requirement.

Management Leadership Team (MLT) - Comprised of the City Manager and Deputy City Managers to promote and influence alignment of the organization and manage the interfaces of the tasks, processes, and environment by identifying and addressing critical issues and needs, and to communicate with the organization's customers and members.

Merit Increase - A salary increase within the pay range of the class to which the employee is assigned that is awarded based on job performance in accordance with the City's performance appraisal program.

Miscellaneous Revenue - Donations and contributions made to the city.

Mission - A broad statement of the reason for an agency's existence, its purposes and functions as related or aligned with City Council goals and vision.

Modified Accrual Basis of Accounting - A mixture of the cash and accrual basis. The modified accrual basis should be used for governmental funds. To be recognized as a revenue or expenditure, the actual receipt or disbursal of cash must occur soon enough after a transaction or event has occurred to have an impact on current spendable resources. In other words, revenues must be both measurable and available to pay for the current period's liabilities. Revenues are considered available when collectible either during the current period or after the end of the current period, but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

Money and Property, Revenue from the Use of - Revenue generated through the investment of funds in money market accounts, or through the lease or rental of City property and concessions, such as Convention Center or Munden Point Park rentals, vending machine concessions, and use of city copy machines and boat ramps.

Multi-Year Grant - A grant that affects the appropriation of funding beyond one fiscal year.

Net Assets - Denotes fund balance in internal service funds and enterprise funds. Formerly retained earnings in internal service funds.

Non-Appropriated Budget - Funding, available to an agency to support its programs, which is provided primarily by the Commonwealth of Virginia or the federal government. This amount is not appropriated by the city and is shown to provide the total cost of a program.

Non-Controlled Accounts - Accounts are controlled in total but not by line-item. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Non-Revenue Receipts - The reimbursement of an expense incurred on behalf of other organizations, or the receipt for financing capital outlay or capital projects.

Objectives - Quantifiable statements of the actual and desired level of service or the outcome of policy or activities. These are focused on the mission of the department.

Ordinance - An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. For example, before a department can spend grant funding, the funding must be appropriated. Because the budget is a legal document, any expenditure that is not included in the budget document must be ratified by Council as a separate ordinance.

Other Charges - Expenditures for such purposes as utilities service, telecommunications, delivery services, insurance, office supplies, food and food service supplies, agricultural supplies, medical and laboratory supplies, housekeeping and janitorial supplies, office furnishings, vehicle and powered equipment supplies, uniforms and wearing apparel, books, subscriptions and educational supplies, recreational supplies, shop supplies, construction and maintenance materials and supplies, merchandise for resale, shop tools, professional improvement and certifications, travel, contributions, dues and memberships, and claims and bounties.

Other Local Taxes - Taxes, which the Commonwealth enables the localities to use and set within the State Code. Examples are the local share of the sales tax, business licenses, local vehicle registration fees (LVR), cigarette taxes, etc.

Part-Time Position - A city employee, who is scheduled to actually work less than 35 hours per consecutive week, or an employee who is scheduled to actually work 35 hours per consecutive week for less than 52 consecutive weeks.

Pay-As-You-Go - Also known as General Appropriations, is an apportionment of cash funding from the general revenue of the city to an operating department to administer an activity relating to a specific capital project. This method of funding is normally employed as an alternative to additional borrowing.

Pay Range - The minimum through maximum salary levels assigned to a class of positions.

Performance Indicators - The city uses a balanced scorecard for reporting departmental performance measures. These perspectives are the customer perspective, the financial perspective, the internal process perspective, and the learning and growth perspective.

Permits, Privilege Fees, and Regulatory Licenses - The class of permits, fees, and licenses, which includes such levies as user permits to cover costs of processing requests for changes in zoning, building permits, electrical permits, plumbing permits, etc. Regulatory licenses allow for the charging of fees on such services as vehicles-for-hire and refuse disposal services. Also included in this category is the locality's authority to charge fees to license animals and bicycles and mopeds for identification purposes.

Personal Services - Compensation for direct labor of persons in the employment of the city; salaries and wages paid to employees for full-time, part-time, and temporary work, including overtime, shift differential, and similar compensation; and payment for contracted manpower.

Program Group - The program group name, which may reflect a budget unit name or a name that best reflects a group of services provided by several budget units within the department.

Public Facility Bonds - Bonds issued by governments, and authorities. This debt does not constitute a general obligation debt of the city, nor a pledge of the full faith and credit of the city. However, this debt is considered a part of the overall net debt of the city, and is included in the city's debt ratio calculations and other debt policies of the city.

Reclassification - A reassignment of the appropriate job title and pay range of an employee whose job responsibilities have been determined by the Director of Human Resources to have evolved to a degree that the present job classification does not accurately reflect the actual duties performed.

Redefinition - Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Referendum Bonds - Bonds which require authorization "... by ordinance adopted by the affirmative vote of two-thirds of all members of the City Council and approved by the affirmative votes of a majority of the qualified voters of the City voting on the question at an election called and held for the purpose ..." of approving or disapproving the issuance of the bonds. While referendum bonds may be issued for general obligation purposes, normally the issue is identified as financing a specific project or group of projects, such as schools or roadways.

Reserve for Contingencies - Used to identify funds set aside as a reserve for unanticipated expenditures, budgeted salary adjustments, or any other anticipated costs to be allocated at a later date.

Resolution - Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This would include a statement of intent by the City Council to participate in a specific grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Resource Management Plan - Document that outlines the expenditure, personnel and revenues needed for financing the annual operations, services, programs and construction projects of the city government. It is comprised of the Executive Summary, Annual Operating Budget, and the Capital Improvement Program.

School Funding Formula - Also referred to as the City/School Revenue Sharing Formula. This was a City Council policy to share specifically identified local revenues with the school system to both provide the locally required match to state funds and the additional local support beyond that minimum. After distributing revenues to the school system using this formula from FY 1996-97 to FY 2011-12, the City Council eliminated the City/School revenue sharing formula for FY 2012-13.

School Reversion - Results from school revenues, including the local transfer, greater than expenditures and from appropriations that were not expended during the fiscal year. All remaining school funds must by state law be returned to the locality.

Strategic Agenda - Short-term goals developed by department directors to focus on achieving the long-term goals set by City Council. Four major themes have been developed: Economic Vitality, Infrastructure, Youth and Families, and Community Leadership and Shared Vision. The department directors acting together, have taken these themes and began moving the city towards the City Council's goals, and recommended reasonable funding strategies.

Strategic Issue Team (SIT) - One of seven teams formed to manage major city issues as identified by previous Mission Teams and by the City Council's goals. These teams include: Economic Vitality, Safe Community, Quality Physical Environment, Cultural and Recreational Opportunities, Quality Education and Lifelong Learning, Family and Youth Opportunities, and Quality Organization.

