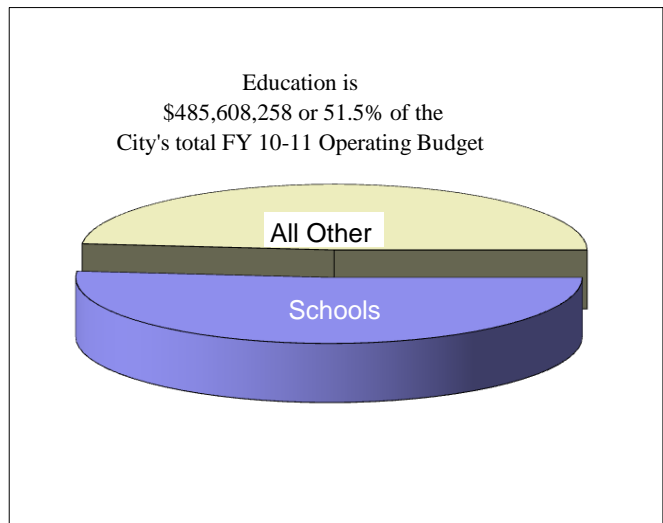
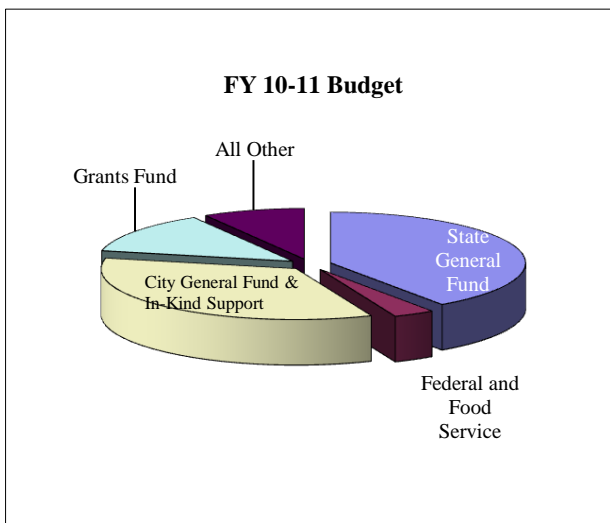


<b><u>SOURCES OF FUNDS</u></b>	<b><u>FY 09-10 Amended Budget</u></b>	<b><u>FY 10-11 Budget</u></b>	<b><u>Increase/ (Decrease)</u></b>	<b><u>Percentage Change</u></b>
State General Fund	217,974,509	195,835,125	(22,139,384)	-10.16%
Federal	3,000,600	3,000,600	-	0.00%
Tuition, rent, other local	3,070,200	3,020,920	(49,280)	-1.61%
City General Fund	173,343,767	166,488,283	(6,855,484)	-3.95%
School Textbook Fund	1,721,650	4,252,556	2,530,906	147.00%
School Food Service Fund	13,695,910	13,545,786	(150,124)	-1.10%
School Grants Fund	56,428,005	64,104,520	7,676,515	13.60%
Cell Tower Fund	-	210,000	210,000	
<b>Subtotal</b>	<b>469,234,641</b>	<b>450,457,790</b>	<b>(18,776,851)</b>	<b>-4.00%</b>
City In-kind Support - General Fund *	2,027,556	1,600,000	(427,556)	-21.09%
School Debt Service	33,588,388	33,550,468	(37,920)	-0.11%
<b>Totals</b>	<b>504,850,585</b>	<b>485,608,258</b>	<b>(19,242,327)</b>	<b>-3.81%</b>

\* Costs are included in the General Fund for school traffic guards, school resource officers, and special traffic control assignments for school crossings.

The Education section includes the operating costs associated with the City of Chesapeake's School System. The City's school system is operated under the direction of the City of Chesapeake School Board and the School Superintendent. The specific functions within this section, School Operating Fund, include Administration and Attendance/Health, Instruction, Facilities, Operation and Maintenance, and Pupil Transportation.

The following charts illustrate that the total resources for the School System, including School Debt Service is \$485,608,258 or 51.5% of the City's total Operating Budget of \$942,717,160 for FY 2010-11.



Funding for the School Operating Fund is provided primarily through local funding, State General Fund support, and State Share Sales Tax designated for local education. State lottery funds are reflected in the State General Fund resources. The Composite Index based on student population and fiscal stress is 0.3465 for State General Fund support. This means the City is required to provide a 34.65% match to State funds for K-12 education.

As do most Virginia localities, Chesapeake provides more support to its schools than this minimum requirement. Chesapeake's efforts in this regard rank among the top 5 localities in the State. City General Fund resources represent 45.2% of the FY 2010-11 Schools Budget, exclusive of existing debt service and the Reserve for Future School Capital Needs.

For FY 2010-11, the School Operating Budget is approved for \$368,344,928. This includes \$166,488,283 in General Fund support at a \$1.04 non-mosquito real estate tax rate. The budget assumes a decrease of \$22.1 million in State support for the Operating Fund. This is somewhat mitigated by an increase in the Schools Grants Fund. The School Operating Fund resources are as follows:

	FY 2008-09 Actual	FY 2009-10 Amended	FY 2010-11 Budget	Decr. FY09-10 to FY10-11	
				Amount of change	% of Change
State General Fund	235,583,954	217,974,509	195,835,125	(22,139,384)	-10.16%
Federal	4,453,665	3,000,600	3,000,600	-	0.00%
Tuition, rent, other local	3,088,321	3,070,200	3,020,920	(49,280)	-1.61%
City General Fund	181,871,451	173,343,767	166,488,283	(6,855,484)	-3.95%
<b>TOTAL</b>	<b>424,997,391</b>	<b>397,389,076</b>	<b>368,344,928</b>	<b>(29,044,148)</b>	<b>-7.31%</b>

The American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for public education to preserve teaching jobs at risk because of state and local budget cuts and support effective reforms.

ARRA funding for public schools includes State Fiscal Stabilization Fund grants and formula grants awarded through existing federal programs such as Title I, Part A of the Elementary and Secondary Education Act of 1965 (also known as No Child Left Behind) and Part B of the Individuals with Disabilities Education Act. ARRA funds are distributed to school divisions on a reimbursement basis. All funds must be spent by September 30, 2011.

In addition to resources for School operations, the following additional City resources are provided for School purposes:

- o \$13.1 million are set aside for the Reserve for School Capital.
- o \$33.6 million in debt service for School capital projects.
- o \$1.6 million in in-kind services including School resources officers and School crossing guards.

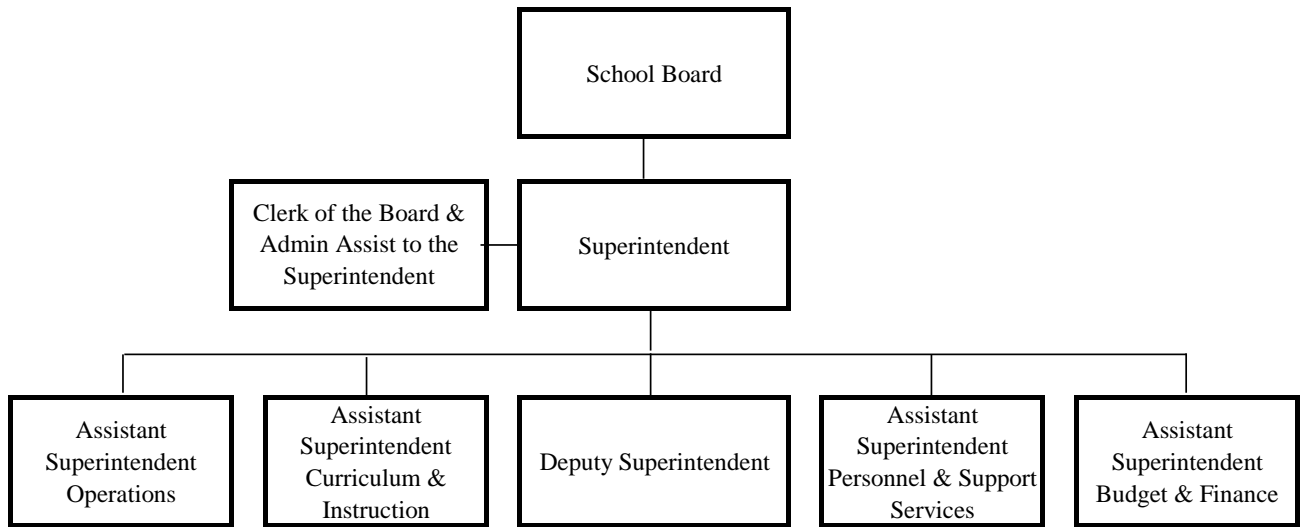
A summary of this commitment is shown in the following chart.

	FY 2009-10		FY 2010-11	
	Amended	% of Total	Budget	% of Total
State General Fund	177,157,300	35.09%	157,875,002	32.51%
Lottery	2,441,024	0.48%	1,405,881	0.29%
State Share Sales Tax	38,376,185	7.60%	36,554,242	7.53%
Federal	3,000,600	0.59%	3,000,600	0.62%
Tuition, rent, other local	3,070,200	0.61%	3,020,920	0.62%
City General Fund for Operations	173,343,767	34.34%	166,488,283	34.28%
General Fund In-Kind Support	2,027,556	0.40%	1,600,000	0.33%
School Debt - City Commitment	33,588,388	6.65%	33,550,468	6.91%
School Textbook Fund	1,721,650	0.34%	4,252,556	0.88%
School Food Service Fund	13,695,910	2.71%	13,545,786	2.79%
Cell Tower Fund	-	0.00%	210,000	0.04%
School Grants Fund	56,428,005	11.18%	64,104,520	13.20%
<b>TOTAL SCHOOL FUNDING</b>	<b>504,850,585</b>	<b>100.00%</b>	<b>485,608,258</b>	<b>100.00%</b>

Funds are also provided from shared revenue to the School Lock Box for debt service payments.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
City Funds to School Lock Box	12,588,218	13,129,665

# EDUCATION



## **EDUCATION - PUBLIC SCHOOLS**

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### **DESCRIPTION**

The Department of Education provides a comprehensive educational program for all the children and youth of Chesapeake in grades K-12 and appropriate adult education classes.

