

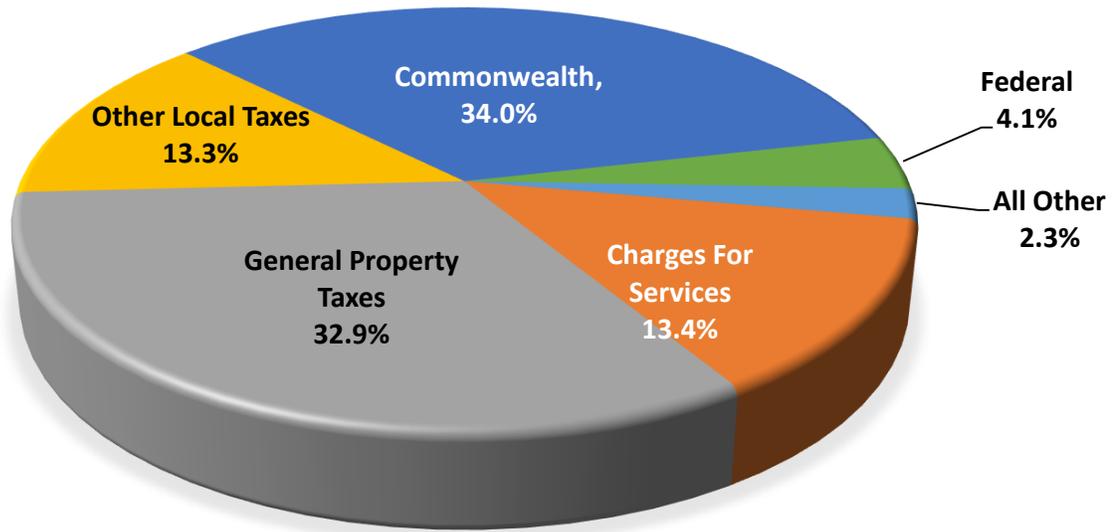
Operating Appropriation

<i>Annual appropriation and sources used to finance the operating budget.</i>		FY 2018-19
BEGINNING FUND BALANCES ⁽¹⁾	\$	399,695,917
REVENUES		
General Property Taxes	\$	353,019,700
Other Local Taxes		142,314,500
Charges for Services		144,127,147
Other Local Revenues		23,776,768
Revenue from the Commonwealth		365,009,790
Revenue from the Federal Government		44,381,985
Categorical Grant Awards		9,408,000
Total Revenue		1,082,037,890
TOTAL FUNDS AVAILABLE	\$	1,481,733,807
APPROPRIATIONS		
General Fund	\$	311,664,987
Special Revenue Funds		
Virginia Public Assistance		22,613,435
Interagency Consortium		3,996,861
Fee Supported Activities		1,286,762
Integrated Behavioral Healthcare		27,607,045
Conference Center & Tourism		4,536,850
E-911 Operations		8,797,617
Chesapeake Juvenile Services		7,580,657
Tax Increment Financing-Greenbrier		8,975,000
Tax Increment Financing-South Norfolk		25,000
City Wide Debt Fund		42,767,267
Enterprise Funds		
Public Utilities		65,383,045
Stormwater Management		11,863,128
Chesapeake Transportation System		26,194,432
Internal Service Funds (net of department billings)		
Central Fleet / City Garage		1,158,929
Information Technology		530,005
Risk Management		-
Health Insurance		4,992,300
Mosquito Control		4,473,681
Education		505,229,108
Categorical Grant Awards ⁽²⁾		9,408,000
Total Appropriations	\$	1,069,084,109
TRANSFERS to Capital and Grant Funds		52,808,638
Estimated Budgetary Savings		(9,117,000)
ENDING FUND BALANCE	\$	368,958,059