Supplanting - Substituting one source of funding to augment reductions in funding by another agency. The city's policy of not supplanting federal, state or private funding reductions with local funding applies to grants.

Tax Increment Financing (TIF) - Is a public financing tool that uses the revenues generated by the growth in value of a designated area to fund capital improvement projects within that area.

Telecommunications Devices for the Deaf (TDD) - System and equipment to enable hearing impaired persons to communicate through the telecommunication system.

Tourism Advertising Program (TAP) - A program that funds advertising for the city's advertising and marketing program to promote and increase tourist and convention visitation to this city, including financing the Visitor Information Center and additional national and regional advertising for the city with increased emphasis on marketing through the city's website, www.visitvirginiateach.com. This program is funded by dedicated revenue including 1¢ of Hotel/Motel Room Tax rate, \$1 per room night flat tax, dedicated ½¢ of Restaurant Meals Tax rate, as well as other miscellaneous revenue related to the Visitor Information Center and co-operative programs with state and other regional destinations and attractions.

Tourism Investment Program (TIP) - A fund created in the FY 2011-12 operating budget that consolidated the Tourism Growth and Investment (TGIF) fund and the Major Projects Fund to provide the necessary opportunities for future strategic growth areas, maintenance of the resort area, beach events, as well as economic development projects. Also, this fund provides funding for tourism related capital projects and initiatives, the rebuilding of the Convention Center, the Sandler Center for the Performing Arts and the expansion of the Virginia Aquarium parking facilities. This fund is supported by dedicated revenue streams including: ten cents of the Amusement Tax, four and a half cents of the Hotel Room Tax and one-half cent of the Hotel Room Tax for Beach Events, 1.06 cents of the Restaurant Meal Tax and 5 cents of the Cigarette Tax, as well as other miscellaneous tourism related revenue.

Transfers from Other Funds - Revenues received from another fund that are used to reimburse the recipient fund for expenses incurred in behalf of the "Other" fund.

Transfers to Other Funds - The transfer of appropriations from one fund to assist in funding the operations of another.

Virginia Beach Quality Service System (VBQSS) - A quality management system designed to enhance the physical, social, economic and educational quality of the city by delivering quality services to all citizens according to destination points set by the City Council.

Description of Major City Funds

Under the principles of fund accounting, all related liabilities and resources are grouped together in a self-balancing set of accounts. Generally, funds are set up and maintained for the purpose of carrying on specific activities or attaining certain objectives, in accordance with specific regulations or limitations. Provided below is a description of each of the major funds used in this budget document, and an explanation of their relationships to each other.

Agriculture Reserve Program Special Revenue Fund - City Council established the Agricultural Reserve Program in May 1995, and this fund accounts for the revenues and expenditures supporting this program to purchase development rights via agricultural land preservation easements for eligible parcels of farmland in specified areas of the city.

Central Business District - South Tax Increment Financing (Town Center) Fund - City Council adopted the Central Business District - South Tax Increment Financing District on November 23, 1999. Creating a Central Business District in the Pembroke area of the city has been a long-term goal. The Comprehensive Plan, adopted on November 4, 1997, noted "the need to improve the overall form and quality of the development within the CBD core area and transform what is now mostly undeveloped or underdeveloped land into an attractive, high quality, intensive, pedestrian designed, mixed use town center." On February 8, 2000, the City Council approved a Development Agreement between a developer and the Virginia Beach Development Authority that created a Town Center for the city. The TIF funds are used to pay for the debt service costs for construction of four public parking garages, the Conference Center at the Westin Hotel, and pedestrian bridge.

City Beautification Fund - Provides funding for various landscaping beautification projects. It derives its revenues from cash donations received annually from citizens or businesses for designated beautification projects. The donations fund the plants and other related materials and supplies needed for the projects.

City Garage Internal Service Fund - Accounts for the financing of vehicles and repairs, parts, and the motor pool services related to the use of city vehicles by city departments. Goods and services are provided by the City Garage to other departments on a flat fee basis.

Community Development Loan and Grant Fund - Accounts for Community Development Block Grant funds used to finance loans and grants to homeowners in target neighborhoods. This fund also accounts for interest and principal repayments.

Community Development Special Revenue Fund - Accounts for the funds provided by the Community Development Block Grant (CDBG) and the City of Virginia Beach to address the inadequate housing of the city's low and moderate income families. This program supports the administration of both capital improvement projects in target neighborhoods and various other housing programs.

DEA Seized Property Special Revenue Fund - Accounts for funds provided to the Police department and Office of the Commonwealth's Attorney, by the state and federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support investigations and prosecution activities.

Federal Housing Assistance Grant Fund - Accounts for National Affordable Housing Act grant funds utilized for rehabilitation of owner-occupied and tenant-occupied low and moderate income dwellings.

Federal Section 8 Program Special Revenue Fund - Accounts for funds received directly from the federal government to provide rental assistance to low and moderate income families.

Fuels Internal Service Fund - Established and previously separated from the City Garage Internal Service Fund to more easily identify the costs associated with the delivery of fuel including maintenance, operation, capital and remediation costs for general fund supported fuel facilities.

General Fund - Supports the routine operations of the city, such as Police, Fire, and Public Libraries. It can also incur liabilities, indicated by inter-fund transfers, which are reimbursable by other funds. Resources are generated through the tax base and from federal and state programs.

General Government Capital Projects Fund - Provides funds necessary to meet the city's need: for municipal infrastructure construction and rehabilitation, ranging from community recreation centers to fire stations; to preserve and improve the city's roadway network to ensure efficient and safe mobility throughout the city; to preserve and enhance the extensive shorelines and navigable waterways within the City through protection, maintenance, access, and restoration projects; for projects supporting communications and technology that improve customer service delivery, and improve the functionality and efficiency of the organization and its infrastructure; for capital projects supporting the economic and tourism development program; and for capital projects supporting the parks and recreation program. Sources of revenues include the operating budget, fund balance, state, federal, debt financing, private contributions, and the Sandbridge Tax Increment Financing District and Special Service District.

Grants Consolidated Fund - Accounts for grants-in-aid received from federal and state agencies, and outside agencies or organizations.

Information Technology Internal Service Fund for Subscriptions - Accounts for the financing of existing technology application related subscriptions by city departments.

Inmate Services Special Revenue Fund - Accounts for the proceeds of telephone commissions from pay telephones within the Correction Center. State law requires that these funds be used in support of programs benefiting the inmates. This fund was merged with the Sheriff's Department Special Revenue Fund in the FY 2012-13 operating budget.