### **GOALS AND OBJECTIVES**

**Goal:** Ensure school safety

**Goal:** Ensure rigorous educational standards.

**Objectives:**

- Continue the READ 180 program.
- Continue the Virginia Preschool Initiative.
- Continue the International Baccalaureate Program, advanced placement course offerings, aVID program, and dual enrollment.

**Goal:** Broaden community involvement.

**Goal:** Provide effective staff training.

**Objectives:**

- Continue differentiated instruction and literacy training.
- Continue training through Instructional Institute, at a reduced level.
- Continue training for nurses and security monitors.

**Goal:** Optimize the use of technology.

**Objectives:**

- Maintain a 5-to-1 computer ratio in elementary schools.

**Goal:** Evaluate the effectiveness and efficiency of what we do.

**Objectives:**

- Continue program evaluation effort.
- Continue use of technology to secure substitute teachers.

**Goal:** Provide optimal school facilities.

**Objectives:**

- Provide funding for higher energy costs.

## EDUCATION - PUBLIC SCHOOLS

<b><u>PERFORMANCE MEASUREMENTS</u></b>	<b><u>FY 08-09</u></b> <b><u>Actual</u></b>	<b><u>FY 09-10</u></b> <b><u>Amended</u></b>	<b><u>FY 10-11</u></b> <b><u>Budget</u></b>
Students enrolled (September 30)	38,868	38,864	38,764
Adult education students enrolled	2,841	2,624	2,624
Elem.summer school enrolled	3,409	3,000	3,000
Secondary summer school enrolled	2,177	2,500	2,500
Buildings maintained	57	57	57
Acres maintained	1,798	1,798	1,798
Students transported	30,123	30,123	30,123

### **ADMINISTRATION & ATTENDANCE/HEALTH** **903 62100-62200**

<b><u>COST SUMMARY</u></b>	<b><u>FY 08-09</u></b> <b><u>Actual</u></b>	<b><u>FY 09-10</u></b> <b><u>Amended</u></b>	<b><u>FY 10-11</u></b> <b><u>Budget</u></b>
Administration Services	8,478,997	8,286,467	7,610,355
Attendance and Health Services	5,982,050	5,866,284	5,279,343
Total	14,461,047	14,152,751	12,889,698
Change from Prior Year	-1.30%	-2.13%	-8.92%

### **INSTRUCTION** **903 61100-61400**

<b><u>COST SUMMARY</u></b>	<b><u>FY 08-09</u></b> <b><u>Actual</u></b>	<b><u>FY 09-10</u></b> <b><u>Amended</u></b>	<b><u>FY 10-11</u></b> <b><u>Budget</u></b>
Classroom Instruction Services	255,118,221	243,848,796	226,289,078
Instruction Support-Student Services	11,515,928	11,131,112	10,315,360
Instructional Support-Staff Services	20,864,886	20,966,728	18,901,138
Office of the Principal Services	24,261,231	22,870,055	21,319,030
Total	311,760,266	298,816,691	276,824,606
Change from Prior Year	-1.49%	-4.15%	-7.36%

# EDUCATION - PUBLIC SCHOOLS

## FACILITIES

903 66100

<u>COST SUMMARY</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Amended</u>	<u>FY 10-11 Budget</u>
School Facilities Services	880,280	1,028,168	659,789
Total	880,280	1,028,168	659,789
Change from Prior Year	-27.35%	16.80%	-35.83%

## OPERATIONS AND MAINTENANCE

903 64100

<u>COST SUMMARY</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Amended</u>	<u>FY 10-11 Budget</u>
Operations & Maintenance Services	46,147,162	45,080,801	43,368,917
Total	46,147,162	45,080,801	43,368,917
Change from Prior Year	9.73%	-2.31%	-3.80%

## PUPIL TRANSPORTATION

903 63100

<u>COST SUMMARY</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Amended</u>	<u>FY 10-11 Budget</u>
Pupil Transportation Services	26,553,435	23,840,444	22,758,310
Total	26,553,435	23,840,444	22,758,310
Change from Prior Year	8.78%	-10.22%	-4.54%

# EDUCATION - PUBLIC SCHOOLS

## TECHNOLOGY

903 63100

<u>COST SUMMARY</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Amended</u>	<u>FY 10-11 Budget</u>
Technology	13,871,343	14,470,220	11,843,608
Total	13,871,343	14,470,220	11,843,608
Change from Prior Year	N/A	4.32%	-18.15%

## TEXTBOOK FUND

FUND 940

<u>COST SUMMARY</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Amended</u>	<u>FY 10-11 Budget</u>
Textbook Fund	-	1,721,650	4,252,556
Total	-	1,721,650	4,252,556
Change from Prior Year	-100.00%	N/A	147.00%

## SCHOOL FOOD SERVICE FUND

FUND 941

<u>COST SUMMARY</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Amended</u>	<u>FY 10-11 Budget</u>
School Lunchroom	11,611,412	13,695,910	13,545,786
Total	11,611,412	13,695,910	13,545,786
Change from Prior Year	-12.62%	17.95%	-1.10%



**EDUCATION - PUBLIC SCHOOLS**

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**SCHOOL GRANTS FUND**

**FUND 928**

<b><u>COST SUMMARY</u></b>	<b><u>FY 08-09</u></b> <b><u>Actual</u></b>	<b><u>FY 09-10</u></b> <b><u>Amended</u></b>	<b><u>FY 10-11</u></b> <b><u>Budget</u></b>
School Grants	17,055,071	56,428,005	64,104,520
Total	17,055,071	56,428,005	64,104,520
Change from Prior Year	-34.58%	230.86%	13.60%

**CELL TOWER FUND**

**FUND 942**

<b><u>COST SUMMARY</u></b>	<b><u>FY 08-09</u></b> <b><u>Actual</u></b>	<b><u>FY 09-10</u></b> <b><u>Amended</u></b>	<b><u>FY 10-11</u></b> <b><u>Budget</u></b>
Cell Tower Fund	-	-	210,000
Total	-	-	210,000
Change from Prior Year	-100.00%	N/A	N/A

## **SUMMARY OF CAPITAL IMPROVEMENT BUDGET**

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### **Overview**

The City Council adopts a five-year Capital Improvement Plan (CIP) for which funds are appropriated for the first year. The remaining four years of the CIP serve as a planning guide for public facilities and infrastructure. However, the CIP may be revised by City Council if significant events change resources or priorities.

The CIP is developed concurrently with the Operating Budget and is reviewed and approved by City Council during the same time frame as the Operating Budget. (The Operating and Capital Budget Calendar is included in the **Overview** section earlier in this document.) As with the Operating Budget, the process for the CIP preparation begins with the City's Five - Year Forecast in the fall of each year. Through the Five -Year Forecast, the City estimates the resources available and the anticipated expenditures for the Operating Budget as well as the funding available to support debt service for existing debt and new CIP projects. The Operating Budget includes appropriations for the payment of the debt service and any additional funding for operating costs from completed CIP projects. However, the CIP is produced as a separate document and appropriated under a separate ordinance.

The **Capital Budget Summary** provides an overview of Capital Improvement Budget (CIB) projects, the impact of the CIB on the Operating Budget, the level of funding budgeted for debt service, the City's level of indebtedness, and the Debt Management Policies. Specific CIB project detail is contained in the CIB document. The CIB process, its relationship to the Operating Budget, and CIB policies is discussed in the **Overview** section at the beginning of the Operating Budget document.

### **Summary of CIB Resources and Capital Project**

The following three tables summarize the five years of estimated resources and requirements included as part of the CIB. The resources and requirements listed under FY 2010-11 will be included as part of the Capital Budget Ordinance for expenditure. **The Summary of Estimated Chesapeake Resources and Requirements** table lists all of the resources funding the Capital Budget as well as the total level of funding, by category of expenditure, provided in the Capital Budget. The **Estimated Cost Requirements** table lists the specific projects by category included in the CIB. The **Allocation of Chesapeake Resources** table lists the specific Chesapeake funding sources for all of the projects.

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**SUMMARY OF ESTIMATED CHESAPEAKE RESOURCES AND REQUIREMENTS**  
 Exhibit A

RESOURCES	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	TOTAL FOR 5 YEARS	OTHER RESOURCES	PREVIOUSLY APPROPRIATED	TOTAL RESOURCES
	Funds Previously Appropriated	0	0	0	0	0			
General Fund Operating Transfer	1,202,000	1,300,000	1,300,000	1,100,000	1,050,000	5,952,000	0		5,952,000
General Fund Balance Designated for Capital Projects	1,500,000	0	0	0	0	1,500,000	0		1,500,000
General Fund Balance Designated for Transportation	2,300,000	0	0	0	0	2,300,000	0		2,300,000
General Fund Balance Designated for Schools	1,629,200	0	0	0	0	1,629,200	0		1,629,200
Redirects from Other Projects	1,600,000	0	0	0	0	1,600,000	0		1,600,000
Greenbrier TIF - Cash	1,032,985	1,114,917	2,600,324	523,041	0	5,271,267	0		5,271,267
Proffers	0	1,695,000	0	0	0	1,695,000	0		1,695,000
VDOT Reimbursement	23,511,088	1,636,000	50,000	0	0	25,197,088	0		25,197,088
Stormwater Management Fees	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	29,000,000	0		29,000,000
Public Utilities - Unissued Borrowing	12,185,500	12,140,000	12,713,000	13,066,682	10,000,000	60,105,182	0		60,105,182
Public Utilities Renewal & Replacement Fund 504	2,577,127	3,395,000	6,130,000	9,095,510	2,620,000	23,817,637	0		23,817,637
Borrowing Authority - Unissued	18,700,000	32,035,000	6,438,000	0	0	57,173,000	0		57,173,000
Borrowing Authority - Greenbrier TIF	28,683,953	2,819,891	11,820,067	0	8,030,610	51,354,521	0		51,354,521
Borrowing Authority - South Norfolk TIF	6,400,000	0	0	0	16,000,000	22,400,000	0		22,400,000
VPSA Borrowing	0	36,581,300	0	0	0	36,581,300	0		36,581,300
<b>TOTAL ESTIMATED RESOURCES</b>	<b>107,121,853</b>	<b>98,517,108</b>	<b>46,851,391</b>	<b>29,585,233</b>	<b>43,500,610</b>	<b>325,576,195</b>	<b>0</b>	<b>82,971,585</b>	<b>408,547,780</b>

