

Non-Departmental

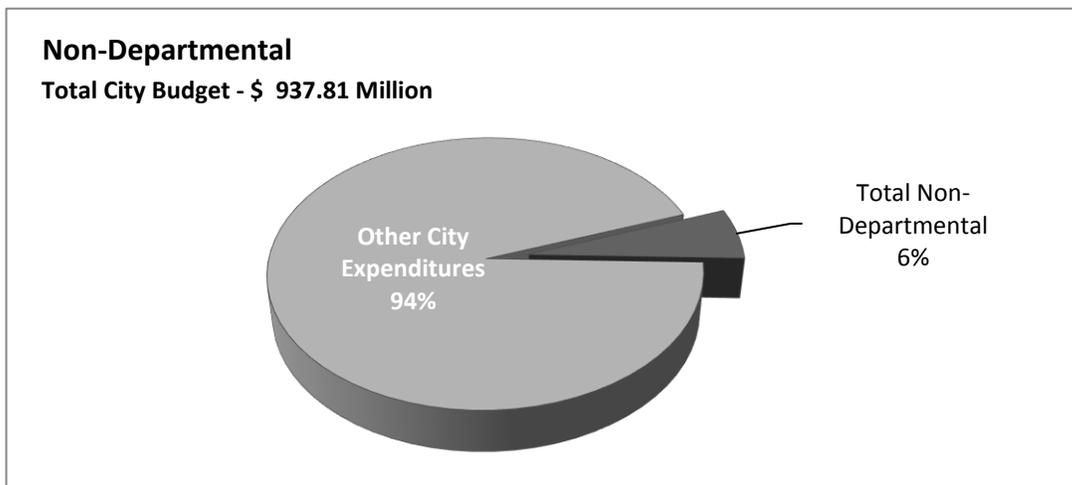
Summary

Non-Departmental expenditures include the City's three internal service funds (Garage/Central Fleet, Risk Management, and Information Technology) and other citywide expenditures that are not related to a single department. Also included are contingencies and expense provisions that will be allocated to individual departments.

Internal service departments provide necessary functions throughout the organization and bill their services to other City departments. This section also includes the Debt Service for the City and Schools, and the other external agencies that receive funding from the City.

Budget by Service	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Debt Services	\$ 56,061,644	\$ 53,437,514	\$ 39,402,840	-26.3%
Garage/Central Fleet	17,269,851	14,099,740	14,578,611	3.4%
Risk Management	10,319,178	8,066,848	8,301,899	2.9%
Information Technology	10,731,971	11,339,835	11,580,546	2.1%
Non-Departmental	21,341,773	13,150,935	16,157,153	22.9%
Total Expenditures	\$115,724,417	\$ 100,094,872	\$ 90,021,049	-10.1%
Less Billings to Other Departments				
Garage/Central Fleet	(12,577,778)	(12,590,968)	(12,981,111)	3.1%
Risk Management	(9,957,282)	(8,066,848)	(8,301,899)	2.9%
Information Technology	(7,989,721)	(9,080,964)	(9,176,407)	1.1%
Total Non-Departmental	\$ 85,199,636	\$ 70,356,092	\$ 59,561,632	-15.3%

* The FY 2013-14 Budget included Other Post-Employment Benefits (OPEB) totaling \$11.75 million; starting in FY 14-15 these costs were allocated to individual departments. have been allocated to individual departments.



Non-Departmental

Summary

Operating Revenues	FY 13-14	FY 14-15	FY 15-16	Change from
Resource	Actual	Budget	Budget	prior year
Other Local Taxes	\$ 819,153	\$ 315,953	\$ 144,291	-54.3%
Use of Money and Property	745,474	391,206	254,889	-34.8%
Miscellaneous Revenue	28,427,993	28,065,998	28,408,237	1.2%
Recovered Costs (Risk Mangmt)	6,540,524	3,798,269	4,241,675	11.7%
State Other Categorical Aid	1,421,096	1,236,373	1,373,571	11.1%
Federal Aid	890,313	889,363	888,431	-0.1%
Total Revenues	\$ 38,844,553	\$ 34,697,162	\$ 35,311,094	1.8%
General Fund Support	66,556,454	57,798,500	46,449,123	-19.6%
Transfers from other funds	3,380,618	3,329,822	3,817,383	14.6%
Total Resources	\$108,781,625	\$ 95,825,484	\$ 85,577,600	-10.7%

- Other local taxes includes the local share of state sales tax on communications services which are committed to the E911 fund. The Information Technology department uses these funds for the 800Mhz maintenance and replacement program.
- Use of money and property includes interest earnings primarily in the Debt fund.
- Miscellaneous Revenue includes internal service fund (ISF) charges for Garage/Central Fleet, Information Technology, and Risk Management that are billed to other City departments. The revenue for the ISF is shown here while the expense is included in the budgets of all other City departments.
- Recovered Costs are internal billings by Risk Management for medical expenses paid to current employees for workers compensation claims.
- State and Federal aid includes reimbursements received in the Debt Services fund. Federal payments are received for "Build America" bonds and qualified construction bonds. The City also receives state payments for a portion of jail construction costs.

Reconcile Resources to Expenditures	FY 13-14	FY 14-15	FY 15-16	Change from
	Actual	Budget	Budget	prior year
Total Resources	\$ 108,781,625	\$ 95,825,484	\$ 85,577,600	0.0%
Transfers to the General Fund	(20,350)	0	0	-100.0%
Transfers to Capital Projects Funds	0	(380,000)	(1,274,043)	0.0%
Net Incr (Decr) in Fund Balances	\$ (6,963,142)	\$ (4,649,388)	\$ (5,717,492)	-33.2%
Operating Expenditures	115,724,417	100,094,872	90,021,049	-13.5%

Increase (Decrease) in Fund Balances

Debt Fund	\$ (5,254,375)	\$ (4,558,036)	\$ (4,500,000)
Central Fleet	(2,426,282)	-	2,500
Risk Management	224,097	-	-
E-911 Fund	652,914	288,648	56,901
Information Technology	(159,496)	(380,000)	(1,276,893)
Total Increases (Decreases)	\$ (6,963,142)	\$ (4,649,388)	\$ (5,717,492)