Law Library Fund - Finances the legal reference collection, which is used primarily by the courts system. This fund is primarily supported through fees collected by the courts as "court costs."

Library Gift Fund - Accounts for designated and undesignated donations to the Virginia Beach library system from individuals and groups. The undesignated donations are used for additions to the collection.

Lynnhaven Mall Tax Increment Financing Fund - Supports the Tax Increment Financing District for the Lynnhaven shopping area that City Council established on June 2, 1998 in conjunction with the expansion of Lynnhaven Mall. The TIF funds are to be used for improving the capacity and flow of traffic within the mall area, improving public transit access to and from the mall area, and expanding public parking. This fund was eliminated in the FY 2012-13 operating budget since the city's financial obligations associated with the Lynnhaven Mall Development Agreement have been met. Remaining funds will be declared surplus and will be transferred into the General Fund.

Old Donation Creek Dredging Special Service District Special Revenue Fund - This fund supports the special service district in the Old Donation Creek area, both of which were established by City Council September 13, 2011. Additional real estate taxes (at a rate of 18.4-cents per \$100 of assessed value) are assessed on residents of this special service district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses.

Open Space Special Revenue Fund - Established by City Council in the FY 2001-02 operating budget. It derives its revenue from part of the meals tax and other local sources associated with the acquisition of undeveloped property throughout Virginia Beach.

Parking Enterprise Fund - Accounts for the expenditures and revenues generated by parking meters and the operation of municipal parking lots in the resort area.

Parks and Recreation Gift Fund - Provides funding for various Parks and Recreation-related needs. It derives its revenues from cash donations received annually from citizens for designated (such as special events, recreation supplies, other

purchased services, replacement equipment, and other Parks and Recreation activities, as may have been designated) and un-designated purposes related to Parks and Recreation programs and activities.

Parks and Recreation Special Revenue Fund - Accounts for revenue from fees and charges, dedicated tax revenue for community recreation centers, the Sportsplex, and local (General Fund) support associated with the operation of the Parks and Recreation department.

Print Shop Internal Service Fund - Provides for the printing and copying needs of city departments and the School Board.

Risk Management Internal Service Fund - Provides a means of accounting for the city's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other city departments on a cost-reimbursement basis.

Sandbridge Special Service District Special Revenue Fund - Supports the special service district in the Sandbridge area of the city established by Council January 1, 1995 for the collection of additional lodging tax and real estate tax for the purpose of beach and shoreline management and restoration. This fund accounts for the cost of sand replenishment within the Sandbridge District oceanfront, receives its funding from specially assessed real estate taxes on properties within the district's boundaries, from a transient occupancy tax for the district, and from additional support from the Parking Enterprise Fund, the Tourism Investment Program Fund, and the Parks and Recreation Special Revenue Fund.

Sandbridge Tax Increment Financing Fund - Supports the Tax Increment Financing District for the Sandbridge area that City Council established on December 1, 1998. The TIF district, in conjunction with funding from a Special Services District also created for Sandbridge, will provide for periodic beach restoration/replenishment.

School Athletic Fund - Accounts for the costs of holding athletic activities at the city's schools. Receives its funding primarily from admission fees to athletic events, and receives additional support from the city's general fund.

School Cafeterias Fund - Accounts for the costs of operating the city's school cafeterias, receives its funding primarily from the sale of school lunches, and gets additional support from the state and federal government.

School Communication Tower Technology Revenue Fund - Established by the City Council on March 24, 1998, the School Communication Tower Technology Special Revenue Fund receives all payments from private tower owners who lease school property for commercial wireless towers. The funds received and the interest earned are used to acquire and replace technology including computers, software, wiring, training, facsimile, and copy machines.

School Equipment Replacement Special Revenue Fund - Established by the City Council on January 9, 2007, the School Equipment Replacement Special Revenue Fund accounts for the financing and acquisition of various replacement equipment.

School General Revenue Capital Projects Fund - Provides funding for the construction of new schools and school facilities. The schools capital improvement program receives support from the operating budget in terms of current revenues and fund balance, state and private contributions, and debt financing.

School Grants Fund - Accounts for the costs to operate various special programs in the local schools and receives its funding from various local, state, and federal grantor agencies.

School Health Insurance Fund - Provides a means for accounting for health insurance and the administration thereof for school and city employees.

School Instructional Technology Revenue Fund - Established by the City Council with the adoption of FY 1999-00 Resource Management Plan to hold funds provided by the city outside of the Revenue Sharing Policy for School Technology. This fund has been revised to reflect funding from school's annual interest earnings up through FY 2006-07 or until \$12 million

has been contributed. School's interest revenue received after FY 2006-07, will be allocated by the city to school's for projects and other operational costs.

School Landscaping Internal Service Fund - Accounts for monies provided by the Virginia Beach public school system for landscape design, installation, maintenance, and contract oversight at all public school sites, including physical education facilities (playgrounds), athletic fields, and parking lots.

School Operating Fund - Supports the routine operations of the Virginia Beach public school system and tracks the funds provided for education by the federal government and the state of Virginia.

School Reserve Fund - A fund used by the city to accumulate school reversion cash from the School Operating Fund as requested by the School Board and approved by the City Council, and is subsequently appropriated and transferred for emergency, economic conditions and similar purposes as requested by the School Board and approved by the City Council.

School Risk Management Fund - Provides a means of accounting for the school's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other school departments on a cost-reimbursement basis.

School Technology Category Fund - Separately accounts for the technology expenditures under the new Technology Category (formerly budgeted in and a sub-fund of the School Operating Fund). This is required by the State Department of Education and the Code of Virginia, as amended.

School Textbook Fund - Accounts for the costs of providing textbooks to the student population, receives its funding primarily from the State Department of Taxation, and receives additional support from the city's general fund.

School Vending Operations Fund - Established in FY 2001-02 after the school district entered into an exclusive vending arrangement with a national soft drink vendor. Proceeds from this contract will be used to support student activities.

Sheriff's Department Special Revenue Fund - Accounts for state, federal, and local funds in support of the Sheriff's Office. Also accounts for the proceeds of telephone commissions from pay telephones within the Correction Center. State law requires that these funds be used in support of programs benefiting the inmates. These costs and revenues were formerly budgeted in the Inmates Special Revenue Fund that was merged with the Sheriff's Department Special revenue Fund in the FY 2012-13 operating budget.

Storm Water Capital Projects Fund - Accounts for funds allocated for infrastructure improvements to the Storm Water Utility System. The storm water capital improvement program is designed to create an effective drainage system and storm water management system, protect natural resources and enhance quality of land and waterways, to maintain the city's utility systems, encourage development only in accordance with principles of natural environment protection, and provide adequate resources to maintain existing infrastructure. The storm water capital improvement program receives support from the Storm Water Utility Enterprise Fund of current revenues, net assets, and debt service for revenue bonds issued, and from other sources such as the state government, private contributions, and the city's General Fund.