REQUIREMENTS	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	TOTAL FOR 5 YEARS	OTHER RESOURCES	PREVIOUSLY APPROPRIATED	TOTAL RESOURCES
	Community Facilities	16,375,000	6,825,000	6,825,000	6,825,000	6,825,000			
Information Technology	200,000	250,000	250,000	50,000	0	750,000	0	817,603	1,567,603
Parks and Recreation	0	0	0	0	0	0	0	0	0
Public Safety	7,000,000	32,035,000	6,438,000	0	0	45,473,000	0	3,000,000	48,473,000
Transportation	29,788,088	1,661,000	75,000	25,000	25,000	31,574,088	0	28,503,117	60,077,205
Economic Development / Planning	37,366,938	3,934,808	14,420,391	523,041	24,030,610	80,275,788	0	17,700,959	97,976,747
Public Utilities	14,762,627	15,535,000	18,843,000	22,162,192	12,620,000	83,922,819	0	24,929,637	108,852,456
Education	1,629,200	38,276,300	0	0	0	39,905,500	0	2,000,000	41,905,500
<b>TOTAL ESTIMATED REQUIREMENTS</b>	<b>107,121,853</b>	<b>98,517,108</b>	<b>46,851,391</b>	<b>29,585,233</b>	<b>43,500,610</b>	<b>325,576,195</b>	<b>0</b>	<b>82,971,585</b>	<b>408,547,780</b>

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**ESTIMATED COST REQUIREMENTS**  
 Exhibit B

Fund Source	Project No	Project Name						TOTAL FOR 5 YEARS	Other Resources	Funds Previously Appropriated	Total Project Cost
			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015				
<b>Community Facilities</b>											
BA	01-15	Butts Station Operation Relocation Phase I	9,700,000	0	0	0	0	9,700,000	0	0	9,700,000
GF	15-11	Community Quality of Life Incentive	50,000	0	0	0	0	50,000	0	350,000	400,000
GF	02-12	Facilities - High Priority Renewal/Replacement-II	800,000	800,000	0	0	0	1,600,000	0	2,000,000	3,600,000
GF	02-15	<b>Facilities - High Priority Renewal/Replacement-III</b>	<b>0</b>	<b>0</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>	<b>2,400,000</b>	<b>0</b>	<b>0</b>	<b>2,400,000</b>
Redirect/GF	61-12	Municipal Parking Lots & Sidewalks	0	200,000	0	0	0	200,000	0	600,000	800,000
GF	04-15	<b>Municipal Parking Lots &amp; Sidewalks II</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>600,000</b>	<b>0</b>	<b>0</b>	<b>600,000</b>
GF	10-12	South Norfolk Community Development	25,000	25,000	0	0	0	50,000	0	50,000	100,000
GF	05-15	<b>South Norfolk Community Development II</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>75,000</b>
SWMF	06-15	<b>Ahoy Acres/Holly Cove System Replacement</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>
SWMF	73-12	BMP Restoration Citywide	200,000	200,000	400,000	400,000	400,000	1,600,000	0	0	1,600,000
SWMF	06-14	Border Road Area Drainage Improvements Phase II	1,200,000	0	0	0	0	1,200,000	0	0	1,200,000
SWMF	02-13	Chesapeake Dr. Drainage Improvements	0	880,000	0	0	0	880,000	0	0	880,000
SWMF	68-12	City Wide Undesignated Drainage - II	200,000	380,000	0	0	0	580,000	0	1,220,269	1,800,269
SWMF	07-15	<b>City Wide Undesignated Drainage - III</b>	<b>0</b>	<b>0</b>	<b>665,000</b>	<b>400,000</b>	<b>430,000</b>	<b>1,495,000</b>	<b>0</b>	<b>0</b>	<b>1,495,000</b>
SWMF	72-12	Colony Manor Outfall Improvements	0	0	415,000	0	0	415,000	0	0	415,000
SWMF	04-10	Cooper's Ditch Dredging	0	1,000,000	1,000,000	0	0	2,000,000	0	0	2,000,000
SWMF	04-13	D Street Drainage Improvements	0	0	370,000	0	0	370,000	0	0	370,000
SWMF	07-13	Lamberts Trail Area Drainage Improvements	1,000,000	1,100,000	0	0	0	2,100,000	0	0	2,100,000
SWMF	05-12	Neighborhood Drainage Improvements	1,000,000	500,000	0	0	0	1,500,000	0	1,300,000	2,800,000
SWMF	08-15	<b>Neighborhood Drainage Improvements II</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>1,500,000</b>
SWMF	09-15	<b>Oakdale Area BMP &amp; Drainage Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
SWMF	09-13	Prince Edwards Drive Outfall Improvements	0	0	600,000	0	0	600,000	0	0	600,000
SWMF	10-13	Royce Drive Drainage Improvements	0	0	550,000	0	0	550,000	0	0	550,000
SWMF	77-12	Shillelagh Road Drainage Outfall Improvements	0	0	0	0	2,200,000	2,200,000	0	0	2,200,000
SWMF	11-13	Shorewood Area Drainage Improvements	0	540,000	0	0	0	540,000	0	0	540,000
SWMF	06-12	Stormwater Inventory Mapping & Master Drain Plan II	200,000	200,000	200,000	200,000	0	800,000	0	200,000	1,000,000
SWMF	10-15	<b>Stormwater Inventory Mapping &amp; Master Drain Plan III</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>200,000</b>
SWMF	13-13	Sunray Outfall Re-Grading	0	0	0	1,200,000	0	1,200,000	0	0	1,200,000
SWMF	05-14	VPDES Permit Compliance	500,000	1,000,000	1,000,000	1,000,000	0	3,500,000	0	300,000	3,800,000
SWMF	11-15	<b>VPDES Permit Compliance II</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>
SWMF	80-12	Washington Manor Drainage Outfall Improvements	0	0	100,000	2,100,000	0	2,200,000	0	0	2,200,000
SWMF	14-13	Whispering Pines Drainage Improvements	0	0	0	0	570,000	570,000	0	0	570,000
SWMF	12-15	<b>Yadkin Road BMP &amp; Drainage Improvements, Phase III</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
<b>Subtotal - Community Facilities/Drainage</b>			<b>16,375,000</b>	<b>6,825,000</b>	<b>6,825,000</b>	<b>6,825,000</b>	<b>6,825,000</b>	<b>43,675,000</b>	<b>0</b>	<b>6,020,269</b>	<b>49,695,269</b>
<b>Economic Development</b>											
GF	62-12	Commerce Park	1,500,000	0	0	0	0	1,500,000	0	1,475,000	2,975,000
GTIF	14-10	GB TIF - Conference Center District	0	1,114,917	0	0	0	1,114,917	0	1,131,952	2,246,869
GTIF	13-12	GB TIF - Greenbrier Center District	0	0	0	523,041	8,030,610	8,553,651	0	8,068,428	16,622,079
GTIF	18-12	GB TIF - Municipal District	28,683,953	0	14,420,391	0	0	43,104,344	0	192,594	43,296,938
GTIF	18-13	GB TIF - Woodlake Drive Extension	782,985	2,819,891	0	0	0	3,602,876	0	782,985	4,385,861
SNTIF	20-12	SoNo TIF - Library Expansion	4,500,000	0	0	0	0	4,500,000	0	550,000	5,050,000
SNTIF	19-12	SoNo TIF - Poindexter Streetscape	1,900,000	0	0	0	0	1,900,000	0	5,500,000	7,400,000
SNTIF	21-12	SoNo TIF - Village Center Parking Garage	0	0	0	0	16,000,000	16,000,000	0	0	16,000,000
<b>Subtotal - Economic Development / Planning</b>			<b>37,366,938</b>	<b>3,934,808</b>	<b>14,420,391</b>	<b>523,041</b>	<b>24,030,610</b>	<b>80,275,788</b>	<b>0</b>	<b>17,700,959</b>	<b>97,976,747</b>

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**ESTIMATED COST REQUIREMENTS**  
 Exhibit B