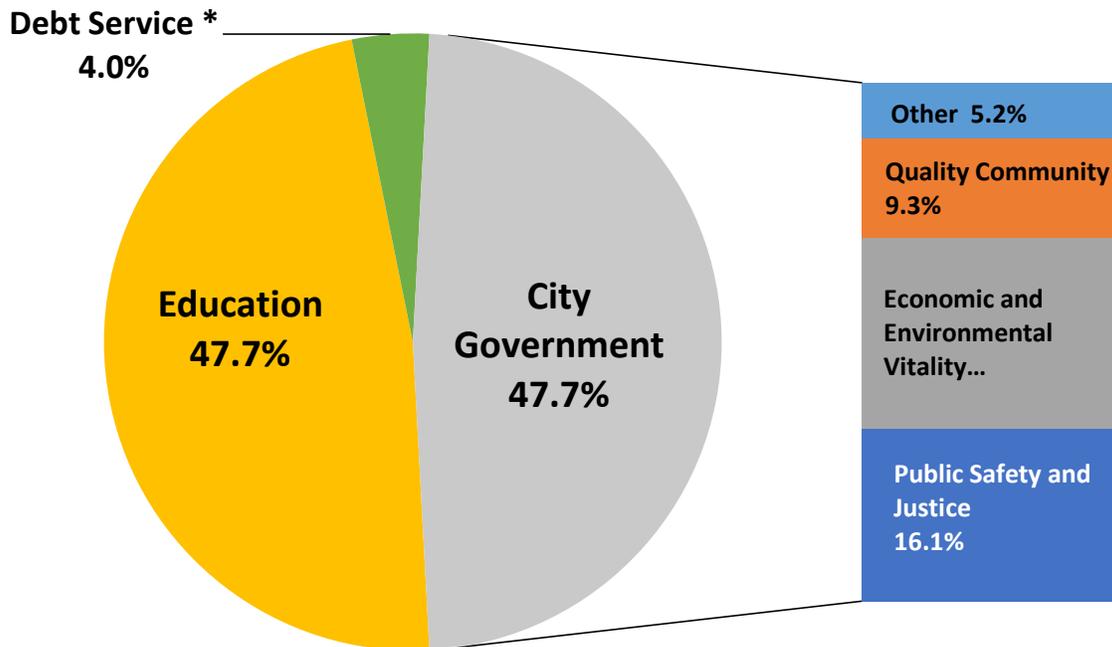
(1) Note that that the Budgetary Fund balance presented here differs from the Comprehensive Annual Report, as it is adjusted for encumbrances, treatment of assets, payments of debt, and related transactions.

(2) Recurring categorical grants are included in the operating budget appropriation and are detailed later in this section. However, categorical grants are not included in spending estimates for the annual operating budget, since grants typically span several years.