Storm Water Utility Enterprise Fund - Accounts for revenues and expenditures generated by the Storm Water Utility Fee for operational and capital needs for storm water management in the city.

Telecommunications Internal Service Fund - Accounts for the costs for provision of the following services to city departments: telephone equipment, network and radio maintenance and support, contract administration, cable management, dial tone provision, etc.

Tourism Advertising Program Special Revenue Fund - A fund created by City Council August 22, 1995 to be effective July 1, 1995 that appropriated dedicated revenues to be used for the city's advertising and marketing program and related activities, including the operation of the Visitor Information Centers, to promote and increase tourist and convention visitation to this city. Revenues earmarked by City Council to this fund include 1¢ of Hotel/Motel Room Tax rate, \$1 per

room night flat tax, dedicated $\frac{1}{2}\%$ of Restaurant Meals Tax rate, as well as other miscellaneous revenue related to the Visitor Information Center and co-operative programs with state and other regional destinations and attractions.

Tourism Investment Program (TIP) - A fund created in the FY 2011-12 operating budget that consolidated the Tourism Growth and Investment (TGIF) fund and the Major Projects Fund to provide the necessary opportunities for future Strategic Growth Areas, maintenance of the resort area, beach events, as well as Economic Development projects. Also, this fund provides funding for tourism related capital projects and initiatives, the rebuilding of the Convention Center, the Sandler Center for the Performing Arts and the expansion of the Virginia Aquarium parking facilities. This fund is supported by dedicated revenue streams including: ten cents of the Amusement Tax, four and a half cents of the Hotel Room Tax and one-half cent of the Hotel Room Tax for Beach Events, 1.06 cents of the Restaurant Meal Tax and 5 cents of the Cigarette Tax, as well as other miscellaneous tourism related revenue.

Town Center Special Tax District - This tax district was established by City Council on May 14, 2002. In accordance with the Town Center Development Agreement, this district was created in FY 2002-03 to provide funding through an additional real estate tax assessed on owners of properties in the district to fund the annual operations and maintenance costs associated with the core parking facilities as well as security, street sweeping, pressure washing sidewalks, landscaping, and refuse collection at public waste receptacles within the Town Center core area. The rate was established at 57 cents annually based on estimated operations and maintenance costs. This rate has changed as other projects near completion and based on the level of maintenance desired by the property owners. In FY 2007-08, the rate was lowered to 50 cents. The FY 2008-09 operating budget lowered the rate to 45 cents. Rates will be adjusted based on costs and current funding capacity. Currently, seven blocks (3, 4, 5, 8, 10, 11, and 12) of the Town Center core area are in the special district, and the district will expand as other blocks are developed. Every three years, the special tax rate will be reviewed by the city to determine the cash flow needed to properly maintain and operate the facility.

Waste Management Special Revenue Fund - This fund was established in the FY 2012-13 operating budget to account for the annual operating expenses for the waste related functions, including recycling activities, waste collection, and disposal at the landfill. This does not include capital improvement program or rolling stock expenses. Use of a separate fund increased the transparency of what services the monthly waste management fee that was instituted in FY 2011-12 is dedicated to supporting these operations in the General Fund. A special revenue fund is compatible with the continued General Fund support of these activities and enables accruing funds over time for replacement of capital and infrastructure needs, with a planned transition to an enterprise fund when the waste operation becomes self-sustaining.

Water and Sewer Fund - Accounts for the expenditures and revenues generated by the normal operations of the water and sewer divisions of the Public Utilities department.

Water and Sewer Capital Projects Fund - Provides funds for the renovation/rehabilitation and replacement of water and sewer lines and pump stations, extensions of the water and sanitary sewer system coordinated with the roadway expansions, expansion of the water and sewer system to increase capacity in newer service areas, new water and sanitary sewer services through the Neighborhood 51% program. The Water & Sewer capital improvement program receives support from the Water and Sewer Utility Enterprise Fund in terms of current revenues, net assets, and debt service for revenue bonds issued, and from other sources such as the federal government and Hampton Roads Sanitation District.

Descriptive List of Commonly Used Acronyms

Acronym	Title	Description
3-D	Three Dimensional	A 3D (three -dimensional) S3D (stereoscopic 3D) film is a motion picture that enhances the illusion of depth perception from stereoscopic, a regular motion picture camera system is used to record the images as seen from two perspectives (or computer-generated imagery generates the two perspectives in post-production), and special projection hardware and/or eyewear are used to provide the illusion of depth when viewing the film.
4-D	Four Dimensional	A 4D film is a marketing term that describes an entertainment presentation system combining a 3D film, with physical effects in the theatre, which occur in synchronization with the film (note that 4D films are not actually, geometrically, 4-dimensional).
AA	AA Bond Rating	This is a bond credit rating and assesses the credit worthiness of an organization's (corporation or government) debt issues. The AA bond rating indicates that the organization has very strong capacity to meet its financial commitments. It differs from the AAA bond rating only in small degree. It is analogous to credit ratings for individuals.
AAA	AAA Bond Rating	This bond credit rating indicates that the organization has extremely strong capacity to meet its financial commitments and represents the highest rating.
ADA	Americans with Disabilities Act	The ADA is a wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability. As applied to local government, this federal legislation requires all public buildings, services and programs to be accessible to people with disabilities.
ADM	Average Daily Membership	The "Average daily membership" or "ADM" means the aggregate days membership of a school during a certain period divided by the number of days the school was actually in session during the same period.
AICUZ	Air Installation Compatible Use Zone	The noise zones and the accident potential zones together form the AICUZ for an air installation. The AICUZ need to be updated periodically when the number and type of aircraft operations change at an installation.
ALC	Adult Learning Center	The Adult Learning Center is a Virginia Beach public school whose mission is to equip adults with 21 st century skills by providing rigorous and relevant instruction that enables learners to complete in the global society.
ALS	Advanced Life Support	Critical care that requires immediate intervention for life or death circumstances. May involve use of drugs or invasive medical procedures.
APZ1	Accident Potential Zone 1	An area beyond the airfield runway where an aircraft mishap is most likely to occur if one occurs. It does not indicate a probability of an accident occurring, but is to be used for planning purposes.