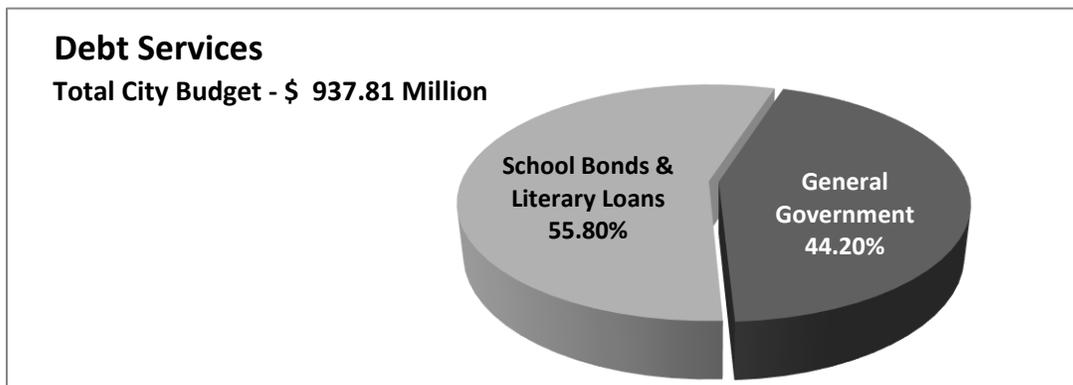
Debt Services

Summary

Debt service represents the annual payments required for bonds and other debt issued by the City. Debt service costs for the enterprise funds are included in department budgets and excluded from this section. The City typically borrows to finance the construction or acquisition of infrastructure, buildings, and equipment.

Budget by Department	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Estimate	Change from prior year
General Government	20,635,357	17,716,930	17,416,999	-1.7%
School Bonds & Literary Loans	35,426,287	35,720,584	21,985,841	-38.5%
Total Debt Service Fund	\$ 56,061,644	\$ 53,437,514	\$ 39,402,840	-26.3%

General Government includes Tax Increment Financing Districts



Budgeted Resources:	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Estimate	Change from prior year
Use of Money and Property	183,460	201,206	54,889	-72.7%
Miscellaneous Revenue	1,409,981	-	62,171	N/A
Revenue from the Commonwealth	190,239	-	-	N/A
Revenue from Federal Government	890,313	889,363	888,431	-0.1%
Transfer from:				N/A
General Fund -- pre-lockbox	29,567,375	26,217,126	10,738,095	-59.0%
General Fund City Lock Box	4,041,192	4,581,665	6,022,018	31.4%
General Fund School Lock Box	12,047,824	13,660,296	13,319,853	-2.5%
less excess prepayment from prior years	(656,250)	-	-	N/A
Proffers	-	-	387,000	N/A
Conference Center	1,000,000	1,000,000	1,000,000	0.0%
Open Space	64,430	64,430	64,430	0.0%
Integrated Behavioral Healthcare	-	-	290,650	N/A
Greenbrier TIF	1,460,558	1,543,746	1,471,088	-4.7%
South Norfolk TIF	608,148	721,646	604,215	-16.3%
Use of (Contribution to) Fund Balance	5,254,375	4,558,036	4,500,000	-1.3%
	56,061,644	53,437,514	39,402,840	-26.3%

Debt Service

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Description:

The Operating Budget includes the funding required for the City’s current year payment of principal and interest (debt service) on outstanding debt. This does not include the debt service of Enterprise funds (Public Utilities and Chesapeake Expressway), capital leases included in department budgets, and debt payments made to the Virginia Department of Transportation in connection with the Oak Grove Connector (see non-departmental expenses).

Budget by Program	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Principal	41,657,529	39,174,306	27,214,445	-30.5%
Interest	14,515,631	14,208,208	12,133,395	-14.6%
Other Debt Expenses	(111,516)	55,000	55,000	0.0%
Total General Government and School Debt Service	56,061,644	53,437,514	39,402,840	-26.3%

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 will not exceed \$3,000 per capita.
- 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 bond covenants.
- 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 Service

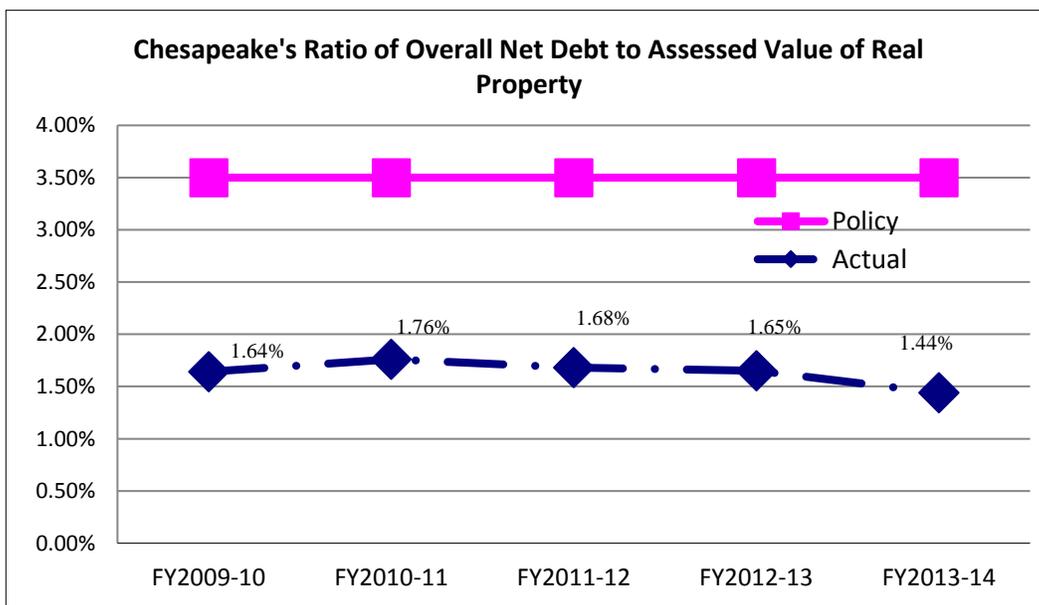
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Debt Management Policies continued

- Tax -supported debt will not exceed 10% of General Government revenue. (General Fund and Tax Increment Financing Funds)
- 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 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.)



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 for the years in which the debt will be outstanding, as well as, the City's legal debt limits and debt management policies.

Debt Service

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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, 2014. 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, 2014, the City may incur an additional \$2,002,772,116 in debt without exceeding its legal debt limit.