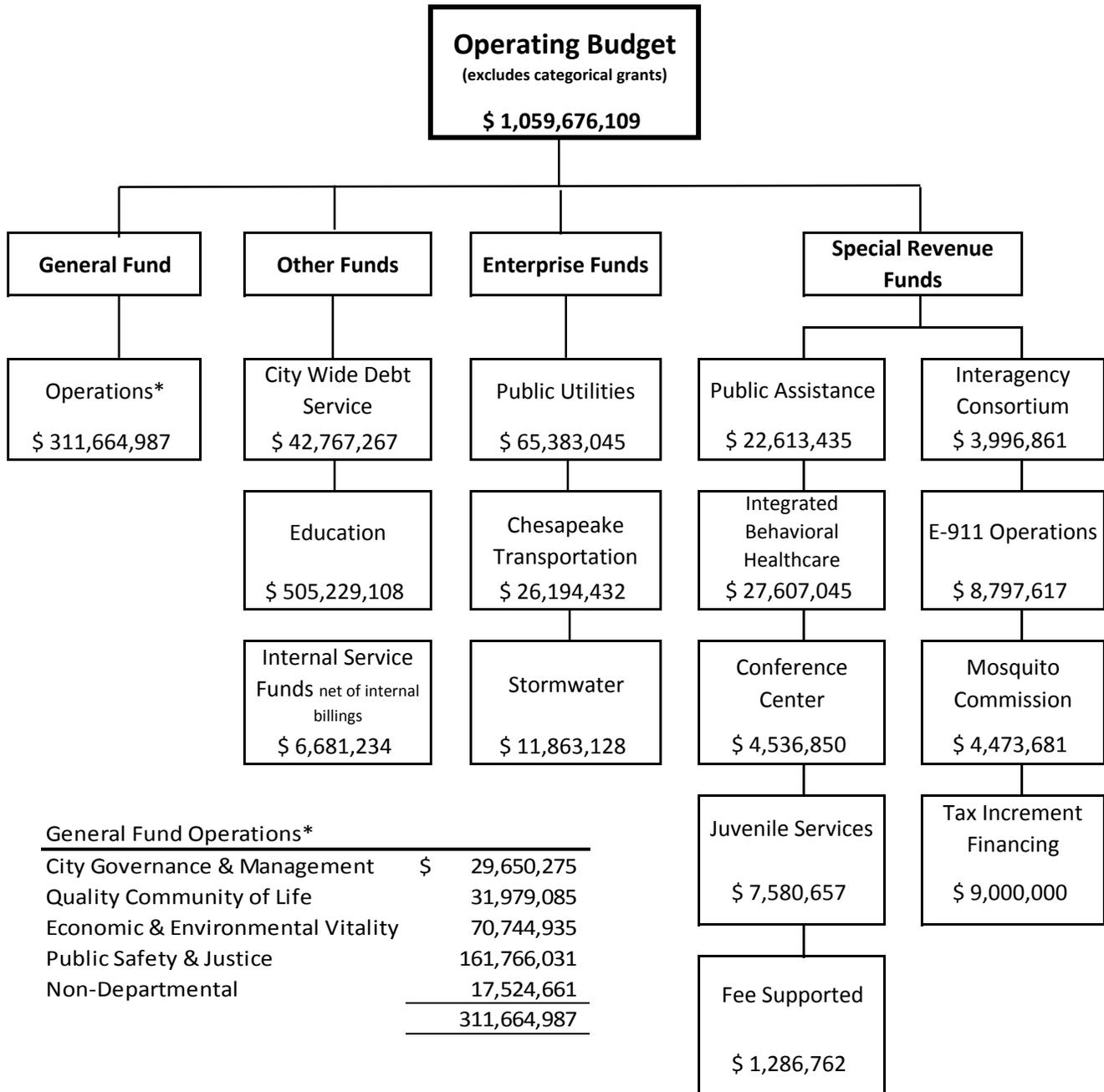
WHERE IS IT COMING FROM



WHERE IS IT GOING



* General government debt only, enterprise debt is included with Economic & Environmental



General Fund Operations*

City Governance & Management	\$ 29,650,275
Quality Community of Life	31,979,085
Economic & Environmental Vitality	70,744,935
Public Safety & Justice	161,766,031
Non-Departmental	17,524,661
	<u>311,664,987</u>

RESOURCES AND REQUIREMENTS (Operating Funds excluding City Categorical Grants)