Acronym	Title	Description
ARB	Accounting Research Bulletins	Publications containing recommended accounting procedures published by Financial Accounting Standards Board (FASB).
ARIMA	Autoregressive Integrated Moving Average	In statistics and econometric, in particular in time series analysis, an autoregressive integrated moving average (ARIMA) model is a generalization of an autoregressive moving average (ARMA) model. These models are fitted to time series date either to better understand the data or to predict future points in the series (forecasting). They are applied in some cases where data show evidence of non-stationary, where an initial differencing step (corresponding to the "integrated" part of the model) can be applied to remove the non-stationary.
ARP	Agricultural Reserve Program	See glossary.
ASBO	Association of School Business Officials	The Association of School Business Officials is a professional organization which provides programs and services to promote the highest standards of school business practices through professional development, recognition, and the effective management of available resources.
AYP	Adequate Yearly Progress	Adequate Yearly Progress is a measurement defined by the United States federal No Child Left Behind Act that allows the U.S. Department of Education to determine how every public school and school district in the country is performing academically according to results on standardized test.
BABS	Build America Bonds	These are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The purpose of Build America Bonds is to reduce the cost of borrowing for state and local government issuers and government agencies.
BLS	Basic Life Support	Provide care for the sick or injured. BLS generally does not include the use of drugs or invasive medical procedures as does ALS.
BPOL	Business Professional Occupation License	This represents a gross receipts tax on businesses. The fee and/or rates are based on the amount of gross receipts (or gross sales, gross purchases, gross commissions, gross contracts or orders) from the preceding calendar year. A flat \$40 fee applies to businesses with gross receipts of under \$25,000; a flat fee of \$50 applies to businesses with gross receipts from \$25,001 to \$100,000. Businesses with sales over \$100,000 are subject to various rates depending on the classification of the business (the tax rate applies to 100% of gross sales rather than only the sales above \$100,000). Council adopted a 2-year exemption from this tax for new businesses beginning January 1, 2012. A new business is exempt from all but the minimum fee (\$50) for the first two license years of business. If a business applies in the middle of a license year, the business would only receive 1½ years of exemption.
BRACC	Base Realignment and Closure Commission	See glossary.
BZA	Board of Zoning Appeals	A 7-member body with two alternate members, appointed by the City Council, responsible for the review of variance requests to the Zoning Ordinance and appeals of decisions of the Zoning Administrator for the City of Virginia Beach.

Acronym	Title	Description
CAFR	Comprehensive Annual Financial Report	An audited and printed copy of the city's financial statement at the end of a given fiscal year.
CALEA	Commission on Accreditation for Law Enforcement Agencies	This organization provides accreditation to agencies that meet established standards and use best practices utilized by other law enforcement agencies.
CBD	Central Business District	The Virginia Beach Central Business District is a large area roughly bound by Thalia Creek on the east, Witchduck Road on the west, Jeanne Street on the north and Bonney Road on the south. Much of this area is comprised of commercial enterprises with some light industrial uses located in the western portion of the district. Since the year 2000, considerable growth has occurred in the Central Business District's Town Center area. The Town Center is a 17-block area located southwest of Virginia Beach and Independence Boulevards. It is a vibrant and growing urban lifestyle center with a complement of mixed uses that include high rise residential, retail, office, restaurant, entertainment, education and open spaces, all designed around a well planned urban, pedestrian friendly environment.
CBPA	Chesapeake Bay Preservation Act	An ordinance to protect and restore the water quality of the Chesapeake Bay and its tributaries.
CBPAO	Chesapeake Bay Preservation Area Ordinance	The Chesapeake Bay Preservation Act Ordinance was adopted on January 1, 1991 and affects all property in Virginia Beach that drains into the Chesapeake Bay Watershed by limiting what is done on the affected property. The CBPAO is an effort to enhance the water quality by protecting environmentally sensitive areas such as buffers adjacent to waterways, tidal shores and wetlands, as well as highly erodible soils. Special permission may be needed from the City of Virginia Beach before work may begin on the properties covered by the ordinance.
CC	Certificate of Compliance	A program established in 1989 offered by the Department of Housing that conducts inspections on rental units in Council approved Rental Inspection Districts based on the need to prevent deterioration and blight in certain areas of the city and ensure safe, decent, and sanitary living conditions.
CCTV	Closed Circuit Television	This technology allows the Department of Public Utilities to visually inspect pipe interior surfaces using a high quality video output providing real-time video inspection and enabling the Department to immediately spot corrosion and potential obstructions, observe dynamic operating conditions and characteristics, and check the internal condition of joints, liners, valves, repairs, and other water main features.
CDBG	Community Development Block Grant	Annual formula based grant from the federal Department of Housing and Urban Development to states and localities to be used to for a wide range of community development needs by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.
CHINS	Child In Need of Services/Supervision	"Child in need of services" means a child whose behavior, conduct or condition presents or results in a serious threat to the well-being and physical safety of the child.

Acronym	Title	Description
CIP	Capital Improvement Program	A program which schedules the financing and construction of major municipal facilities, such as roads, schools, buildings, and water and sewer lines. This program is linked directly to Council policies, plans, and goals.
CMRS	Mobile Telecommunications Service	CMRS means mobile telecommunications service as defined in the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section 124, as amended. CMRS provider means an entity authorized by the Federal Communications Commission to provide CMRS within the Commonwealth of Virginia.
COG	Community Organization Grant	A Council appointed committee that awards qualified non-profit agencies monetary grants for providing services to Virginia Beach citizens.
COIA	Conflict of Interest Act	The State and Local Government Conflict of Interests Act (sections 2.2-3100 – 2.2-3131 of the Code of Virginia) requires some Virginia governmental officers and employees to disclose their personal and financial interests.
CPI	Consumer Price Index	The Consumer Price Index measures changes in the price level of consumer goods and services purchased by households. The CPI in the United States is defines by the Bureau of Labor Statistics as “a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.”
CPR	Cardiopulmonary Resuscitation	Cardiopulmonary resuscitation (CPR) is an emergency procedure which is performed in an effort to manually preserve intact brain function until further measures are taken to restore spontaneous blood circulation and breathing in a person in cardiac arrest. It is indicated in those who are unresponsive with no breathing or abnormal breathing. CPR involves chest compressions at least 5 cm deep and at a rate of at least 100 per minute in an effort to create artificial circulation by manually pumping blood through the heart. In addition, the rescuer may provide breaths by either exhaling into the subject’s mouth or nose or utilizing a device that pushes air into the subject’s lungs.
CPMT	Community Policy and Management Team	A team of city/school staff that oversees Comprehensive Services Act funding.
CRIMES	Comprehensive Regional Information Management and Exchange System	See Glossary of Terms.
CSA	Comprehensive Services Act	A funding pool of state funds, trust grants, Medicaid, Family Preservation Act funding, and the funding sources to strengthen families and provide services to at-risk youths.
CSB	Community Services Board	A service responsible for providing a range of behavioral health services.
CVB	Convention and Visitors Bureau	A department in the City of Virginia Beach whose mission is to serve the broader interests of the economy of the City of Virginia Beach by supporting, maintaining and expanding the City’s leisure travel and meeting and convention markets in order to create jobs and generate tax revenues.