Fund Source	Project No	Project Name						TOTAL FOR 5 YEARS	Other Resources	Funds Previously Appropriated	Total Project Cost
			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015				
<b>Information Technology</b>											
GF	12-11	Enterprise Wide Technology Improvements	200,000	0	0	0	0	200,000	0	551,829	751,829
GF	15-13	Enterprise Wide Technology Improvements-II	0	200,000	200,000	0	0	400,000	0	0	400,000
GF	55-12	Public Communication Equipment Replacement	0	50,000	0	0	0	50,000	0	265,775	315,775
GF	35-13	Public Communication Equipment Replacement-II	0	0	50,000	50,000	0	100,000	0	0	100,000
<b>Subtotal - Information Technology</b>			<b>200,000</b>	<b>250,000</b>	<b>250,000</b>	<b>50,000</b>	<b>0</b>	<b>750,000</b>	<b>0</b>	<b>817,603</b>	<b>1,567,603</b>
<b>Parks and Recreation</b>											
<b>Subtotal - Parks and Recreation</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Public Safety</b>											
BA	07-11	Fire Station #10 - Design	0	735,000	6,438,000	0	0	7,173,000	0	0	7,173,000
BA	14-14	Jail HVAC/Energy Retrofit	2,500,000	0	0	0	0	2,500,000	0	2,000,000	4,500,000
BA/Grant/Rerirect	39-14	Public Safety EOC/EDC/Back-up Network Ops Center	4,500,000	31,300,000	0	0	0	35,800,000	0	1,000,000	36,800,000
<b>Subtotal - Public Safety</b>			<b>7,000,000</b>	<b>32,035,000</b>	<b>6,438,000</b>	<b>0</b>	<b>0</b>	<b>45,473,000</b>	<b>0</b>	<b>3,000,000</b>	<b>48,473,000</b>
<b>Transportation</b>											
GF	88-12	Bells Mill Bridge Replacement	175,000	0	0	0	0	175,000	0	1,500,000	1,675,000
GF	15-15	Bruce Road/Taylor Road Right Turn Lane	225,000	0	0	0	0	225,000	0	0	225,000
GF	14-15	Elbow Road, Phase I	1,900,000	0	0	0	0	1,900,000	0	0	1,900,000
VDOT	13-15	Elbow Road Safety Improvements	103,563	0	0	0	0	103,563	0	0	103,563
Rerirect/BA	24-15	George Washington Highway Improvements	3,600,000	0	0	0	0	3,600,000	0	0	3,600,000
Rerirect/GF	02-07	Gilmerton Bridge Interim Repairs	102,000	0	0	0	0	102,000	0	1,141,117	1,243,117
VDOT	03-12	Grade Crossing Safety Program - II	50,000	50,000	50,000	0	0	150,000	0	50,000	200,000
VDOT	35-10	Portsmouth Boulevard	6,620,000	1,586,000	0	0	0	8,206,000	0	7,012,000	15,218,000
VDOT	16-15	Military Hwy S. at Baugher Avenue	231,618	0	0	0	0	231,618	0	0	231,618
VDOT	17-15	Military Hwy S. at State Street	432,907	0	0	0	0	432,907	0	0	432,907
GF	04-12	Repair & Maintenance Roads and Bridges	25,000	25,000	0	0	0	50,000	0	40,000	90,000
GF	17-13	Repair & Maintenance Roads and Bridges -II	0	0	25,000	25,000	25,000	75,000	0	0	75,000
VDOT	23-06	Rt. 17/Steel Bridge (Dominion Blvd.)	16,073,000	0	0	0	0	16,073,000	0	17,760,000	33,833,000
GTIF/GF	67-12	Traffic Signal Improvements	250,000	0	0	0	0	250,000	0	1,000,000	1,250,000
<b>Subtotal - Transportation</b>			<b>29,788,088</b>	<b>1,661,000</b>	<b>75,000</b>	<b>25,000</b>	<b>25,000</b>	<b>31,574,088</b>	<b>0</b>	<b>28,503,117</b>	<b>60,077,205</b>
<b>Public Utilities</b>											
RRF-BA-RV	21-14	Battlefield/Centerville Water Main Const. - Phase I	0	0	2,935,000	0	0	2,935,000	0	450,000	3,385,000
BA-RV-Con	22-14	Battlefield/Centerville Water Main Const. - Phase II	0	0	3,100,000	0	0	3,100,000	0	464,000	3,564,000
BA	43-12	Centerville Turnpike Loop 3	0	0	1,813,000	0	0	1,813,000	0	0	1,813,000
BA-RV-RR	27-12	Conduct Sanitary Sewer Evaluation	2,200,000	200,000	200,000	0	0	2,600,000	0	4,169,599	6,769,599
RRF	20-14	Deep Creek Pump Station Upgrade	232,127	0	0	0	1,878,123	2,110,250	0	0	2,110,250
RRF	26-14	Force Main Upgrade - Butt Station Road	0	0	0	467,390	0	467,390	0	0	467,390
RRF	25-12	Force Main Upgrade - Indian River	0	0	0	1,960,000	0	1,960,000	0	0	1,960,000
RRF	25-13	Generator Replacement Program	75,000	75,000	75,000	0	0	225,000	0	150,000	375,000
RRF	25-14	Generator Replacement Program - Phase II	0	0	0	75,000	75,000	150,000	0	0	150,000
BA	23-14	Great Bridge Boulevard Water Main - Phase I	0	0	0	4,270,312	0	4,270,312	0	0	4,270,312
RRF	50-12	Laboratory Equipment Replacement - Phase I	0	100,000	0	0	0	100,000	0	200,000	300,000
RRF	18-14	Laboratory Equipment Replacement - Phase II	0	0	0	100,000	0	100,000	0	0	100,000

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**ESTIMATED COST REQUIREMENTS**  
 Exhibit B

Fund Source	Project No	Project Name						TOTAL FOR 5 YEARS	Other Resources	Funds Previously Appropriated	Total Project Cost
			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015				
RRF	52-12	Lake Gaston WTP Membrane Rep - Phase I	345,000	345,000	0	0	0	690,000	0	1,035,000	1,725,000
RRF	21-13	Lake Gaston WTP Membrane Rep - Phase II	0	0	345,000	345,000	345,000	1,035,000	0	0	1,035,000
<b>RRF</b>	<b>18-15</b>	<b>M&amp;O Equipment Replacement</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>
BA	38-12	Military Highway - 36" Water Main	2,627,000	0	0	0	0	2,627,000	0	0	2,627,000
RRF	01-09	NW River Membrane Replacement - Phase III	350,000	350,000	350,000	0	0	1,050,000	0	800,000	1,850,000
RRF	01-14	NW River Membrane Replacement - Phase IV	0	0	0	350,000	350,000	700,000	0	0	700,000
<b>RRF</b>	<b>19-15</b>	<b>Pressure Transducer</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>100,000</b>
RRF	69-12	Pump Station and Wet Well Upgrading-Phase III	400,000	400,000	0	0	0	800,000	0	350,000	1,150,000
RRF	02-14	Pump Station and Wet Well Upgrading-Phase IV	0	0	400,000	400,000	400,000	1,200,000	0	0	1,200,000
BA	54-12	30" Raw Water Main	2,608,500	0	0	0	0	2,608,500	0	166,500	2,775,000
BA-RV-RR	39-12	Raw Water Transmission Main	3,000,000	3,000,000	3,000,000	3,000,000	0	12,000,000	0	3,000,000	15,000,000
BA	17-14	Red Top Tank and Raw Water Pump Station	0	0	0	5,796,370	0	5,796,370	0	0	5,796,370
RRF	28-14	Rosemont	0	0	0	995,000	0	995,000	0	0	995,000
RRF	30-12	Sewer Renewal - Manhole Inserts	75,000	75,000	0	0	0	150,000	0	150,037	300,037
RRF	03-14	Sewer Renewal - Manhole Inserts Phase II	0	0	100,000	100,000	100,000	300,000	0	0	300,000
BA	32-12	Sewer Renewal - SSES Phase I	1,750,000	0	0	0	0	1,750,000	0	0	1,750,000
BA	33-12	Sewer Renewal - SSES Phase II	0	3,000,000	0	0	0	3,000,000	0	0	3,000,000
BA	23-13	Sewer Renewal - SSES Phase III	0	0	4,600,000	0	10,000,000	14,600,000	0	0	14,600,000
RRF	31-12	Sewer System Repairs	250,000	250,000	0	0	0	500,000	0	646,100	1,146,100
RRF	04-14	Sewer System Repairs - Phase II	0	0	250,000	250,000	250,000	750,000	0	0	750,000
<b>RRF</b>	<b>20-15</b>	<b>Sewer System Repairs, Phase II</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>750,000</b>	<b>0</b>	<b>0</b>	<b>750,000</b>
RRF	26-12	Telemetry Upgrade	150,000	150,000	150,000	0	0	450,000	0	130,401	580,401
RRF	16-14	Telemetry Upgrade - Phase II	0	0	0	150,000	150,000	300,000	0	0	300,000
BA-RV-CON	51-12	Unserved Water & Sewer Areas	0	5,940,000	0	0	0	5,940,000	0	12,000,000	17,940,000
RRF	19-14	Violet Street Pump Station Emergency Generator	50,000	300,000	0	0	0	350,000	0	0	350,000
RRF	71-12	Water Renewals - Waterline Upgrading	500,000	550,000	625,000	0	0	1,675,000	0	675,000	2,350,000
RRF	24-12	Water System Renewal	150,000	200,000	0	0	0	350,000	0	543,000	893,000
<b>RRF</b>	<b>21-15</b>	<b>Water System Renewal, Phase II</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>200,000</b>	<b>200,000</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>550,000</b>
RRF	24-14	Western Branch Ground Storage Tank Renovation	0	0	0	1,074,997	0	1,074,997	0	0	1,074,997
		<b>Subtotal - Public Utilities</b>	<b>14,762,627</b>	<b>15,535,000</b>	<b>18,843,000</b>	<b>22,162,192</b>	<b>12,620,000</b>	<b>83,922,819</b>	<b>0</b>	<b>24,929,637</b>	<b>108,852,456</b>
<b>Education</b>											
School Lock Box/Proffers/VPSA/Reserves	22-15	Modernization: Indian River High School	1,629,200	38,276,300	0	0	0	39,905,500	0	2,000,000	41,905,500
		<b>Subtotal - Education</b>	<b>1,629,200</b>	<b>38,276,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,905,500</b>	<b>0</b>	<b>2,000,000</b>	<b>41,905,500</b>
<b>TOTAL COSTS</b>			<b>107,121,853</b>	<b>98,517,108</b>	<b>46,851,391</b>	<b>29,585,233</b>	<b>43,500,610</b>	<b>325,576,195</b>	<b>0</b>	<b>82,971,585</b>	<b>408,547,780</b>

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**ALLOCATION OF CHESAPEAKE RESOURCES**  
 Exhibit C