	General Fund	Special Revenue	Enterprise Funds	Debt Fund	School Fund	Internal Service	Interfund Transactions	FY 2018-19 Budget
Budgetary Beginning Fund Balance July 1, 2018	200,376,919	50,580,557	109,723,517	12,198,286	23,835,352	2,981,285		399,695,916
REVENUE								
Property taxes	334,051,416	18,968,284						353,019,700
Other Local Taxes	133,315,002	8,999,498	-					142,314,500
Permits and Fees	2,683,893	212,000	362,800		-			3,258,693
Fines and Forfeitures	2,324,500	593,653	-		-			2,918,153
Interest and Rents	2,038,396	261,324	1,878,897	54,889	1,334,021	51,826		5,619,353
Charges for Services	13,127,741	10,432,661	115,669,737		4,897,009	1,066,475	(1,066,476)	144,127,147
Miscellaneous	539,626	1,682,035	99,000	453,191	1,058,135	81,609,336	(74,983,144)	10,458,179
Recoveries & Rebates	-	1,522,390	-		-	-	-	1,522,390
State Noncategorical Assist.	31,130,507	-	-		-			31,130,507
State Assistance-Shared Costs	15,309,981	-	-		-			15,309,981
State Categorical Assistance	45,446,236	19,699,779	-		253,423,287			318,569,302
Federal Assistance	46,400	10,840,190	577,492	872,357	32,045,546			44,381,985
Total Revenue	580,013,698	73,211,814	118,587,926	1,380,437	292,757,998	82,727,637	(76,049,620)	1,072,629,890
Interfund Transfers In	5,463,300	20,837,383	-	37,386,710	204,813,500	-	(268,500,893)	-
AVAILABLE RESOURCES	785,853,917	144,629,754	228,311,443	50,965,433	521,406,850	85,708,922	(344,550,513)	1,472,325,806
EXPENDITURES								
City Governance and Management								
Elected or Appointed Officials:								
City Council, Office of Mayor	429,026							429,026
City Manager	1,935,320							1,935,320
City Attorney	2,653,477					200,000	(200,000)	2,653,477
City Auditor	870,176							870,176
City Clerk	595,770							595,770
City Treasurer	5,841,127							5,841,127
Board of Elections	1,202,388							1,202,388
Commissioner of Revenue	3,979,584							3,979,584
Real Estate Assessor	2,760,535							2,760,535
Other City Departments:								
Budget	762,536							762,536
Customer Contact Center	942,290							942,290
Finance	2,694,277							2,694,277
Human Resources	2,519,746							2,519,746
Public Communications	1,429,656							1,429,656
Purchasing Department	1,034,367							1,034,367
Subtotal	29,650,275	-	-	-	-	200,000	(200,000)	29,650,275

RESOURCES AND REQUIREMENTS (Operating Funds excluding City Categorical Grants)

	General Fund	Special Revenue	Enterprise Funds	Debt Fund	School Fund	Internal Service	Interfund Transactions	FY 2018-19 Budget
Quality Community of Life								
Integrated Behavioral Health	-	27,607,045						27,607,045
Health Department	2,793,442							2,793,442
Human Services								-
Community Programs	1,386,966							1,386,966
Interagency Consortium		3,996,861						3,996,861
Juvenile Services		7,580,657						7,580,657
Social Services		22,613,435						22,613,435
Libraries	10,199,254							10,199,254
Mosquito Control Commisn		4,473,681						4,473,681
Parks, Recreation & Tourism	17,599,423	-						17,599,423
Subtotal	31,979,085	66,271,679	-	-	-	-	-	98,250,764
Economic and Environmental Vitality								
Agriculture	429,644							429,644
Conference Center & Tourism	-	4,536,850						4,536,850
Development and Permits	7,530,425	236,125						7,766,550
Economic Development	1,968,203							1,968,203
Planning & Plan Commission	2,655,917							2,655,917
Public Utilities			65,383,045					65,383,045
Public Works	58,160,746		38,057,560					96,218,306
Tax Increment Financing		9,000,000						9,000,000
Subtotal	70,744,935	13,772,975	103,440,605	-	-	-	-	187,958,515
Chesapeake Public Schools					505,229,108		-	505,229,108
Public Safety and Justice								
Fire	49,106,131	460,047						49,566,178
Police	52,859,840	7,860,808						60,720,648
Sheriff	50,762,646					1,066,982	(1,066,476)	50,763,152
Courts	1,584,884							1,584,884
Circuit Court Clerk	2,508,617							2,508,617
Commonwealth's Attorney	4,943,913							4,943,913
Subtotal	161,766,031	8,320,855	-	-	-	1,066,982	(1,066,476)	170,087,392
Other Expenditures:								
Debt Services				42,767,267				42,767,267
Central Fleet/City Garage	-					17,476,299	(16,317,370)	1,158,929
Information Technology	290,715	1,527,399				13,484,005	(12,954,506)	2,347,613
Risk Management						10,259,068	(10,259,068)	-
Health Care						40,244,500	(35,252,200)	4,992,300
Non Departmental Items	17,233,946							17,233,946
Subtotal	17,524,661	1,527,399	-	42,767,267	-	81,463,872	(74,783,144)	68,500,055
Total Expenditures	311,664,987	89,892,908	103,440,605	42,767,267	505,229,108	82,730,854	(76,049,620)	1,059,676,109
Transfers to Other Funds								
Interfund Transfers Out	55,391,530	8,295,863					(63,687,393)	-
Transfer to Schools	204,813,500						(204,813,500)	-
Transfer to Capital & Grant Funds	27,588,251	3,132,387	21,093,000			995,000		52,808,638
Total Expenses and Transfers	599,458,268	101,321,158	124,533,605	42,767,267	505,229,108	83,725,854	(344,550,513)	1,112,484,747
Expected Budgetary Savings	9,117,000							9,117,000
Estimated Ending Fund Balance June 30, 2019	195,512,649	43,308,596	103,777,838	8,198,166	16,177,742	1,983,068	-	368,958,059