Assessed Value of taxable real estate: as of June 30, 2014		\$23,391,965,862
Legal debt limit of 10% of assessed value:		\$2,339,196,586
Amount of debt applicable to legal debt limit:		
Total Bonded Debt	\$603,888,745	
Less: Self-Supporting Debt not chargeable to debt limit	(238,670,882)	
Less: Amounts available for debt service	(28,793,393)	
Total Debt Applicable to Legal Debt Limit		\$336,424,470
Legal Debt Margin for Creation of Additional Indebtedness:		\$2,002,772,116
Notes:		
*Self-Supporting Debt includes Revenue Bonds		

Source: Data in this table are from the City's Comprehensive Annual Financial Report-June 30, 2014

Central Fleet

112012

Description:

Central Fleet manages all of the rolling stock for the City from the procurement of the equipment through its disposal. Central Fleet performs preventative maintenance inspections, major and minor mechanical repairs, and other automotive support to provide a safe, reliable, and economical fleet for the City's operations. The department also maintains small power equipment (chainsaws, tractors, pumps, etc.), manages the City's motor pool fleet, and operates six fueling sites, along with one compressed natural gas (CNG) station, located throughout the City for fueling City vehicles. The division controls the distribution of fuel and repair parts, maintains individual vehicle and equipment records, and recommends the purchase of new and replacement vehicles and equipment.

Code	Program Title	Program Description
12520	Fleet Operations	Provides for daily operation, maintenance, and fuel for City vehicles and equipment.
12521	Fleet Capital	Appropriations for purchase of new replacement equipment and the necessary principal and interest for capital lease purchases.

Budget by Program	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
12520 Fleet Operations	10,348,708	10,643,740	11,075,211	4.1%
12521 Fleet Capital/Replacement Vehicles and Equipment	6,921,143	3,456,000	3,503,400	1.4%
Total By Program	17,269,851	14,099,740	14,578,611	3.4%

Goals

- Provide efficient and cost-effective fleet management services for a safe, economical, and environmentally sound fleet that meets the needs of our customers and which protects the investment of our citizens.
- Enlarge the existing motor pools (located at City Hall and Central Fleet) by transferring non-mission essential low usage vehicles assigned to departments into the motor pool so that they can be shared with all departments.

Central Fleet

112012

Performance Measures	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Average age of vehicles (Years)	7.62	6.77	7.25	7.1%
Fleet Availability	93.70%	97.50%	98.00%	0.5%
Repair Turnaround Time (days)	6.35	4.00	3.00	-25.0%
Fleet Size				
Light Duty	902.00	927.00	909.00	-1.9%
Heavy Duty	344.00	409.00	350.00	-14.4%
Fire	105.00	136.00	105.00	-22.8%
# of repairs	8,124	8,500	9,828	15.6%
# of preventative maint. procedures	3,671	3,939	4,948	25.6%

Budget Highlights:

- The Central Fleet is an internal service fund that serves the vehicle needs of other City departments and receives funding from these internal customers to cover costs.
- The full amount of the 3% general wage increase effective October 1, 2014, has been included in salaries and wages. Benefits increased due to an increase in health insurance costs and the inclusion of Other Post Employment Benefits (OPEB) costs, which previously were not allocated to Internal Service Funds. For FY 15-16 this amount is \$117,013.
- The 26% increase in other expenditures is due to the increased allowance for utilities and the inclusion of fuel for heating which was previously included in the fuel category.
- The \$619,640 decrease in the fuel category is explained by the combination of the \$655,840 decrease allotted for diesel and gasoline and the \$61,200 increase in the amount allocated for compressed natural gas (CNG). Fuel for heating is now accounted for in the other expenditures category (\$25,000). The amount allotted for fuel (diesel and gasoline) is less for FY15-16 due to the increased usage of CNG vehicles. The budget for fuel is sufficient for 786,000 gallons of diesel fuel at \$3.31 per gallon, 700,000 gallons of gasoline at \$3.05 per gallon, and \$131,200 of natural gas for fueling 21 vehicles.
- Capital outlay includes an additional \$47,400 for shop equipment.

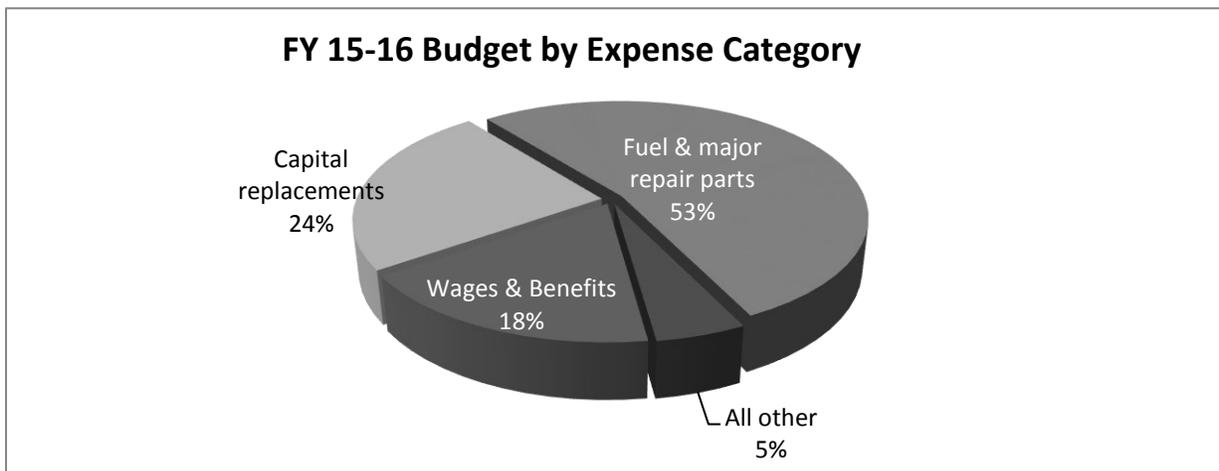
Central Fleet

112012

Emerging Budget Issues

- The challenge going forward for the department will be having enough funding to replace vehicles and equipment needed for the fleet.