Project # / Project Name	Chesapeake Funds Required					TOTAL FOR 5 YEARS
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
15-11 Community Quality of Life Incentive	50,000	0	0	0	0	50,000
12-11 Enterprise Wide Technology Improvements	200,000	0	0	0	0	200,000
15-13 Enterprise Wide Technology Improvements-II	0	200,000	200,000	0	0	400,000
02-12 Facilities - High Priority Renewal/Replacement-II	800,000	800,000	0	0	0	1,600,000
<b>02-15 Facilities - High Priority Renewal/Replacement-III</b>	<b>0</b>	<b>0</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>	<b>2,400,000</b>
02-07 Gilmerton Bridge Interim Repairs	102,000	0	0	0	0	102,000
61-12 Municipal Parking Lots & Sidewalks	0	200,000	0	0	0	200,000
<b>04-15 Municipal Parking Lots &amp; Sidewalks-II</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>600,000</b>
55-12 Public Communication Equipment Replacement	0	50,000	0	0	0	50,000
35-13 Public Communication Equipment Replacement-II	0	0	50,000	50,000	0	100,000
04-12 Repair & Maintenance Roads and Bridges	25,000	25,000	0	0	0	50,000
17-13 Repair & Maintenance Roads and Bridges -II	0	0	25,000	25,000	25,000	75,000
10-12 South Norfolk Community Development	25,000	25,000	0	0	0	50,000
<b>05-15 South Norfolk Community Development-II</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>75,000</b>
<b>Total General Fund Operating Transfer</b>	<b>1,202,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,100,000</b>	<b>1,050,000</b>	<b>5,952,000</b>
62-12 Commerce Park	1,500,000	0	0	0	0	1,500,000
<b>Total General Fund Balance Designated for Capital Projects</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500,000</b>
88-12 Bells Mill Bridge Replacement	175,000	0	0	0	0	175,000
15-15 Bruce Road/Taylor Road Right Turn Lane	225,000	0	0	0	0	225,000
14-15 Elbow Road, Phase I	1,900,000	0	0	0	0	1,900,000
<b>Total General Fund Balance Designated for Transportation</b>	<b>2,300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,300,000</b>
22-15 Modernization: Indian River High School	1,629,200	0	0	0	0	1,629,200
<b>Total General Fund Balance Designated for Schools</b>	<b>1,629,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,629,200</b>
24-15 George Washington Highway Improvements	1,600,000	0	0	0	0	1,600,000
<b>Total Redirects from Other Projects</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,600,000</b>
14-10 GB TIF - Conference Center District	0	1,114,917	0	0	0	1,114,917
70-12 GB TIF - GB Center Trolley/Shelters	0	0	0	0	0	0
13-12 GB TIF - Greenbrier Center District	0	0	0	523,041	0	523,041
18-12 GB TIF - Municipal District	0	0	2,600,324	0	0	2,600,324
18-13 GB TIF - Woodlake Drive Extension	782,985	0	0	0	0	782,985
67-12 Traffic Signals and Intersection Improvements	250,000	0	0	0	0	250,000
<b>Total Greenbrier TIF - Cash</b>	<b>1,032,985</b>	<b>1,114,917</b>	<b>2,600,324</b>	<b>523,041</b>	<b>0</b>	<b>5,271,267</b>
22-15 Modernization: Indian River High School	0	1,695,000	0	0	0	1,695,000
<b>Total Proffers</b>	<b>0</b>	<b>1,695,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,695,000</b>

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**ALLOCATION OF CHESAPEAKE RESOURCES**  
 Exhibit C

Project # / Project Name	Chesapeake Funds Required					TOTAL FOR 5 YEARS
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
<b>13-15 Elbow Road Safety Improvements</b>	103,563	0	0	0	0	103,563
03-12 Grade Crossing Safety Program-II	50,000	50,000	50,000	0	0	150,000
35-10 Portsmouth Boulevard	6,620,000	1,586,000	0	0	0	8,206,000
23-06 Rt. 104/Steel Bridge - Design	16,073,000	0	0	0	0	16,073,000
<b>16-15 Military Hwy S. at Baugher Avenue</b>	231,618	0	0	0	0	231,618
<b>17-15 Military Hwy S. at State Street</b>	432,907	0	0	0	0	432,907
<b>Total VDOT Reimbursement</b>	23,511,088	1,636,000	50,000	0	0	25,197,088
<b>06-15 Ahoy Acres/Holly Cove System Replacement</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>
73-12 BMP Restoration Citywide	200,000	200,000	400,000	400,000	400,000	1,600,000
06-14 Border Road Area Drainage Improvements Phase II	1,200,000	0	0	0	0	1,200,000
02-13 Chesapeake Dr. Drainage Imp	0	880,000	0	0	0	880,000
68-12 City Wide Undesignated Drainage - II	200,000	380,000	0	0	0	580,000
<b>07-15 City Wide Undesignated Drainage - III</b>	<b>0</b>	<b>0</b>	<b>665,000</b>	<b>400,000</b>	<b>430,000</b>	<b>1,495,000</b>
72-12 Colony Manor Outfall Improvements	0	0	415,000	0	0	415,000
04-10 Cooper's Ditch Dredging	0	1,000,000	1,000,000	0	0	2,000,000
04-13 D Street Drainage Improvements	0	0	370,000	0	0	370,000
07-13 Lamberts Trail Area Drainage Improvements	1,000,000	1,100,000	0	0	0	2,100,000
05-12 Neighborhood Drainage Improvements	1,000,000	500,000	0	0	0	1,500,000
<b>08-15 Neighborhood Drainage Improvements II</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>1,500,000</b>
<b>09-15 Oakdale Area BMP&amp;Drainage Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>
09-13 Prince Edwards Drive Outfall Improvements	0	0	600,000	0	0	600,000
10-13 Royce Drive Drainage Improvements	0	0	550,000	0	0	550,000
77-12 Shillelagh Road Drainage Outfall Improvements	0	0	0	0	2,200,000	2,200,000
11-13 Shorewood Area Drainage Improvements	0	540,000	0	0	0	540,000
06-12 Stormwater Inventory Mapping & Master Drain Plan II	200,000	200,000	200,000	200,000	0	800,000
<b>10-15 Stormwater Inventory Mapping &amp; Master Drain Plan III</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>
13-13 Sunray Outfall Re-Grading	0	0	0	1,200,000	0	1,200,000
05-14 VPDES Permit Compliance	500,000	1,000,000	1,000,000	1,000,000	0	3,500,000
<b>11-15 VPDES Permit Compliance II</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>
80-12 Washington Manor Drainage Outfall Improvements	0	0	100,000	2,100,000	0	2,200,000
14-13 Whispering Pines Drainage Improvements	0	0	0	0	570,000	570,000
<b>12-15 Yadkin Road BMP &amp; Drain Improvements, Phase III</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
<b>Total Stormwater Management Funds</b>	<b>5,800,000</b>	<b>5,800,000</b>	<b>5,800,000</b>	<b>5,800,000</b>	<b>5,800,000</b>	<b>29,000,000</b>
22-14 Battlefield/Centerville Water Main Const. - Phase II	0	0	3,100,000	0	0	3,100,000
43-12 Centerville Turnpike Loop 3	0	0	1,813,000	0	0	1,813,000
27-12 Conduct Sanitary Sewer Evaluation	2,200,000	200,000	200,000	0	0	2,600,000
23-14 Great Bridge Boulevard Water Main - Phase I	0	0	0	4,270,312	0	4,270,312
38-12 Military Highway - 36" Water Main	2,627,000	0	0	0	0	2,627,000
54-12 30" Raw Water Main	2,608,500	0	0	0	0	2,608,500
39-12 Raw Water Transmission Main	3,000,000	3,000,000	3,000,000	3,000,000	0	12,000,000
17-14 Red Top Tank and Raw Water Pump Station	0	0	0	5,796,370	0	5,796,370



APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**ALLOCATION OF CHESAPEAKE RESOURCES**  
 Exhibit C

Project # / Project Name	Chesapeake Funds Required					TOTAL FOR 5 YEARS
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
32-12 Sewer Renewal - SSES Phase I	1,750,000	0	0	0	0	1,750,000
33-12 Sewer Renewal - SSES Phase II	0	3,000,000	0	0	0	3,000,000
23-13 Sewer Renewal - SSES Phase III	0	0	4,600,000	0	10,000,000	14,600,000
51-12 Unserved Water & Sewer Areas	0	5,940,000	0	0	0	5,940,000
<b>Total Public Utilities Borrowing Authority Unissued</b>	<b>12,185,500</b>	<b>12,140,000</b>	<b>12,713,000</b>	<b>13,066,682</b>	<b>10,000,000</b>	<b>60,105,182</b>
21-14 Battlefield/Centerville Water Main Const. - Phase I	0	0	2,935,000	0	0	2,935,000
20-14 Deep Creek Pump Station Upgrade	232,127	0	0	1,878,123	0	2,110,250
26-14 Force Main Upgrade - Butt Station Road	0	0	0	467,390	0	467,390
25-12 Force Main Upgrade - Indian River	0	0	0	1,960,000	0	1,960,000
25-13 Generator Replacement Program	75,000	75,000	75,000	0	0	225,000
25-14 Generator Replacement Program - Phase II	0	0	0	75,000	75,000	150,000
50-12 Laboratory Equipment Replacement - Phase I	0	100,000	0	0	0	100,000
18-14 Laboratory Equipment Replacement - Phase II	0	0	0	100,000	0	100,000
52-12 Lake Gaston WTP Membrane Rep - Phase I	345,000	345,000	0	0	0	690,000
21-13 Lake Gaston WTP Membrane Rep - Phase II	0	0	345,000	345,000	345,000	1,035,000
<b>18-15 M&amp;O Equipment Replacement</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>2,000,000</b>
01-09 NW River Membrane Replacement - Phase III	350,000	350,000	350,000	0	0	1,050,000
01-14 NW River Membrane Replacement - Phase IV	0	0	0	350,000	350,000	700,000
<b>19-15 Pressure Transducer</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>
69-12 Pump Station and Wet Well Upgrading-Phase III	400,000	400,000	0	0	0	800,000
02-14 Pump Station and Wet Well Upgrading-Phase IV	0	0	400,000	400,000	400,000	1,200,000
28-14 Rosemont	0	0	0	995,000	0	995,000
30-12 Sewer Renewal - Manhole Inserts	75,000	75,000	0	0	0	150,000
03-14 Sewer Renewal - Manhole Inserts Phase II	0	0	100,000	100,000	100,000	300,000
31-12 Sewer System Repairs	250,000	250,000	0	0	0	500,000
04-14 Sewer System Repairs - Phase II	0	0	250,000	250,000	250,000	750,000
<b>20-15 Sewer System Repairs, Phase II</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>750,000</b>
26-12 Telemetry Upgrade	150,000	150,000	150,000	0	0	450,000
16-14 Telemetry Upgrade - Phase II	0	0	0	150,000	150,000	300,000
71-12 Water Renewals - Waterline Upgrading	500,000	550,000	625,000	0	0	1,675,000
24-12 Water System Renewal	150,000	200,000	0	0	0	350,000
<b>21-15 Water System Renewal, Phase II</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>200,000</b>	<b>200,000</b>	<b>550,000</b>
24-14 Western Branch Ground Storage Tank Renovation	0	0	0	1,074,997	0	1,074,997
19-14 Violet Street Pump Station Emergency Generator	50,000	300,000	0	0	0	350,000
<b>Total - Public Utilities Renewal &amp; Replacement Fund 504</b>	<b>2,577,127</b>	<b>3,395,000</b>	<b>6,130,000</b>	<b>9,095,510</b>	<b>2,620,000</b>	<b>23,817,637</b>
<b>01-15 Butts Station Operation Relocation Phase I</b>	<b>9,700,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,700,000</b>
07-11 Fire Station #10	0	735,000	6,438,000	0	0	7,173,000
<b>24-15 George Washington Highway Improvements</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>
14-14 Jail HVAC/Energy Retrofit	2,500,000	0	0	0	0	2,500,000
39-14 Public Safety EOC/EDC/Back-up Network Ops Center	4,500,000	31,300,000	0	0	0	35,800,000
<b>Total Borrowing Authority-Unissued</b>	<b>18,700,000</b>	<b>32,035,000</b>	<b>6,438,000</b>	<b>0</b>	<b>0</b>	<b>57,173,000</b>