Summary Statement of Revenue & Expenditures (all funds)

	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year	
Revenue:					
General Property Taxes	\$ 325,401,792	\$ 336,067,100	\$ 353,019,700	\$ 16,952,600	5.0%
Other Local Taxes	137,474,950	139,105,400	142,314,500	3,209,100	2.3%
Permits, Privilege & License Fees	3,291,256	3,299,416	3,258,693	(40,723)	-1.2%
Fines and Forfeitures	2,733,659	2,840,216	2,918,153	77,937	2.7%
Interest and Rent	6,584,273	4,991,965	5,619,353	627,388	12.6%
Charges for Services	132,755,259	143,766,464	144,127,147	360,683	0.3%
Miscellaneous Revenue	9,735,256	10,684,490	10,458,179	(226,311)	-2.1%
Recovered Costs	2,831,741	1,673,920	1,522,390	(151,530)	-9.1%
State Noncategorical Aid	31,045,198	31,123,200	31,130,507	7,307	0.0%
State Shared Expenses	13,710,270	14,467,562	15,309,981	842,419	5.8%
Other State Categorical Aid	295,153,263	308,430,824	318,569,302	10,138,478	3.3%
Federal Aid	42,339,728	43,024,358	44,381,985	1,357,627	3.2%
Total Revenues	\$ 1,003,056,645	\$ 1,039,474,915	\$ 1,072,629,890	\$ 33,154,975	3.2%
Expenditures:					
Governance and Management	\$ 24,304,461	\$ 27,959,137	\$ 29,650,275	\$ 1,691,138	6.0%
Quality Community of Life	82,904,366	95,203,596	98,250,764	3,047,168	3.2%
Economic/Environmental Vitality	155,184,106	178,607,855	187,958,515	9,350,660	5.2%
Education	453,019,541	488,688,890	505,229,108	16,540,218	3.4%
Public Safety and Justice	146,173,677	159,951,293	170,087,392	10,136,099	6.3%
Debt Service Fund	34,658,650	41,937,225	42,767,267	830,042	2.0%
Non-Departmental	19,800,807	22,273,235	25,732,788	3,459,553	15.5%
Total Expenditures	\$ 916,045,607	\$ 1,014,621,231	\$ 1,059,676,109	\$ 45,054,878	4.4%
Transfers to Capital and Grant Funds	91,684,023	59,020,231	52,808,638	(6,211,593)	-10.5%
Total Expenditures and Transfers to Other Funds	\$ 1,007,729,631	\$ 1,073,641,462	\$ 1,112,484,747	\$ 38,843,285	3.6%

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Statement of Revenue and Expenditures by Fund