Requirements:	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Salaries and wages	1,536,826	1,665,662	1,729,228	3.8%
Employee benefits	719,140	695,725	823,023	18.3%
Purchased services	685,599	599,000	599,000	0.0%
Other expenditures	92,614	104,011	130,854	25.8%
Materials	1,897,529	2,091,842	2,925,246	39.8%
Fuel (diesel and gasoline)	5,417,000	5,487,500	4,867,860	-11.3%
Capital Outlay	6,921,143	3,456,000	3,503,400	1.4%
Total Expenses/Requirements:	17,269,851	14,099,740	14,578,611	3.4%



Personnel:		FY 13-14 Budget	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Grade	Positions				
109	Customer Service Clerk I	1.00	1.00	1.00	0.00
113	Account Technician I	1.00	1.00	1.00	0.00
114-123	Mechanic	26.50	27.50	27.50	0.00
115	Office Coordinator	1.00	1.00	1.00	0.00
118	Welder	1.00	1.00	1.00	0.00
119	Administrative Assistant I	1.00	1.00	1.00	0.00
125	Mechanic Supervisor	0.00	0.00	0.00	0.00
125	Fleet Safety Specialist	1.00	1.00	1.00	0.00
127	Mechanic Ops. Superintendent	1.00	1.00	1.00	0.00
128	Fleet Service Coordinator	1.00	1.00	1.00	0.00
137	Fleet Manager	1.00	1.00	1.00	0.00
Total Department Personnel		35.50	36.50	36.50	0.00

Central Fleet

112012

Operating Revenues by Fund	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
601 Fleet Management				
Use of Money and Property	223,160	0	0	0.00%
Billings to City departments and Schools	14,284,918	14,099,740	14,581,111	3.41%
Recovered Costs	113,878	0	0	0.00%
Total Revenues	14,621,956	14,099,740	14,581,111	3.41%
Transfers from other funds	229,187	-	-	0.00%
Use of Fund Balance	2,426,282	-	-	0.0%
Total Resources	17,277,426	14,099,740	14,581,111	3.41%
 Use of Resources				
Operations	17,269,851	14,099,740	14,578,611	3.4%
Transfers to the General Fund	7,575	-	-	N/A
Contribution to Fund Balance	-	-	2,500	N/A
	17,277,426	14,099,740	14,581,111	3.41%

Budget by Fund:

601 Central Fleet	17,269,851	14,099,740	14,578,611	3.4%
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Risk Management (Self Insurance)

111020

Description:

The Risk Management function is administered by the Finance Department. The function handles claims for property, casualty, and worker's compensation losses.

Budget by Program	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
12550 Risk Management	10,319,178	8,066,848	8,301,899	2.9%
Total By Program	10,319,178	8,066,848	8,301,899	2.9%

Goals:

- Continue to support conversion to third party administrator for Worker's Compensation claims and turn focus to prevention and effective management and coordination of City/TPA claimant services.
- Staff will continue to explore new methods of cost containment for Worker's Compensation claims through innovative ideas focused on catastrophic case management, vocational case management, pharmaceutical utilization reviews and independent medical evaluations.
- With the addition of a new Safety Officer, begin the development and update of a City-wide Safety Program to assist departments with setting standards for safety equipment and practices; formulate individualized departmental training program and analyze data to identify trends for recommended process changes.

Performance Measures	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
# worker's comp. cases assigned	455	387	421	8.8%
# All other insurance cases assigned	484	339	412	21.5%
# of worker's comp. open cases	327	372	350	-5.9%
# All other insurance open cases	75	78	77	-1.3%
# Of safety site inspections w/ follow-up	-	-	26	N/A
# Of safety Disability & Wellness Committee meetings	2	2	4	100.0%

Risk Management (Self Insurance)

111020

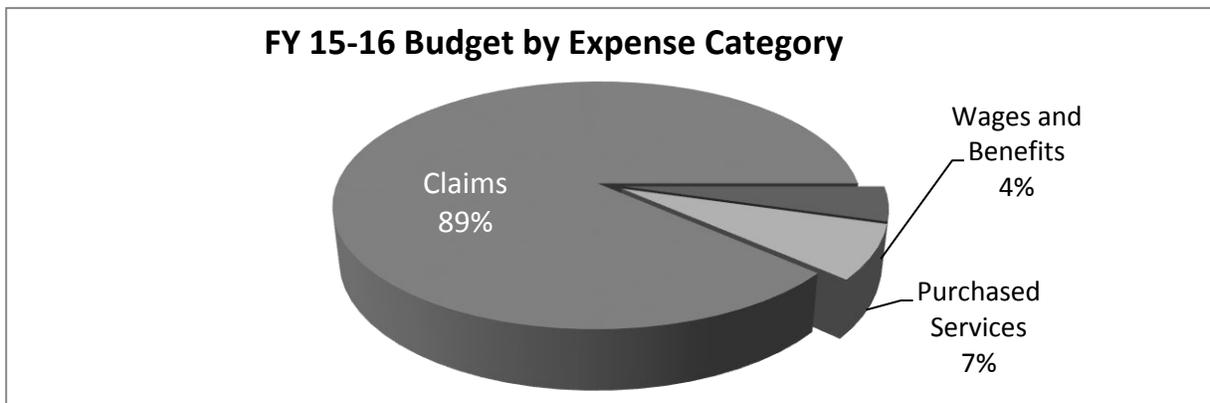
Budget Highlights:

- The full amount of the 3% general wage increase effective October 1, 2014, has been included in salaries and wages. Benefits increased due to an increase in health insurance costs and the inclusion of Other Post Employment Benefits (OPEB) costs.
- The primary factor in the increase in purchased services is the increased allowance for the third party administrator contract renewal, actuarial services, and insurance broker/policy renewals.
- The decrease in materials is due to a decrease in the amount budgeted for claims management software contract renewal.
- An increase of \$400,000 in funding for worker's compensation has been included in the FY15-16 budget. This amount was later reduced by \$200,000 to fund an Attorney (see the D - Governance and Management section). The additional Attorney will reduce costs paid for outside legal counsel.

Emerging Budget Issues

- Insurance premiums, software maintenance, and Third Party Administrator fees are all projected to increase going forward.