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**ALLOCATION OF CHESAPEAKE RESOURCES**  
 Exhibit C

Project # / Project Name		Chesapeake Funds Required					TOTAL FOR 5 YEARS
		2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
13-12	GB TIF - Greenbrier Center District	0	0	0	0	8,030,610	8,030,610
18-12	GB TIF - Municipal District	28,683,953	0	11,820,067	0	0	40,504,020
18-13	GB-TIF Woodlake Drive Extension	0	2,819,891	0	0	0	2,819,891
<b>Total Borrowing Authority backed by Greenbrier TIF Revenues</b>		28,683,953	2,819,891	11,820,067	0	8,030,610	51,354,521
20-12	SoNo TIF - Library Expansion	4,500,000	0	0	0	0	4,500,000
19-12	SoNo TIF - Poindexter Streetscape	1,900,000	0	0	0	0	1,900,000
21-12	SoNo TIF - Village Center Parking Garage	0	0	0	0	16,000,000	16,000,000
<b>Total Borrowing Authority backed by South Norfolk TIF Revenue</b>		6,400,000	0	0	0	16,000,000	22,400,000
22-15	<b>Modernization: Indian River High School</b>	<b>0</b>	<b>36,581,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,581,300</b>
<b>Total VPSA Borrowing</b>		<b>0</b>	<b>36,581,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,581,300</b>
<b>TOTAL CHESAPEAKE RESOURCES</b>		<b>107,121,853</b>	<b>98,517,108</b>	<b>46,851,391</b>	<b>29,585,233</b>	<b>43,500,610</b>	<b>325,576,195</b>

APPROVED CAPITAL BUDGET FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2015  
**COST IMPACT OF CAPITAL PROJECTS COMING ON LINE**

Exhibit D

Project No	Project Name	Chesapeake Funds Required					Impact on Operations	Revenue Generated	Net Impact on Operating Budget
		2010-2011	2011-2012	2012-2013	2013-2014	2014-2015			
<b><u>Economic Development</u></b>									
20-12	SoNo TIF - Library Expansion	0	58,768	59,943	61,142	62,976	242,829	0	242,829
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
<b>Subtotal - Economic Development</b>		0	58,768	59,943	61,142	62,976	242,829	0	242,829
<b><u>Public Safety</u></b>									
07-11	Fire Station #10	0	68,800	68,800	68,800	68,800	275,200		275,200
14-14	Jail HVAC/Energy Retrofit	0	(150,000)	(150,000)	(150,000)	(150,000)	(600,000)		(600,000)
39-14	Public Safety EOC/EDC/Back-up Network Ops Center	0	0	0	417,200	417,200	834,400	0	834,400
<b>Subtotal - Public Safety</b>		0	(81,200)	(81,200)	336,000	336,000	509,600	0	509,600
<b>TOTAL COSTS</b>		<b>0</b>	<b>(22,432)</b>	<b>(21,257)</b>	<b>397,142</b>	<b>398,976</b>	<b>752,429</b>	<b>0</b>	<b>752,429</b>

*Projects which will have operational costs covered by designated revenues such as utility fees or tolls are not reflected in the above information.*

## CAPITAL BUDGET - IMPACT ON THE OPERATING BUDGET

### Overview

The Capital Improvement Budget (CIB) impacts the Operating Budget in two primary ways.

First, the Operating Budget provides for the on-going costs to operate and maintain the capital projects upon completion. The table in the following sub-section lists the CIB projects to be completed in FY 2010-11, the original estimate of the operating impact as included in the CIB, and the actual amount of additional funding that is provided in the FY 2010-11 Operating Budget.

Second, the Operating Budget provides for the annual payments on the debt used to finance the construction of projects in the CIB. The level of debt service and its impact on the Operating Budget is discussed under *Current Debt Obligations*.

### Impact on Current Operating Budget - Capital Projects Opening in FY 2010-11

The following table lists the approved projects from prior year CIB and for FY 2010-11 scheduled to be completed in FY 2010-11. The table also lists the estimated amount of the Operating Budgeted impact that was originally included in the CIB authorizing the project and the actual amount of additional funding provided in the FY 2010-11 Operating Budget for operation. The original estimate of the Operating Budget impact may differ from the actual amount funded because either the estimated costs are revised, or the departments are absorbing the additional costs within existing resources.

<u>Project #</u>	<u>Project Title</u>	<u>Estimated Impact Included in CIB</u>	<u>Additional Funding in FY 2010-11</u>
10-14	Telephone System Upgrade	\$20,000	\$0
11-14	Customer Service Reporting Upgrade	\$20,000	\$0
12-14	e-Government Initiative (Phase II) Web 2.0	\$70,000	\$0
13-14	Voicemail System Upgrade	\$10,000	\$0
<b>Total – All Projects</b>		<b>\$120,000</b>	<b>\$0</b>

The above projects of the Information Technology department are incorporated within their existing budget due to significant streamlining efforts, which have enabled them to manage these costs without additional resources for FY2010-11. Also, during FY2009-10 the web team of the City was re-organized to realize efficiencies. These efficiencies address the most critical operational needs of the e-Government initiative.

### Impact on Future Operating Budget Costs

The CIB includes an estimated Operating Budget impact for each capital project for five years as well as an overall summary of the estimated impact over the five - year period. Additional information on the estimated Operating Budget impacts over the five – year period of the CIB is included in the CIB document.

During the development of the Five-Year Forecast, the Budget Office includes the estimated Operating Budget impacts for the future years. For additional information please refer to the *Overview* section earlier in this document.

## CAPITAL BUDGET - DEBT OBLIGATIONS BUDGET

### Current Debt Obligations:

The Operating Budget includes the funding required for the City's current year payment of principal and interest (debt service) on outstanding debt. The following table illustrates the amount of debt service included in the Operating Budget.

	FY 08-09	FY 09-10	FY 10-11
	<u>Actual</u>	<u>Amended</u> <u>Budget</u>	<u>Budget</u>
<b>Debt Service</b>			
Revenues:			
Use of Money & Property	\$1,850,847	\$615,765	\$613,561
Revenue from the Commonwealth	-	-	216,439
<b>Total Revenues</b>	<b>\$1,850,847</b>	<b>\$615,765</b>	<b>\$830,000</b>
Use of Fund Balance			
Resources from Debt Service Fund			
Transfer from General Fund	35,225,475	37,153,292	35,548,571
Transfer from Construction Fund	3,963,256	-	-
Transfer from City Lock Box	3,171,906	2,942,650	4,631,168
Transfer from School Lock Box	6,813,994	7,373,025	10,777,530
Transfer from Conference Center	653,132	1,000,000	1,000,000
Transfer from Open Space	64,430	64,430	64,430
Transfer from TIF & 800 Mhz	774,446	1,000,661	1,001,486
<b>Total Financing from Other Funds</b>	<b>\$50,666,639</b>	<b>\$49,534,058</b>	<b>\$53,023,185</b>
<b>Total Funding Resources</b>	<b>\$52,517,486</b>	<b>\$50,149,823</b>	<b>\$53,853,185</b>
Expenditures			
General Government	\$18,929,098	\$16,815,793	\$18,082,485
Education	33,588,388	33,550,468	36,417,276
<b>Total Expenditures</b>	<b>\$52,517,486</b>	<b>\$50,366,262</b>	<b>\$54,499,761</b>

### Projected Level of Future Debt Obligations:

As part of the Five Year Forecast, the Budget Office estimates the amount of debt service required annually to maintain the current level of outstanding debt. The following table illustrates the projected level of annual debt service based upon projects already included in the capital budget, exclusive of TIF debt.

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	<u>Budgeted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
<b>Debt Service</b>					
General Gov't	\$18,082,485	\$17,357,103	\$18,019,886	\$18,052,641	\$14,368,992
Schools	36,417,276	35,649,806	37,696,771	36,939,819	33,300,818
<b>Total</b>	<b>\$54,499,761</b>	<b>\$53,006,909</b>	<b>\$55,716,658</b>	<b>\$54,992,460</b>	<b>\$47,669,810</b>

## CITY DEBT BUDGET

In determining the amount of debt to issue, the City evaluates the amount of additional debt service that can be supported by current year revenues as well as the City's legal debt limits and debt management policies.

### Legal Debt Limit

Pursuant to the Constitution of Virginia and the Public Finance Act, a city in Virginia is authorized to issue bonds and notes secured by a pledge of its full faith and credit. The Constitution and the Public Finance Act also limit the indebtedness that may be incurred by cities. This limit is ten (10) percent of the assessed valuation of real estate subject to local taxation.