Acronym	Title	Description
D.A.R.E.	Drug Abuse and Resistance Education	A comprehensive drug and violence prevention education program for children in 5 th grade.
DEA	Drug Enforcement Agency	Federal agency that enforces the controlled substances laws and regulations of the United States and bring to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States.
DEQ	Department of Environmental Quality	The Virginia Department of Environmental Quality administers State and federal laws and regulations for air quality, water quality, water supply and land protection in order to protect and improve the environment. Programs include improving the ability of businesses and local governments to protect the environment, and offering technical and financial assistance for air and water quality improvements.
DMV	Department of Motor Vehicles	A state agency responsible for issuing driver's licenses and issuing automotive tags.
DRM	Digital Rights Management	A class of access control technologies that are used by hardware manufacturers, publishers, copyright holders and individuals with the intent to limit the use of digital content and devices after sale. DRM is any technology that inhibits uses of digital content that are not desired or intended by the content provider.
DSC	Development Services Center	This operation within the Planning Department coordinates the review and approval of subdivision plats and development plans to ensure engineering compliance with ordinances, standards, specifications and City Council requirements. It administers development sureties and coordinates review and recordation of legal documents and agreements designed to ensure construction of requirements established during the plan review and approval process.
DUI	Driving Under the Influence	It is commonly called "drunk driving," but includes driving under the influence of drugs (e.g. illicit, over the counter or prescription) too. "Drunk driving" typically refers to driving with a blood alcohol concentration which is at a level where a person can be arrested for DUI (in Virginia, this is 0.08 percent). Impaired driving means that a person's skills – including judgment, coordination, response time, and more – are affected much earlier before the blood alcohol concentration reaches 0.08 percent.
EAP	Employee Assistance Program	The Employee Assistance Program provides assessment, counseling, and referral services designed to assist employees in resolving personal problems which may impair job performance, thereby enhancing productivity and reducing absenteeism and turnover. The Program is available to all full-time and part-time probationary and permanent employees, all members of the immediate household of an eligible employee living outside the household or any individual for whom an eligible employee is legally responsible, and all emergency medical services volunteers.
ECCS	Emergency Communications and Citizen Services	This is a City department that processes emergency and non-emergency calls for the City of Virginia Beach and relays the information gathered to the appropriate City department so a

Acronym	Title	Description
		response can be prepared in the most efficient and accurate manner.
ED	Emergency Departments in Hospitals	An emergency department (ED), also known as, emergency room (ER), is a medical treatment facility specializing in acute care of patients who present without prior appointment, either by their own means or by ambulance. The emergency department is usually found in a hospital or other primary care center.
EDIP	Economic Development Investment Program	This program is a proactive and creative initiative, which enables the city to successfully retain existing employment opportunities and create new jobs, while substantially enhancing the local tax base. These funds are leveraged by business for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).
EEO	Equal Employment Opportunity	A federal law banning the practice of employment discrimination based on race, national origin, creed, sex, etc.
EMR	Electronic Medical Reporting System	An electronic medical record (EMR) is a computerized medical record created in an organization that delivers care, such as a hospital or physician's office. Electronic medical records tend to be a part of a local stand-alone health information system that allows storage, retrieval and modification of records. After much work researching software, designing and building the infrastructure from FY 2008-09 through FY 2009-10, a team from the departments of EMS and Communication and Information Technology in partnership with Sentara Healthcare developed an Electronic Medical Reporting (EMR) system that was implemented in the field on June 14, 2010. This system converted to an electronic format the hand-written EMS patient care reports, which were comprised of three-pages including 528 mandated fields and took an average of 40 minutes to fill out and complete. Use of EMR translates into improved service for patients and faster turn-around times for ambulances. This new system allows each call for emergency medical services to be tracked from the time the call comes into Emergency Communications Center/E911, to the time the patient is discharged from the hospital.
EMS	Emergency Medical Services	A city department that provides emergency rescue services using certified volunteers and career medics, and provides lifeguard services at Sandbridge beach.
EMT	Emergency Medical Technician	A certified healthcare provider who is trained to treat and transport victims of emergencies. Emergency medical technicians (EMT) provide basic life support to victims. Skills include immobilization and splinting, bandaging, administering oxygen, cardiopulmonary resuscitation, defibrillation, extrication, administering medications and airway management. Emergency medical technicians may work in the emergency department, fire department, public gatherings and factories, but most importantly the certification is aimed at providing care in an ambulance.
EPA	Environmental Protection Agency	The Environmental Protection Agency is a federal agency that was created for the purpose of protecting human health and the environment by writing or enforcing regulations based on laws

Acronym	Title	Description
		passed by Congress. The agency conducts environmental assessment, research, and education, and has the responsibility of maintaining and enforcing national standards under a variety of environmental laws, in consultation with state, tribal, and local governments. Enforcement powers include fines, sanctions, and other measures. The agency also works with industries and all levels of government in a wide variety of voluntary pollution prevention programs and energy conservation efforts.
ESG	Emergency Shelter Grant	A federal grant provided by the Department of Housing and Urban Development that is designed as the first step in the Continuum of Care, to provide funds for emergency shelters — immediate alternatives to the street — and transitional housing that helps people reach independent living. Grantees use ESG funds to rehabilitate and operate these facilities, provide essential social services, and prevent homelessness. ESG funds can also be used to aid people who are at imminent risk of becoming homeless due to eviction, foreclosure, or utility shutoff.
ESO	Environment and Sustainability Office	This Office prepares and maintains the City's Environmental Sustainability Plan, advocates for responsible stewardship of the City's natural resources, is responsible for the interpretation and enforcement of the Chesapeake Bay Preservation Area and Southern Watershed Management Ordinances, and provides staffing support for the Chesapeake Bay Preservation Area Board and the Wetlands Board. Waterfront construction and dredging permits and inspections in Virginia Beach are coordinated through this unit.
ExCELL	Excellence in Children's Early Language And Literacy	Pilot program of the Literacy Institute of the Virginia Commonwealth University conducted in pre-schools to develop language and early literacy skills of young children.
FASB	Financial Accounting Standards Board	The designated organization in the private sector since 1973 that establishes standards of financial accounting that govern the preparation of financial reports by nongovernmental entities. Those standards are officially recognized as authoritative by the Securities and Exchange Commission (SEC) and the American Institute of Certified Public Accountants. Such standards are important to the efficient functioning of the economy because decisions about the allocation of resources rely heavily on credible, concise, and understandable financial information.
FBI	Federal Bureau of Investigations	The FBI is an agency of the federal government, established in 1908. It is an intelligence-driven and a threat-focused national security organization with both intelligence and law enforcement responsibilities. The mission of the FBI is to protect and defend the United States against terrorist and foreign intelligence threats, to uphold and enforce the criminal laws of the United States, and to provide leadership and criminal justice services to federal, state, municipal, and international agencies and partners.
FCC	Federal Communications Commission	An agency of the federal government. The Federal Communications Commission regulates interstate and international communications by radio, television, wire, satellite and cable in all 50 states, the District of Columbia and U.S. territories. It was established by the Communications Act of 1934 and operates as an independent U.S. government agency overseen by Congress.