Requirements:	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Administrative Costs				
Salaries and wages	208,128	258,389	265,051	2.6%
Employee benefits	72,277	95,834	106,180	10.8%
Purchased services	73,273	469,575	525,841	12.0%
Materials	53,144	66,040	56,507	-14.4%
Subtotal Expenses/Requirements:	406,822	889,838	953,579	7.2%
Risk Management Claims	9,912,356	7,177,010	7,348,320	2.4%
Total Expenses/Requirements:	10,319,178	8,066,848	8,301,899	2.9%



Risk Management (Self Insurance)

111020

Personnel:		FY 13-14	FY 14-15	FY 15-16	Change from
Grade	Positions	Budget	Budget	Budget	prior year
117	Liability Claims Adjuster I	1.00	1.00	1.00	0.00
123	Liability Claims Adjuster II	1.00	1.00	1.00	0.00
132	Risk Manager	1.00	1.00	1.00	0.00
126	Safety Officer	1.00	1.00	1.00	0.00
Total Department Personnel		4.00	4.00	4.00	0.00

		FY 13-14	FY 14-15	FY 15-16	Change from
Operating Revenues by Fund		Actual	Budget	Budget	prior year
606	Risk Management				
	Use of Money and Property	102,431	0	0	0.00%
	Miscellaneous Revenue	4,015,800	4,268,579	4,060,224	-4.88%
	Recovered Costs	6,425,044	3,798,269	4,241,675	11.67%
	Total Revenues	10,543,275	8,066,848	8,301,899	2.9%
	Transfers from other funds	-	-	-	0.00%
	Use of Fund Balance	-	-	-	0.0%
	Total Resources	10,543,275	8,066,848	8,301,899	2.91%
	Use of Resources				
	Operations	10,319,178	8,066,848	8,301,899	2.9%
	Contribution to Fund Balance	224,097	-	-	N/A
		10,543,275	8,066,848	8,301,899	2.91%

Budget by Fund:

606	Risk Management	10,319,178	8,066,848	8,301,899	2.9%
Total by Fund		10,319,178	8,066,848	8,301,899	2.9%

Information Technology

111040

Description:

The Information Technology Department provides centralized and decentralized automated information systems technology services to City departments and the Chesapeake School Administration. In addition, Information Technology manages radio and telephone systems serving City departments as well as the City's website, internet, and intranet.

Code	Program Title	Program Description
12509	Enterprise Application Services	Manages the City's Commercial Off the Shelf (COTS) software applications. Examples of software include Maximo, FleetAnywhere, and Kronos.
12510	Administration	Provides leadership, policy direction, planning, governance, coordination, and oversight.
12511	Enterprise Software Development	Automates business processes through the development and implementation of software solutions to facilitate the successful delivery of business value-added services to departments and citizens.
12512	Computer/Network Operations Center	The network operations center is the focal point for network and computer related troubleshooting. <ul style="list-style-type: none"> ● Processes production batch applications ● Monitors the day-to-day activities of the City's network ● Monitors systems availability, integrity and performance ● Provides online data communications and job scheduling ● Provides Help Desk support ● Serves as the main point of contact for problem resolution and escalation
12513	Network Support	Manages the hardware and software infrastructure which includes: <ul style="list-style-type: none"> ● Network connectivity ● Voice, data, and internet access ● Security ● Backups and disaster recovery ● Database support ● Operating system maintenance.
12514/ 12517	Desktop Support	Manages and supports all client desktop environments along with their associated software and the PC replacement plan.
12515	Mainframe Operations	<ul style="list-style-type: none"> ● Provides high speed computing and reliability to perform large computing jobs ● Performs daily and nightly batch job processing and enterprise backup of critical applications

Information Technology

111040

Code	Program Title	Program Description
12516	Geographic Information System (GIS)	<ul style="list-style-type: none"> • Provides mapping and geospatial technology support • Administers the central repository for all geospatial data • Maintains applications and software integrations that utilize this data
12518	Enterprise Financial System	Maintains and supports the official record of financial transactions for the City and Chesapeake Public Schools.
12519	E-Gov	<ul style="list-style-type: none"> • Manages the City's internet website, CityofChesapeake.net. • Manages the City's primary social media sites • Oversees the Social Media Steering Committee, which sets policy for social media use within the City.
31404	Radio Systems Maintenance and Administration	Provides maintenance support for the Public Safety and operational services departments radio system.
12221	Data Security Administration	<ul style="list-style-type: none"> • Protects data and systems vital to the operation of the City from loss or damage due to security threats, inadvertent disclosure, or unintended actions by establishing security policies and protective measures, system and network monitoring, and reviewing system security designs. • Ensures compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH).

Budget by Program		FY 13-14	FY 14-15	FY 15-16	Change from
		Actual	Budget	Budget	prior year
12509	Enterprise Application Services	1,197,407	1,832,087	2,051,986	12.0%
12510	Administration	741,018	789,273	822,132	4.2%
12511	Enterprise Software Develop.	1,009,917	1,339,332	1,502,314	12.2%
12512	Computer Operations	356,308	443,976	417,119	-6.0%
12513	Technical Support	2,351,271	1,460,460	1,741,726	19.3%
12514	Desktop Support	510,256	638,845	635,049	-0.6%
12515	Mainframe Operations	812,731	957,750	242,216	-74.7%
12517	PC Replacement Plan	868,902	912,297	932,297	2.2%
12516	Geographic Information Systems (GIS)	536,565	555,737	552,436	-0.6%
12518	Enterprise Financial System	513,477	640,055	664,726	3.9%
12519	E-Gov Operations	204,188	317,867	345,580	8.7%
31404	800 MHz Maint/Replacement	1,415,392	1,263,678	1,460,961	15.6%
12221	Data Security Administration	214,540	188,478	212,004	12.5%
Total By Program		10,731,971	11,339,835	11,580,546	2.1%

Information Technology

111040

Goals

- Optimize infrastructure - Develop an IT infrastructure that can help advance, rather than impede, business while addressing the high cost of energy (agility).
- Develop a written business disaster recovery and continuity plan to protect the City's critical data, security, and business infrastructure against short-term and long-term disruptions (accountability).
- Ensure regulatory compliance and best business practices for Land Mobile Radio System operations promoting efficient use and quality infrastructure.
- Implement and maintain modern, agile software solutions that respond quickly to changing business needs and provide stable, reliable applications systems for increased efficiency in our departments and enhanced access to services for our citizens and customers.
- Assist in the implementation and documentation of automated systems within the City.
- Continue identification, development, and implementation of e-government applications for the Internet and the Intranet.
- Provide online services, information, and engagement opportunities to the citizens of Chesapeake.
- Provide timely and efficient computer services and availability to all City departments and Chesapeake Public Schools (Economic Vitality).
- Maintain and expand connectivity/communications to outlying areas of the City (Quality Infrastructure).
- Provide training and technical assistance to City departments with quality, responsive, and professional Client Technology Services to resolve client desktop environment challenges (Economic Vitality).
- Maintain GIS as a viable technology for the City and apply GIS technologies effectively to support the City's mission.
- Maintain financial stability through information system reliability and vendor support.
- Improve the security posture of the City against internal and external threats through improving technology.
- Meet the expanding legislative requirements for protection of personally identifiable information.
- Provide 99.99% of City of Chesapeake radio systems to Public Safety and other departmental users to promote a safe community.
- Develop and implement Service Level Agreements with stakeholders to maintain the value of the radio system thereby promoting its economic vitality.