The City Charter further limits the City's power to create debt. It provides that no bonds and notes (other than refunding bonds) secured by a pledge of the City's full faith and credit shall be issued until their issuance has been authorized by a majority of the qualified voters of the City voting in an election on the question. The City Charter further provides; however, that the City Council may authorize the issuance of such bonds or notes without an election in any calendar year in an amount not to exceed \$4,500,000 plus amount of debt retired the previous calendar year as new annual borrowing authority. Also, the charter states the amount of such bonds or notes together with existing indebtedness of the City shall not exceed eight (8) percent of the assessed valuation of real estate in the City subject to local taxation, as shown by the last preceding assessment for taxes. Contractual obligations of the City other than bonds and notes are not included within the prohibitions described in this paragraph.

### Calculation of Legal Debt Limit

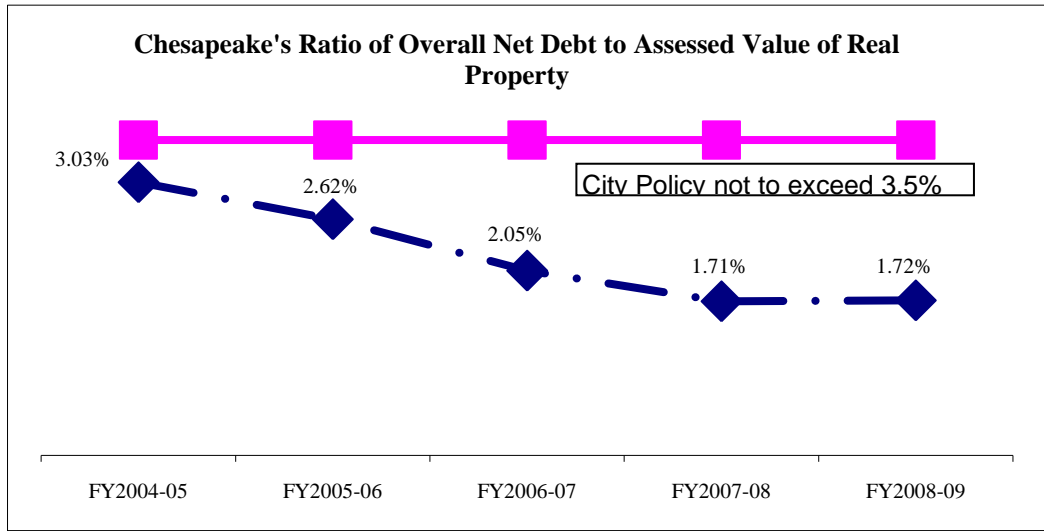
The following table illustrates the calculation of the legal debt margin as of June 30, 2009. According to the current statutes of the Commonwealth of Virginia, the City's general obligation bonded debt issuance must not exceed 10% of the total assessed value of real property.

As illustrated in the chart, as of June 30, 2009, the City may incur an additional \$2,144,402,791 in debt without exceeding its legal debt limit.

Assessed Value of taxable real estate: as of June 30, 2009		\$	25,573,792,526
Legal debt limit of 10% of assessed value:		\$	2,557,379,253
Amount of debt applicable to legal debt limit:			
Total Bonded Debt	\$	525,701,207	
Add: Notes Payables		115,000	
Less: Self-Supporting Debt not chargeable to debt limit		-76,680,000	
Less: Amounts available for debt service		-36,159,745	
Total Debt Applicable to Legal Debt Limit			\$ 412,976,462
Legal Debt Margin for Creation of Additional Indebtedness:		\$	2,144,402,791
Notes:			
*Self-Supporting Debt includes Revenue Bonds and Double Barrel Bonds.			
Source: Data in this table are from the City's Comprehensive Annual Financial Report for June 30, 2009			

# CITY DEBT BUDGET

The FY 2008-09 ratio of overall net debt to assessed value was 1.72%. The following chart provides a historical illustration of the City's level of indebtedness.



## Overall Net Debt Per Capita

The City's current debt policy is that overall net debt per capita shall not exceed \$3,000. In FY 2008-09, the overall net debt per capita was \$1,949.

## Annual Overall Net Debt Service to General Fund Revenues

One of the credit industry's debt management guidelines used in determining the fiscal health of a city is the ratio of overall net debt service to general fund revenues. Rating agencies view ratios that exceed 10% to be at a level at which budgetary competition is a significant factor. The City's debt service was 12.00% of General Fund revenues in FY 2008-09. Overall net debt includes long-term obligations such as general obligation debt, including bonds supported by Tax Incremental Financing revenues, lease revenue bonds, capital leases, and contractual agreements such as the Oak Grove Connector. Self-supporting enterprise debt is not considered when calculating this ratio.

## **DEBT MANAGEMENT POLICIES**

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### **Long Term Debt Management Policies**

- Long-term borrowing will not be used to finance current operations or normal maintenance.
- Long-term borrowing for capital improvements will be confined to such improvements and projects that cannot be financed from current revenues.
- Capital improvements that are financed by issuing General Obligation Bonds, Revenue Bonds, or other long-term debt, will be repaid within a period less than the expected useful life of the improvements.
- General Obligation Bonds will be used for projects that benefit the citizens of Chesapeake.
- Overall net debt will not exceed three and one-half percent of the assessed valuation of the taxable real property in the City of Chesapeake.
- Overall net debt per capita will be managed so that it will not exceed \$3,000.
- Every attempt will be made to keep the average maturity of general obligation bonds, exclusive of enterprise debt, at or below twelve years and retire 50 percent of the debt during the twelve-year period.
- Where possible and appropriate, the City will develop, authorize, and issue revenue or other self-supporting debt instruments in lieu of general obligation bonds.
- Revenue bonds will comply with the coverage required for parity bonds in original resolutions and prior bond covenants.

### **Medium Term Debt**

- Lease-purchase or other debt instruments may be used as a medium-term (four to ten years) method of borrowing for the financing of vehicles, specialized types of equipment, or other capital improvements.
- Use lease-purchase financing cautiously with the goal of financing purchases greater than \$20,000.
- The equipment or improvements must have an expected useful life of more than four years.
- The City of Chesapeake will determine and utilize the least costly financing method available.

Such debt arrangements will be repaid within the expected useful life of the equipment or improvement acquired.



## **DEBT MANAGEMENT POLICIES**

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### **Short Term Debt**

- Short-term borrowing may be utilized for temporary funding of anticipated bond proceeds, anticipated grant payments or other expected revenues.
- Short-term debt, such as tax-exempt commercial paper, bond anticipation notes, tax anticipation notes, and grant anticipation notes, may be used when it provides immediate financing and an interest advantage, or the advantage to delay long-term debt until market conditions are more favorable. The City of Chesapeake will determine and utilize the least costly method for short-term borrowing.
- Short-term debt will not exceed the following limits:
  - Anticipated Revenues - An amount equal to the estimated amount of the source of which it is in anticipation of receiving. (Anticipated revenues are revenues such as federal and state grants received, and anticipated proceeds from long term financing.)
  - Other Expected Revenues - An amount equal to the estimated amount of the expected revenues. (Expected revenues are revenues such as federal and state grants that will be forthcoming for a project where there has been an expenditure of funds, but as yet those agencies have not been billed for the funding expended.)
- Short-term debt will be repaid as soon as possible after the anticipated or expected source of funds is received. Such debt may be rolled over if it is in the best interest of the City of Chesapeake to do so when the anticipated or expected source has not yet been received.

### **Other Debt Considerations**

The City has a goal of adopting a ratio to monitor overall net debt service to general fund revenues and/or expenditures that is in alignment with industry standards. Currently, the policy for this ratio is under review.

For all Enterprise Fund operations that support debt, a feasibility study will be prepared prior to debt issuance to determine the appropriate fees and rates to be charged to support maintenance, operations, renewal and replacement, and debt service. Rates and fees will be increased as appropriate to provide adequate funding levels for future needs.

### **Bond Rating Agencies**

The passage of time modifies the position of an issuer of debt in the market. For this reason, communication will be maintained with bond rating agencies with respect to the City of Chesapeake's bonds and its financial condition. A policy of full disclosure will be followed on every financial report and official statement for debt.

### **Debt Management Policy Review and Amendment**

Debt management policies will be reviewed from time to time in order to ensure compliance with changes in the State Constitution, Statutes, and the City of Chesapeake Charter. Council may amend these policies as necessary.

The City of Chesapeake was founded in 1963 by merger of Norfolk County (1636) and the City of South Norfolk (1921). Chesapeake is one of the cities comprising the Norfolk-Virginia Beach-Newport News Metropolitan Area. This area lies in southeastern Virginia at the southern end of the Chesapeake Bay where the mouth of the Bay enters the Atlantic Ocean. Chesapeake is bordered on the west by Suffolk, east by Virginia Beach, south by the North Carolina border and north by the cities of Portsmouth and Norfolk.

With a land area of 353 square miles, Chesapeake is the thirteenth (13<sup>th</sup>) largest city in land area in the United States and second largest in Virginia. Its central location, availability of land, and good transportation system will continue to contribute to Chesapeake's attractiveness as a well-balanced commercial center. The City's close port proximity and strong employee pool continue to encourage a strong international business presence. Major industries include building materials, plastics, plywood, fertilizer, refrigerators, steel and railroad equipment. Major agricultural crops include corn, wheat, soybeans, nursery products and timber. The Chesapeake Planning Department estimates the City's population reached 226,995 as of January 2010 distributed over 84,072 households. The civilian labor force in the city was 114,822 in 2010.

The City is governed by a City Council / City Manager form of government with nine elected Council members serving four year terms. Chesapeake is an independent city with no overarching county government. This requires that the City provide many of the services to citizens which would normally be provided by a county.

The City's Comprehensive Plan (updated effective March 2005) based on Council-adopted basic policies, provides guidelines for maintaining orderly growth consistent with community goals. The Comprehensive Plan further addresses development potential in the City and recognizes established values of Chesapeake's citizens. The Plan, though general in nature, assesses the City's assets such as parks, waterways, historical areas, as well as areas which will require extensions or renewal, such as potable water and sanitary sewer services, transportation systems, urban renewal areas, etc.

Council's responsiveness to development demands, as well as its commitment to orderly growth, has enhanced those quality of life values Chesapeake's citizens have embraced. The future for Chesapeake remains full of promise and opportunity.

**DEMOGRAPHICS**

- Median Age 36.2
- Racial Composition (2009) : White - 63.4%; Black - 29.6%; all other - 7%

**INCOME**

- Median Household \$67,996 (2009 Est.)
- Per capita personal \$29,813 (2009 Est.)