Acronym	Title	Description
FEMA	Federal Emergency Management Agency	Is a federal agency within the United States Department of Homeland Security, whose mission is to reduce loss of life and property and protect our nation's critical infrastructure from all types of hazards through a comprehensive, risk-based, emergency management program of mitigation, preparedness, response, and recovery.
F.I.C.A., F.I.C.A.- Medicare	Federal Insurance Contributions Act	These are payroll (or employment) taxes imposed by the federal government on both employees and employers to fund Social Security (6.2% tax) and Medicare (1.45% tax), which are federal programs that provide benefits for retirees, the disabled, and children of deceased workers.
FOG	Fats, Oils, and Grease	The FOG Program in the Department of Public Utilities provides information to prevent the introduction and accumulation of fats, oils, and grease, which can cause sanitary sewer blockages and obstructions, into the City's wastewater system. These obstructions can result in sewer backups and sanitary sewer overflows. Grease control devices are required to be installed, implemented, and maintained by food service establishments.
FOIA	Freedom of Information Act	Virginia statute that guarantees citizens the right to examine public documents.
FTE	Full-Time Equivalents	Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080, the total number of hours per year for a full-time employee.
FY	Fiscal Year	A budget cycle year, from July 1 st to June 30 th in Virginia Beach.
GAAP	Generally Accepted Accounting Principles	The standard framework for financial accounting.
GASB	Governmental Accounting Standards Board	Organization created to improve standards of state and local governmental accounting and financial reporting.
GDP	Gross Domestic Product	The total market value of all final goods and services produced in a given year, which is equal to total consumption, investment, governmental spending, plus the value of exports, minus the value of imports.
GED	General Education Diploma	GED tests are a group of five subject tests, which, when passed, certify that the taker has American or Canadian high school-lever academic skills. The initials GED have also been used on diplomas to mean General Education Diploma, General Equivalency Diploma, or Graduate Equivalency Degree.
GIS	Geographic Information System	Geographic Information Systems are tools used to gather, transform, manipulate, analyze, and produce information related to the surface of the Earth. This data may exist as maps, 3D virtual models, tables, and/or lists.
H1N1	H1N1 Swine Flu	The H1N1 virus is the subtype of influenza A virus that was the most common cause of the flu in 2009.
HIPAA	Health Insurance Portability and Accountability Act	See glossary.

Acronym	Title	Description
HOME	HOME Investment Partnership Act Program	A federal formula block grant program that provides funding to states and localities to create affordable housing for low-income households. Communities use these funds, often in partnership with local non-profit groups, to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
HRSD	Hampton Roads Sanitation District	HRSD, a political subdivision of the Commonwealth of Virginia serving 17 counties and cities, was created by public referendum in 1940 to eliminate sewage pollution in the tidal waters of the Chesapeake Bay. Its mission is to protect public health and the waters of Hampton Roads by treating wastewater effectively.
HRT	Hampton Roads Regional Transit	An independent transit authority serving the Hampton Roads area.
HUD	The U.S. Department of Housing and Urban Development	A cabinet branch in the executive branch of the federal government, whose mission is to create strong, sustainable, inclusive communities and affordable homes for all.
HVAC	Heating, Ventilating & Air Conditioning	Technology and mechanized equipment that provides heating, air conditioning and ventilation to provide indoor or automotive environmental comfort.
IAAO	International Association of Assessing Officers	A professional organization with expertise in property appraisals, assessment administration, and property tax policy.
ICF	Intermediate Care Facilities	A health care facility for individuals who are disabled, elderly, or nonacutely ill, usually providing less intensive care than that offered at a hospital or skilled nursing facility.
IMAX	IMAX	IMAX: is a motion picture file format and a set of proprietary cinema projection standards created by the Canadian company IMAX Corporation. IMAX has the capacity to record and display images of far greater size and resolution than conventional film systems.
IT	Information Technology Training	Training in various computer software systems to store, process and analyze information.
ITA	Interfacility Traffic Area	The Interfacility Traffic Area is the flight corridor between Oceana Naval Air Station and the Naval Auxiliary Landing Field Fentress located in Chesapeake. The City has been purchasing properties in the ITA to limit or prevent the development of uses that conflict with the applicable AICUZ restrictions. A description of AICUZ is included in this glossary.
JUL	Joint Use Library	A collaborative partnership with Tidewater Community College, in May 2013, and will be the largest library in Virginia Beach. It will be open to students, faculty, and the general public.
LETA	Law Enforcement Training Academy	This is an indoor training facility operated by the City of Virginia Beach that Public Safety departments use to earn/maintain accreditation status, as well as, satisfy their mandated training qualification needs.
LVR	Local Vehicle Registration	A local vehicle registration fee that is collected with the state registration fee by the Department of Motor Vehicles.

Acronym	Title	Description
MLT	Management Leadership Team	See glossary.
NAS	Naval Air Station	NAS Oceana is a Navy aviation facility located in Virginia Beach and is the only United States Navy Master Jet Base on the East Coast.
NG9-1-1	Next Generation 9-1-1	9-1-1 operating systems that recognized the location of all callers, including those that call 9-1-1 through cellular devices. Current operating systems require the call taker to obtain this information from the caller.
OPEB	Other Postemployment Benefits	Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends through retirement or other reason for separation. The most common type of these postemployment benefits is a pension. As the name suggests, other postemployment benefits (OPEB) are postemployment benefits other than pensions. OPEB generally take the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. It may also include some types of life insurance, legal services, and other benefits.
OSHA	Occupational Safety & Health Administration	Is part of the U.S. Department of Labor, created by Congress under the Occupational Safety and Health Act of 1970, to ensure safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education, and assistance.
POMP	Pilot Outcome Measure Project	This pilot project was initiated for three departments (Public Works, Museums, and Libraries) to begin building capacity within the individual departments to measure the impacts (i.e. outcomes) of their programs and services on their customer base/the citizenry.
PTA	Parent Teacher Association	A parent-teacher association (PTA) or parent-teacher-student association (PTSA) is a formal organization composed of parents, teachers, and staff that is intended to facilitate parental participation in a school.
PU	Public Utilities	Public Utilities is the department of the Virginia Beach municipal government that provides water and sanitary sewer services to Virginia Beach citizens.
RFP	Request for Proposal	A document issued by the city in the early stages of a procurement process for goods or services that issues an invitation for suppliers, often through a bidding process, to submit a proposal on a specific commodity or service for purchase by the city.
ROW	Right-of-Way	A right-of-way is a strip of land that is granted, through an easement or other mechanism, for certain purposes, such as transportation.
RSF	Revenue Sharing Formula	A formula whereby the City and Schools share revenues by a defined formula.