Information Technology

111040

Performance Measures	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Administration:				
IT expenses per employee	\$3,151	\$2,929	\$2,858	-2.4%
IT employees as a % of total City employees	1.56%	1.59%	1.59%	0.0%
Run Grow Percent (Staff allocation of time)				
Run (Keep Lights On)	58.7%	58.7%	58.7%	0.0%
Grow (Upgrades)	22.0%	22.0%	22.0%	0.0%
Transform (New & Planning)	19.3%	19.3%	19.3%	0.0%
Enterprise Software Development:				
Request for service completed	91	42	22	-47.6%
Help desk requests resolved	803	535	268	-49.9%
in 24 hours or less (%)	68.0%	55.0%	55.0%	0.0%
in over 24 hours (%)	32.0%	45.0%	45.0%	0.0%
Enterprise Application Support:				
Help requests completed	2,337	2,400	2,463	2.6%
Systems Supported	23	25	25	0.0%
Updates and Patches applied	16	17	17	0.0%
Major upgrades and implementations	17	18	18	0.0%
Computer Operations:				
Avg. on-line trans. per day	85,034	90,500	90,500	0.0%
# of man hrs. per Help Desk call	0.23	0.85	0.35	-58.8%
Help Desk calls resolved in 24 hrs.	75.0%	90.0%	70.0%	-22.2%
Help Desk calls resolved over 24 hrs.	25.0%	30.0%	30.0%	0.0%
Tickets assigned to Help Desk staff	7,402	9,620	8,200	-14.8%
Tickets Created by Help Desk	26,865	32,000	28,700	-10.3%
# Phone calls answered by Help Desk	15,793	20,200	17,000	-15.8%
Network Support:				
# of network servers installed	300	400	750	87.5%
Internet Traffic (Terabytes-TB)	125	130	200	53.8%
SAN Storage Maintained (TB)	268	350	480	37.1%
Incoming E-mail from the Outside	15,038,000	17,000,000	17,500,000	2.9%
Outgoing E-mail to the Outside	1,968,000	2,500,000	2,100,000	-16.0%
Blocked E-mail	N/A	11,643,252	11,788,212	1.2%
Desktop Support:				
# of man hours per call	1.06	0.75	1.12	49.3%
% of calls resolved in 24 hours	70.0%	80.0%	73.0%	-8.8%
% of calls resolved over 24 hours	30.0%	27.0%	27.0%	0.0%
Calls to Client Technology	7,180	9,280	7,080	-23.7%

Information Technology

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Performance Measures Continued	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
GIS:				
# of GIS software apps. supported	15	16	17	6.3%
'Property Quick Search' visits (annually)	66,548	68,000	69,000	1.5%
E-Gov:				
Pages viewed on City website	4,255,977	4,500,000	4,725,000	5.0%
Unique visitors on City website	789,681	750,801	788,341	5.0%
Google Search of City website	186,803	186,803	196,143	5.0%
Granicus Service (City Council Meeting Viewing)				
Views on demand videos	26,353	26,353	27,671	5.0%
Views of live stream	9,367	9,367	9,835	5.0%
Radio System Maintenance & Admin:				
*Radio system call events	10,498,599	10,685,987	10,873,375	1.8%
*Radio system maintenance events	789	588	387	-34.2%
*Under service agreement				

Budget Highlights:

- The full amount of the 3% general wage increase effective October 1, 2014, has been included in salaries and wages. Benefits increased due to an increase in health insurance costs and the inclusion of Other Post Employment Benefits (OPEB) costs, which previously were not previously allocated to Internal Service Funds. For FY 15-16 this amount is \$174,063.
- Purchased services is increased due to the increased allowance for such purchases as repairs, advertising, and professional services.
- The FY14-15 budget included funding for portable handheld radios in the capital outlay line item. FY15-16 does not; hence, the decrease in the capital outlay category.
- FY 15-16 position changes for the department are as follows: Data Architect will be converted to a Business Analyst half way through the year, deleted one part-time Systems Analyst I, added one Software Quality Engineer I, deleted Special Project Quality Assurance Testing Analyst, moved Application Development Analyst II position from Enterprise Application Services (12509) to Enterprise Software Development (12511), deleted vacant Computer Operator II, added Network Engineer II, added Client Technologies Analyst I for Help Desk, and deleted one Client Technologies Analyst II.

Emerging Budget Issues

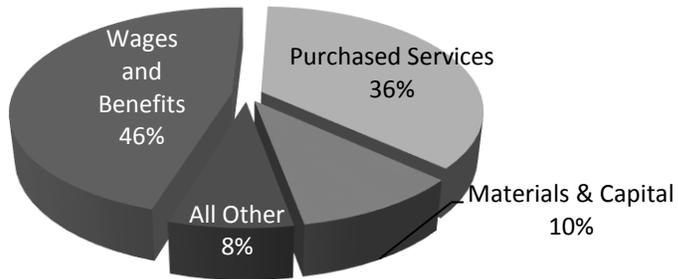
- Over the last several years the department has focused on improving the core infrastructure of the City's network. The next phase of the department's readiness will focus on the application portfolio and human capital to not only leverage the investments already implemented, but to grow the organization in order to meet the increasing demand of the digital economy by delivering accurate information in a timely manner with excellent customer service.

Information Technology

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Requirements:	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Salaries and wages	3,239,305	3,633,751	3,748,310	3.2%
Employee benefits	1,191,288	1,354,825	1,581,238	16.7%
Purchased services	3,491,710	3,851,311	4,173,510	8.4%
Other expenditures	881,110	788,548	880,009	11.6%
Materials	1,016,217	1,211,400	1,197,479	-1.1%
Capital outlay	912,342	500,000	-	-100.0%
Total Expenses/Requirements:	10,731,971	11,339,835	11,580,546	2.1%