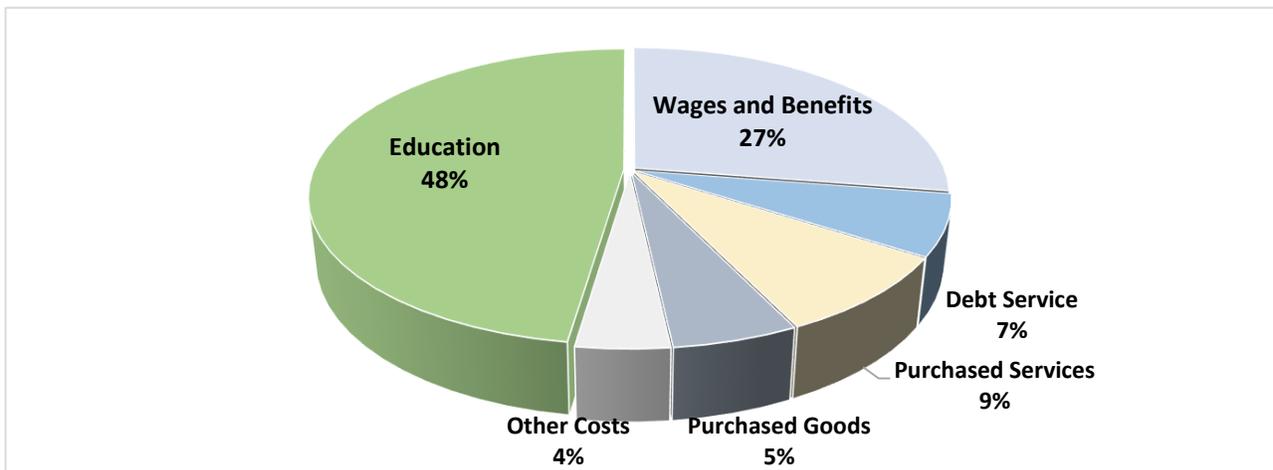
Revenue:	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year	
General Fund	\$ 552,414,418	\$ 559,106,980	\$ 580,013,698	\$ 20,906,718	3.7%
Special Revenue Funds					
Virginia Public Assistance	14,056,422	14,136,371	14,393,747	257,376	1.8%
Interagency Consortium	2,214,554	2,249,815	2,631,351	381,536	17.0%
Fee Supported Activities	1,065,229	1,064,116	1,210,653	146,537	13.8%
Integrated Behav. Healthcare	16,685,800	19,021,980	19,155,688	133,708	0.7%
Conference Center & Tourism	5,403,117	6,088,293	6,128,417	40,124	0.7%
E-911 Operations	6,361,370	6,272,998	5,947,390	(325,608)	-5.2%
Chesapeake Juvenile Services	4,982,882	4,702,388	4,776,284	73,896	1.6%
TIF-Greenbrier	6,482,573	7,282,400	9,120,000	1,837,600	25.2%
TIF-South Norfolk	4,368,528	4,683,700	5,061,000	377,300	8.1%
City Wide Debt Fund	1,266,147	1,306,308	1,380,437	74,129	5.7%
Enterprise Funds					
Public Utilities	77,115,727	78,916,555	75,752,800	(3,163,755)	-4.0%
Stormwater Management	16,402,206	16,129,416	16,484,457	355,041	2.2%
Chesapeake Transportation	17,790,843	23,348,380	26,350,669	3,002,289	12.9%
Internal Service Funds					
Central Fleet/City Garage	15,945,144	16,535,607	18,540,174	2,004,567	12.1%
Information Technology	9,811,473	11,283,397	13,483,895	2,200,498	19.5%
Risk Management	7,915,924	9,586,694	10,459,068	872,374	9.1%
Health Insurance Fund	35,729,270	40,570,000	40,244,500	(325,500)	-0.8%
Less Internal Service Fund billings to City Departments	(61,717,366)	(71,086,868)	(76,049,620)	(4,962,752)	7.0%
Other Funds					
Open Space and Agricultural Preservation	271,284	271,284	271,284	-	0.0%
Mosquito Control	4,396,246	4,381,400	4,516,000	134,600	3.1%
Education	264,094,853	283,623,701	292,757,998	9,134,297	3.2%
Total Revenue	\$ 1,003,056,645	\$ 1,039,474,915	\$ 1,072,629,890	\$ 33,154,975	3.2%