Source: U.S. Census Bureau

**TAXES (July 1, 2009)**

- Real Estate - \$1.04/\$100 of assessment - \$1.05/\$100 with Mosquito Control
- Personal Property - \$4.00/\$100 at 100% of loan value - \$4.08 with Mosquito Control
- State Non-Grocery Retail Sales - 5.0%
- Restaurant - 5.5% of meal

**RETAIL SALES**

- \$2, 897, 360,063 (2009)
- 2 Regional Malls

**FINANCIAL**

- 10 commercial banks with 44 offices
- 5 savings and loan associations with 8 offices

**TRANSPORTATION**

- Chesapeake Municipal Airport and Hampton Roads Airport are located in Chesapeake
- Norfolk International Airport is located 12 miles from central Chesapeake and is served by 10 airlines
- Bus - Greyhound & Hampton Roads Transit Authority

**CULTURAL**

The following serve the metro area:

- Virginia Opera Association
- Virginia Symphony
- Chrysler Museum
- Virginia Beach Pops
- Virginia Marine Science Museum
- Virginia Sports Hall of Fame
- MacArthur Memorial
- Children's Museum
- The Chesapeake Planetarium
- Virginia Stage Company

**EDUCATION****CHESAPEAKE PUBLIC SCHOOLS**

- 28 elementary schools
- 10 middle schools
- 7 senior high schools
- 2 centers for special programs
- 9 support buildings

Students: 38,764 Teachers: 2,967

**COLLEGES**

Tidewater Community College

These institutions are located in the Metro area:

- Old Dominion University
- Norfolk State University
- Regent University
- Eastern Virginia Medical School
- Virginia Wesleyan College

**MEDICAL FACILITIES**

- Chesapeake Regional Medical Center (31 beds)
- 9 other general hospitals serve the area
- 265 plus physicians and 73 dentists

**LIBRARY**

- 1 central library; 7 branches and a bookmobile
- 569,181 volumes

**RECREATION**

- Great Dismal Swamp National Wildlife Refuge (54,133 acres)
- Northwest River Park (763 acres) with boating, hiking, riding, fishing and campground
- 53 public tennis courts
- Organized sports: basketball, softball, football, soccer
- Canoeing on 30 miles of water trails
- Dismal Swamp Trail
- Boating on Intracoastal Waterways
- 8 Community recreation centers
- Greenbrier Civic Sports Complex
- 2 ceramic art centers

Major Parks: Great Bridge Lock Park, Deep Creek Lock Park, Centerville Park, Lakeside Park, Crestwood Park, Western Branch Park, Indian River Park, City Park

**CLIMATE**

- Average summer high 77 degrees  
(July warmest month)
- Average winter low 41 degrees  
(January coldest month)
- Average annual rainfall 45 inches
- Average annual snowfall Trace

**5.01 FISCAL YEAR.**

The fiscal year of the City shall begin on the first day of July and shall end on the last day of June of each calendar year. Such fiscal year shall also constitute the budget and accounting year.

**5.02 SUBMISSION OF OPERATING BUDGET.**

The city manager shall submit to the council an operating budget and a budget message at least ninety days prior to the beginning of each fiscal year.

**5.03 OPERATING BUDGET MESSAGE.**

The manager's message shall explain the budget in fiscal terms. It shall contain the recommendations of the city manager concerning the fiscal policy of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, and include such other material as the manager deems desirable.

**5.04 OPERATING BUDGET PREPARATION.**

The budget shall provide a financial plan for the ensuing fiscal year and shall be in such form as the manager deems advisable or the council may require. A minimum of six percent of the total general fund revenue shall be reserved upon the adoption of the City's annual operating budget and shall be restricted for emergency use and cash flow needs which occur throughout the year. In organizing the budget, the manager shall utilize the most feasible combination of expenditures classification by fund, organization unit, program, purpose or activity and object. It shall be prepared in accordance with generally accepted principles of municipal accounting and budgeting procedures and techniques. It shall be the duty of the head of each department, the judges of the courts not of record, each board or commission, including the school board, and each other office or agency supported in whole or in part by the City, to file at such time as the city manager may prescribe estimates of revenue and expenditures for that department, court, board, commission, office or agency for the ensuing fiscal year. The city manager shall hold such hearings as deemed advisable and shall review the estimates and other data pertinent to the preparation of the budget and make such revisions in such estimate as deemed proper, subject to the laws of the Commonwealth relating to the obligatory expenditures for any purpose, except that in the case of the school board may recommend a revision only in its total estimated resources and requirements. In no event shall the requirements recommended by the city manager in the budget exceed the resources estimated, taking into account the estimated cash surplus or deficit at the end of the current fiscal year, unless the city manager shall recommend an increase in the rate of ad valorem taxes on real estate and tangible personal property or other new or increased fees, charges, or taxes or licenses within the power of the City to levy and collect in the ensuing year, the revenue from which, estimated on the average experience with the same or similar taxes during the three tax years last past will make up the difference. If estimated resources exceed estimated requirements, the city manager may recommend revisions in the tax and license ordinances of the city in order to bring the budget into balance.

At the same time that the city manager submits the operating budget, the city manager shall introduce and recommend to the council an appropriation ordinance which shall be based on the budget. The city manager shall also introduce at the same time any ordinances levying a new tax or altering the rate on any existing tax necessary to balance the budget as provided in this section. (1988 Acts, Ch. 288, § 1)

**5.05 COUNCIL ACTION ON THE OPERATING BUDGET.****A. NOTICE AND HEARING.**

The council shall publish in one or more newspapers of general circulation in the City the general summary of the proposed budget and a notice stating:

1. The times and places where copies of the message and budget are available for inspection by the public; and
2. The time and place, not less than twenty-one days after such publication, for a public hearing on the budget.

**B. AMENDMENT BEFORE ADOPTION.**

After the public hearing, the council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts, except requirements required by law or for debt service, and except further that in the case of the school board, the council may only revise the total estimated resources or requirements. In no case shall the council increase the authorized requirements to an amount greater than the total of estimated resources.

**C. ADOPTION.**

The council shall adopt the budget by the vote of at least a majority of all members of the council not later than forty-seven days prior to the end of the current fiscal year. Should the council take no action prior to such day, the budget shall be deemed to have been finally adopted as submitted by the city manager. In no event shall the council adopt a budget in which the estimated total of requirements exceeds resources, unless at the same time it adopts measures to provide additional resources estimated to be sufficient to make up the difference. Adoption of the budget shall include adoption of an ordinance appropriating the amounts specified therein from the funds indicated and an ordinance levying the property tax therein proposed.

**5.06 AMENDMENTS AFTER ADOPTION OF OPERATION BUDGET.****A. SUPPLEMENTAL APPROPRIATIONS.**

If during the fiscal year the manager certifies that there are funds available in excess of those estimated in the budget, the council by ordinance may make supplemental appropriations for the year up to the amount of such excess.

**B. REDUCTION OF APPROPRIATIONS.**

If at any time during the fiscal year it appears probable to the manager that the resources available will be insufficient to meet the amount appropriated, the city manager shall report to the council without delay, indicating the estimated amount of the shortfall, any remedial action taken by the city manager and recommendations as to any other steps to be taken. The council shall then take such further action as it deems necessary to prevent or minimize any shortfall and for the purpose it may by ordinance reduce one or more appropriations.

**5.07 LAPSE OF APPROPRIATIONS.**

Every appropriation, except an appropriation for a project in the capital improvement program, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a project in the capital improvement program shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

**5.08 CAPITAL IMPROVEMENT PROGRAM.****A. SUBMISSION TO COUNCIL.**

The manager shall prepare and submit to the council a five-year capital improvement program at least ninety days prior to the beginning of each fiscal year.

**B. CONTENTS.**

The capital improvement program shall include:

1. A general summary of its contents;
2. A list of all capital improvements which are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;
3. Cost estimates, method of financing, and recommended time schedules for each such improvement; and
4. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired;

The above information shall be revised and extended each year with regard to capital projects still pending. (1998 Acts, Ch. 561, § 1; 1998 Acts, 626, § 1)

**5.09 COUNCIL ACTION ON CAPITAL IMPROVEMENT PROGRAM.****A. NOTICE AND HEARING.**

The council shall publish in one or more newspapers of general circulation in the City the general summary of the capital improvement program and notice stating:

1. The times and places where copies of the capital improvement program are available for inspection by the public; and
2. The time and place, not less than fourteen days after such publication, for a public hearing on the capital improvement program.

**B. ADOPTION.**

The council shall adopt a capital improvement program with or without amendment after the public hearing and not later than forty-seven days prior to the end of the current fiscal year. Should the council take no action prior to such day, the program shall be deemed to have been finally adopted as submitted by the city manager. The capital improvement program, after adoption, shall be deemed a plan only, with the right being reserved to the council to change the same at any time.  
(1998 Acts, Ch. 561, § 1; 1998 Acts, Ch. 626, § 1)

**22.1-93. EDUCATION.**

Approval of annual budget for school purposes. - Notwithstanding any other provision of law, including but not limited to Charter 25 (§ 15.2-2500 et seq.) of Title 15.2, the governing body of a county shall prepare and approve an annual budget for educational purposes by May first or within thirty days of the receipt by the county of the estimates of state funds, whichever shall later occur, and the governing body of a municipality shall prepare and approve an annual budget for educational purposes by May fifteenth or within thirty days of the receipt by the municipality of the estimates of state funds, whichever shall later occur.

The Superintendent of Public Instruction shall, no later than the fifteenth day following final adjournment of the Virginia General Assembly in each session, submit estimates to be used for budgetary purposes relative to the Basic School Aid Formula to each school division and to the local governing body of each county, city and town that operates a separate school division. Such estimates shall be for each year of the next biennium or for the then next fiscal year. (Code 1950, § 22-127; 1956, Ex. Sess., c. 67; 1959, Ex. Sess., c. 79, § 1; 1968, c. 614; 1971, Ex. Sess., c. 162; 1975, c. 443; 1978, c. 551; 1980, c. 559; 1981, c 541.)