FY 15-16 Budget by Expense Category



Information Technology

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Personnel:		FY 13-14	FY 14-15	FY 15-16	Change from
Grade	Positions	Budget	Budget	Budget	prior year
115	Office Coordinator	1.00	1.00	1.00	0.00
117	Computer Operator II	3.00	3.00	2.00	(1.00)
120	Online Content Coordinator	1.00	1.00	1.00	0.00
122	Client Technologies Analyst I	1.00	0.00	1.00	1.00
125	Webmaster	1.00	1.00	1.00	0.00
126	800 MHz Administrator	1.00	1.00	1.00	0.00
126	Applications Dev. Analyst II	1.00	1.00	1.00	0.00
126	Client Technologies Analyst II	6.00	7.00	6.00	(1.00)
126	Public Comm. Coordinator	1.00	1.00	1.00	0.00
127	GIS Analyst	2.00	2.00	2.00	0.00
128	Client Tech Analyst III	1.00	1.00	1.00	0.00
128	Quality Assurance Coordinator	1.00	1.00	1.00	0.00
129	Network Engineer I	1.00	1.00	1.00	0.00
129	Systems Analyst I	11.50	12.50	12.00	(0.50)
130	Fiscal Administrator	1.00	1.00	1.00	0.00
130	GIS Senior Analyst	1.00	1.00	1.00	0.00
130	Software Quality Engineer I	0.00	0.00	1.00	1.00
131	Data Architect	1.00	1.00	0.50	(0.50)
131	Network Engineer II	2.00	2.00	3.00	1.00
132	Systems Analyst II	4.00	4.00	4.00	0.00
132	Systems Software Programmer	2.00	2.00	2.00	0.00
133	Network Engineer III	1.00	1.00	1.00	0.00
133	Data Base Administrator	1.00	1.00	1.00	0.00
133	Systems Security Analyst	1.00	1.00	1.00	0.00
133	Business Analyst	0.00	0.00	0.50	0.50
134	GIS Administrator	1.00	1.00	1.00	0.00
134	Systems Analyst III	2.00	2.00	2.00	0.00
135	System Dev. Coordinator	1.00	1.00	1.00	0.00
136	Assistant Director of IT	1.00	1.00	1.00	0.00
143	Chief Information Officer	1.00	1.00	1.00	0.00
Unclass.	PT Interns	1.50	1.50	1.50	0.00
Unclass.	QA Testing Analyst (Special Proj.)	1.00	1.00	0.00	(1.00)
Unclass.	Software Engineer (Special Proj)	1.00	1.00	1.00	0.00
Total Department Personnel		56.00	57.00	56.50	(0.50)

Information Technology

111040

Operating Revenues by Fund	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
100 General Fund Operations				
General Fund Support	214,540	188,478	212,004	12.5%
Total Fund 100 Resources	214,540	188,478	212,004	12.5%
207 E-911 Operations				
Other Local Taxes	819,153	315,953	144,291	-54.3%
State Other Categorical Aid	1,230,857	1,236,373	1,373,571	11.1%
Total Revenues	2,050,010	1,552,326	1,517,862	
Transfers from other funds	18,296	-	-	0.00%
Use of Fund Balance	-	-	-	0.0%
Total Resources	2,068,306	1,552,326	1,517,862	-2.22%
Use of Resources				
Operations	1,415,392	1,263,678	1,460,961	15.6%
Contribution to Fund Balance	652,914	288,648	56,901	-80.3%
	2,068,306	1,552,326	1,517,862	-2.22%
603 Information Technology				
Use of Money and Property	236,423	190,000	200,000	5.3%
Miscellaneous Revenue	8,717,295	9,697,679	9,704,731	0.1%
Recovered Costs	1,601	0	0	0.0%
Total Revenues	8,955,319	9,887,679	9,904,731	0.2%
Transfers from other funds	-	-	-	0.00%
Use of Fund Balance	159,496	380,000	1,276,893	0.0%
Total Resources	9,114,815	10,267,679	11,181,624	8.90%
Use of Resources				
Operations	9,102,040	9,887,679	9,907,581	0.2%
Transfers to the General Fund	12,775	-	-	N/A
Transfers to Capital Projects	-	380,000	1,274,043	235.3%
Contribution to Fund Balance	-	-	-	N/A
	9,114,815	10,267,679	11,181,624	8.90%
Budget by Fund:	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
100 General Fund	214,540	188,478	212,004	12.5%
207 E-911 Operations	1,415,392	1,263,678	1,460,961	15.6%
603 Information Technology	9,102,040	9,887,679	9,907,581	0.2%
Total by Fund	10,731,971	11,339,835	11,580,546	2.1%

Non - Departmental

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Description:

The Non-departmental programs focus on City-wide expenses that are not related to a specific department. It also includes contingencies that will be allocated to departments as estimates are finalized or needs are identified.

- **Outside Agencies** includes City support for non-profit organizations providing services to citizens.
- **Regional Cooperation & Support** includes Real Estate tax relief for eligible elderly and disabled homeowners, as well as, dues and memberships in agencies promoting region-wide cooperation.
- **City-Wide Operations** includes costs that are not specific to a particular City department. Prior to FY 14-15 retiree health care and other post employment benefits (OPEB) were included as non-departmental costs. Starting in FY 14-15 both were allocated to the individual departments.
- **Contingencies** are included in the budget to address unforeseen demands or specific costs that are not well-defined during budget development. For FY 15-16 contingencies include transitional costs related to conversion of employee wages from current pay to arrears pay.
- **Emergency Event Contingency** provides immediate funding for materials, supplies, and overtime costs incurred during inclement weather or other declared emergencies.

Budget by Program	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
91300 Outside Agencies	308,477	327,940	331,019	0.9%
91311 Regional Cooperation & Support	6,300,836	6,651,215	6,507,452	-2.2%
91304 City-Wide Operations	14,460,173	4,265,217	3,654,916	-14.3%
91305 Airport Authority	272,287	279,426	273,000	-2.3%
91400 Contingencies	-	1,302,137	5,065,766	289.0%
91900 Emergency Event Contingency	-	325,000	325,000	0.0%
Total By Program	21,341,773	13,150,935	16,157,153	22.9%

Non - Departmental

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Outside Agencies	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Boards and Commissions				
Commission on Health and Well Being*	4,471	5,800	5,800	0.0%
Commission on Aging	-	2,250	2,250	0.0%
Mayor's Commission Veterans Affairs	-	360	360	0.0%
South Norfolk Revitalization	-	225	225	0.0%
Other Agencies				
Chesapeake Jubilee	-	-	-	
Chesapeake Arboretum	4,050	4,050	4,050	0.0%
Services and Grants				
Child Abuse Ctr of Hampton Roads	16,200	15,060	16,000	6.2%
Children's Harbor	5,500	-	3,750	N/A
CHIPS (Ches. Health Investment Program)	15,000	13,945	9,084	-34.9%
Comprehensive Plan for Children&Youth	-	9,410	-	-100.0%
Dwelling Place	5,500	-	-	0.0%
Endeppence Center (Tidewater)	15,000	13,945	28,000	100.8%
Foodbank -- Southeastern Virginia	10,350	9,620	15,000	55.9%
Free Clinic	142,500	128,250	142,500	11.1%
Help & Emergency Response	16,110	16,735	20,000	19.5%
Legal Aid Society of Eastern Virginia	4,500	4,180	4,500	7.7%
For Kids / Our House Families	-	36,000	45,000	25.0%
PARC Place	3,296	5,110	5,100	-0.2%
Tidewater Builders Assoc Academy	66,000	63,000	29,400	-53.3%
	308,477	327,940	331,019	0.9%