Statement of Revenue and Expenditures by Fund

Expenditures:	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year	
General Fund	\$ 271,434,931	\$ 296,260,087	\$ 311,664,987	\$ 15,404,900	5.2%
Special Revenue Funds					
Virginia Public Assistance	19,656,263	21,904,308	22,613,435	709,127	3.2%
Interagency Consortium	3,949,137	3,959,826	3,996,861	37,035	0.9%
Fee Supported Activies	800,632	1,064,693	1,286,762	222,069	20.9%
Integrated Behavioral Healthcare	22,808,757	27,268,697	27,607,045	338,348	1.2%
Conference Center & Tourism	3,468,247	4,305,626	4,536,850	231,224	5.4%
E-911 Operations	6,095,296	6,812,529	8,797,617	1,985,088	29.1%
Chesapeake Juvenile Services	6,258,089	7,205,353	7,580,657	375,304	5.2%
TIF-Greenbrier	-	3,000	8,975,000	8,972,000	299066.7%
Open Space and Agricultural Preservation	-	-	-	-	-
TIF-South Norfolk	250	25,000	25,000	-	0.0%
City Wide Debt Fund	34,658,650	41,937,225	42,767,267	830,042	2.0%
Enterprise Funds					
Public Utilities	61,725,276	65,829,862	65,383,045	(446,817)	-0.7%
Stormwater Management	9,743,842	11,094,647	11,863,128	768,481	6.9%
Ches. Transportation System	11,877,852	25,390,770	26,194,432	803,662	3.2%
Internal Service Funds					
Central Fleet/City Garage	15,258,584	18,035,607	18,543,281	507,674	2.8%
Information Technology	9,957,227	11,283,397	13,484,005	2,200,608	19.5%
Risk Management	7,730,332	9,586,694	10,459,068	872,374	9.1%
Health Insurance Fund	35,143,960	40,570,000	40,244,500	(325,500)	-0.8%
Less Internal Service fund billings to City departments	(61,717,366)	(71,086,868)	(76,049,620)	(4,962,752)	7.0%
Mosquito Control	4,176,121	4,481,888	4,473,681	(8,207)	-0.2%
Education	453,019,541	488,688,890	505,229,108	16,540,218	3.4%
Total Expenditures	\$ 916,045,607	\$ 1,014,621,231	\$ 1,059,676,109	\$ 45,054,878	4.4%
Transfers to Capital and Grant Funds	91,684,023	59,020,231	52,808,638	(6,211,593)	-10.5%
Total Expenditures and Transfers	\$ 1,007,729,630	\$ 1,073,641,462	\$ 1,112,484,747	\$ 38,843,285	3.6%

Summary Statement of Expenditures by Account Type (all funds)