Acronym	Title	Description
SEC	Securities and Exchange Commission	A federal agency established by Congress under the Securities Act of 1933, the SEC's mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.
SGA	Strategic Growth Area	Office created in FY 2009-10 to implement the City's new growth strategy to accommodate and absorb urban growth, with a focus on planning and infrastructure.
SIT	Strategic Issue Team	A Strategic Issue Team is one of seven teams formed to manage major city issues as identified by previous mission teams and by the City Council's goals. These teams include: Economic Vitality (EVSI), Safe Community (SCSI), Quality Physical Environment (QPE), Cultural and Recreational Opportunities (CRO), Quality Education and Lifelong Learning (QELL), Family and Youth Opportunities (FYO) and Quality Organization (QOSIT).
SNAP	Supplemental Nutrition Assistance Program	As of Oct. 1, 2008, SNAP is the new name for the federal Food Stamp Program that provides assistance to low- and no-income people and families living in the U.S. The program is administered by the U.S. Department of Agriculture with benefits distributed by the individual states.
SOL	Standards of Learning	The state of Virginia measures against which students' achievement in school will be measured at different points in their education.
SOQ	Standards of Quality	A term describing the minimum limits the state prescribes for funding reimbursements of school personnel including teachers, principals, and other non-instructional staff.
SPCA	Society for the Prevention of Cruelty to Animals	The SPCA is a national non-profit animal welfare organization that campaigns for animal welfare, assists in cruelty to animal cases, and attempts to find new homes for unwanted animals they feel are adoptable. The SPCA has one location in Virginia Beach.
SPSA	Southeastern Public Service Authority	A regional agency established by localities of Southeastern Virginia in 1976 from the non-operational Southeastern Water Authority of Virginia pursuant to the Virginia Water and Sewer Authorities Act, for the implementation of a regional solid waste disposal system to include a resource recovery operation, featuring a Refuse Derived Fuel (RDF) Plant and a Power Plant. SPSA's purpose is set forth in the Code of Virginia for management of the safe and environmentally sound disposal of regional waste.
SWAT	Special Weapon and Tactics	A SWAT team is an elite tactical unit of highly trained law enforcement officers who use specialized weapons and tactics to handle high-risk situations. SWAT team members' duties include: performing hostage rescues and counter-terrorism operations; serving high risk arrest and search warrants; subduing barricaded suspects; and engaging heavily-armed criminals.
SWU	Storm Water Utility	An enterprise fund created by City Code section 32.5-2 to operate, maintain and improve the city's storm-water management system.
TANF	Temporary Assistance to Needy Families	Federal assistance, which replaces the AFDC and requires all participants to find work after receiving assistance for 24 months and must participate in community services within two months.
TAP	Tourism Advertising Program	See glossary.

Acronym	Title	Description
TCC	Tidewater Community College	Founded in 1968 as a part of the Virginia Community College System, TCC serves the South Hampton Roads region with campuses in Chesapeake, Norfolk, Portsmouth, and Virginia Beach, a regional Visual Arts Center in Olde Towne Portsmouth, the TCC Jeanne and George Roper Performing Arts Center in the downtown Norfolk theater district, a regional Advanced Technology Center on its Virginia Beach Campus and the Regional Automotive Center in Chesapeake. TCC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the associate degree.
TDD	Telecommunication Devices for the Deaf	See glossary.
TGIF	Tourism Growth Investment Fund	See fund description for TIP.
TIF	Tax Increment Financing	See glossary.
TIP	Tourism Investment Program	See fund description.
Title VII	Title VII of the Civil Rights Act	This refers to the section of the Civil Rights Act of 1964 that prohibits employment discrimination based on race, color, religion, sex and national origin.
TMDL	Total Maximum Daily Load	A TMDL is a regulatory term in the U.S. Clean Water Act that describes a value of the maximum amount of a pollutant that a body of water can receive while still meeting water quality standards.
VBCDC	Virginia Beach Community Development Corporation	A non-profit group dedicated to preserving the City's housing stock that provides numerous programs and services that assist the low and moderate-income family including: permanent financing, down payment, and closing cost assistance to first time home buyers, new construction and rehabilitation for sale in the First Time Home Buyers Program, First time home buyer seminars, free & confidential foreclosure prevention and loss mitigation counseling, rental housing for low-income families, rental housing for low-income disabled persons, and rental housing and support services for homeless families and homeless individuals.
VBCPS	Virginia Beach City Public Schools	This represents the Virginia Beach City public school system.
VBDA	Virginia Beach Development Authority	Composed of eleven members appointed by City Council to work in cooperation with the city's Department of Economic Development as delineated in Chapter 643, Acts of The General Assembly, as Amended.
VBQSS	Virginia Beach Quality Service System	See glossary.
VBTW	Virginia Beach Television	A local cable access channel that broadcasts city meetings, seminars, presentations, employment information, and other city business.
VDH	Virginia Department of Health	The Virginia Department of Health oversees public health throughout the Commonwealth of Virginia, United States. It has 35 local health districts, including Virginia Beach. Programs include restaurant inspections, food recalls, emergency preparedness and response, environmental health services, and the study and causes of diseases.

Acronym	Title	Description
VDOT	Virginia Department of Transportation	State agency that maintains state roads and interstate.
VICAP	Virginia Independent Clinical Assessment Program	Program started by Virginia's Department of Medical Assistance Services (DMAS) which requires that individuals seeking Medicaid Children's Mental Health Services have an Independent Assessment completed by a Licensed Mental Health Professional. DMAS has designated local Community Services Boards as the agency to conduct these evaluations.
VOIP	Voice-Over Internet Protocol	Protocol optimized for the transmission of voice through the internet or other packet-switched networks.
VRS	Virginia Retirement System	A state retirement system for public employees that provides its members with benefits at retirement, or upon disability or death.