* Formerly Commission on AIDS Prevention and Substance Abuse

Non - Departmental

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Regional Cooperation and Support	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Real Estate Tax Relief	2,779,647	2,929,000	2,810,000	-4.1%
Transit Operating Agreement	2,336,778	2,458,500	2,423,000	-1.4%
Dues & Memberships				
Chamber of Commerce	8,700	8,700	8,700	0.0%
Clean Community System	14,203	14,203	15,118	6.4%
Hampton Roads Planning Commission	225,898	249,890	256,034	2.5%
Hampton Roads Partnership	-	15,210	15,210	0.0%
Local and Regional Community Development Funds				
Tidewater Community College	66,500	66,500	66,500	0.0%
Highway Safety Commission	573	1,500	1,500	0.0%
Hampton Roads Economic Dev. Alliance	213,798	216,997	219,042	0.9%
Eastern Virginia Medical School	81,670	81,670	83,303	2.0%
H. Rds. Military & Fed. Facilities Alliance	111,104	115,000	115,000	0.0%
Economic Develop Incentive Program	441,140	451,815	451,815	0.0%
Economic Development Authority	9,719	31,115	31,115	0.0%
Chesapeake Port Authority	11,106	11,115	11,115	0.0%
	6,300,836	6,651,215	6,507,452	-2.2%

Budget Highlights:

- Real estate tax relief is provided to elderly or disabled homeowners who meet eligibility requirements. It does not include tax exemptions granted to disabled veterans by the Virginia Constitution as these reduce the recognition of property tax revenue.
- The Transit operating agreement is the subsidy paid by the City for the transit bus routes within the City limits. The agreement with Hampton Roads Transit requires payments for operating and administrative costs that exceed the sum of fare collections and State and Federal reimbursements.
- The funding for the Economic Development Incentive Program comes from a dedicated portion of the tobacco tax revenue.
- The funding for the Economic Development Authority was increased to cover the entire external audit fee.

Non - Departmental

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City-Wide Operations	FY 13-14 Actual	FY 14-15 Budget	FY 15-16 Budget	Change from prior year
Equipment Leases - Fire Hydrants	921,390	921,390	1,021,390	10.9%
Stormwater Management Fees	317,357	306,000	350,000	14.4%
Enterprise Zone Reimbursement	-	7,000	-	-100.0%
Advocacy Services	138,000	-	-	0.0%
Line of Duty Benefits	572,079	666,650	642,000	-3.7%
Oak Grove Connector - Principal	1,435,000	1,505,000	1,585,000	5.3%
Oak Grove Connector - Interest	791,250	719,500	644,250	-10.5%
Oak Grove Connector - Debt Admin	-	2,000	2,000	0.0%
Risk Management Fund contingency	204,895	218,517	-	-100.0%
Environmental Protection Initiatives	301,121	559,160	229,050	-59.0%
Edinburgh Development Payments	334,742	380,000	450,000	18.4%
Retirement - Employee Benefits	2,965,533	-	1,226	N/A
Other Post Employee Benefits	7,528,807	-	-	0.0%
Overhead Allocation- Other Funds	(1,050,000)	(1,020,000)	(1,270,000)	24.5%
	15,510,173	5,285,217	4,924,916	-6.8%
Chesapeake Airport Authority	272,287	279,426	273,000	-2.3%
Total City-Wide Operations	15,782,460	5,564,643	5,197,916	-6.6%

Budget Highlights:

- Starting in FY 14-15, Retirement - Employee Benefits and Other Post Employee Benefits are included in each department's budget. The total for this cost for FY 2015-16 is budgeted at \$10.3 million and is stated at the expected Annual Required Contribution (ARC) for FY 2016. This total includes costs for several grant funded positions.
- Overhead allocations reflect the distribution of operating expenditures to other funds. Offsetting expenditures are included in some special revenue and enterprise funds.

Non - Departmental

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	FY 13-14	FY 14-15	FY 15-16	Change from
Contingencies	Actual	Budget	Budget	prior year
Council Contingency	-	5,000	5,000	0.0%
Salary Contingency	-	547,137	4,310,766	687.9%
Emergency Event Contingency	-	325,000	325,000	0.0%
Health Insurance Contingency	-	500,000	500,000	0.0%
City Operations Fund Contingency	-	250,000	250,000	0.0%
	-	1,627,137	5,390,766	231.3%

Budget Highlights:

- Funds are not usually paid directly from the Contingency, but rather moved to the appropriate department's expense line.
- Health Insurance and the Salary contingency are budgeted in contingencies until approved, then transferred to departments for actual expenditures.
- The salary contingency for FY 15-16 includes \$3.5 million to transition employee payroll from current pay to arrears pay. Currently there are two payroll cycles: weekly and semi-monthly. Weekly employees are paid in arrears, generally five to seven days after the last day of their pay cycle. However, semi-monthly employees are paid current rather than in arrears (on the 15th and 30th day of the month). The absence of a lag period increases the risk of overpayments and payroll errors when the paycheck is issued prior to the completion of the pay period.

In order to remedy the inefficiencies and error-prone payroll process, we propose to change payment practices of semi-monthly employees so that they are also paid in arrears. At this point, it is uncertain how or when the transition will occur. We are considering semi-monthly, weekly, and biweekly pay, but have not determined the appropriate course of action. What is clear is that we will need to advance a transitional payment to affected employees when the change occurs if employees are to be held harmless. We estimate transitional payments will total approximately \$3.5 million.

Operating Revenues	FY 13-14	FY 14-15	FY 15-16	Change from
Fund Resource	Actual	Budget	Budget	prior year
General Fund Support	21,341,773	13,150,935	16,157,153	22.9%

Budget by Fund:

100 General Fund	21,341,773	13,150,935	16,157,153	22.9%
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