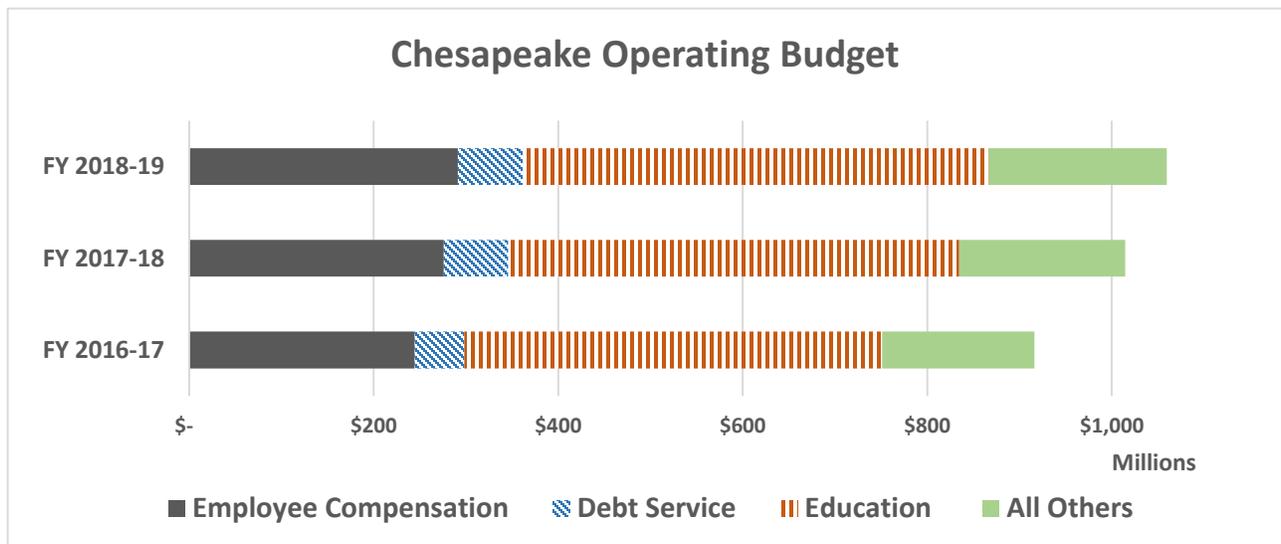
	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year	
Expenditures:					
Employee compensation					
Wages and salaries	\$ 174,506,904	\$ 192,234,421	\$ 198,662,770	6,428,349	3.3%
Employee benefits	69,978,747	83,697,595	92,544,697	8,847,102	10.6%
Subtotal	\$ 244,485,650	\$ 275,932,016	\$ 291,207,467	15,275,451	5.5%
Debt service	53,795,570	69,922,804	70,481,017	558,213	0.8%
Purchased services					
Repairs and maintenance	17,739,247	21,688,996	21,270,058	(418,938)	-1.9%
Regional jail payments	5,931,450	6,022,500	6,387,500	365,000	6.1%
Waste disposal costs	13,311,154	12,449,450	9,912,029	(2,537,421)	-20.4%
Other purchased services	32,646,429	36,205,252	38,070,594	1,865,342	5.2%
Casualty losses	2,587,901	2,041,227	601,949	(1,439,278)	-70.5%
Other expenditures	23,781,359	26,755,478	42,307,558	15,552,080	58.1%
Materials and other goods	18,700,270	21,537,514	22,303,048	765,534	3.6%
Utilities and communications	12,316,596	13,650,914	13,944,787	293,873	2.2%
Vehicle fuel purchases	2,660,707	3,889,858	4,033,188	143,330	3.7%
Water purchases	18,910,243	19,416,400	16,991,435	(2,424,965)	-12.5%
Medical service payments	2,296,825	2,707,073	2,380,931	(326,142)	-12.0%
Capital outlays	13,862,665	13,712,859	14,555,440	842,581	6.1%
Chesapeake Schools	453,019,541	488,688,890	505,229,108	16,540,218	3.4%
Total Expenditures	\$ 916,045,607	\$ 1,014,621,231	\$ 1,059,676,109	\$ 45,054,878	4.4%



Summary Statement of Expenditures by Account Type (all funds)

Explanation of significant changes between FY 2018 and FY 2019

- Employee salaries and wages - the FY 18-19 budget includes a 2.5% general wage increase effective in July, along with new positions (list of new positions appears on page B-29). Also, a performance pay raise for exceptional performance is continued in the FY 2019 budget.
- Employee benefits are increasing as a result of increases in costs for retirement, worker' compensation, and healthcare costs. Pay raises and the addition of new positions also contribute to the budget increase.
- The increase in debt service is caused by the issuance of debt required for the capital improvement program.
- Waste disposal costs are decreasing because of a reduction in the tipping fees charged by the regional waste disposal authority. Fees drop from \$125 to \$65 in January 2018.
- Regional Jail Authority - payments for inmates housed at the regional jail will increase from \$66 per inmate per day to \$70 per inmate per day starting July 2018.
- Other Purchased Services - Significant increases are :
 - (1) Technology - reinstatement of main frame requires fees for off site hosting.
 - (2) Public Works - storm water repair contracts and toll road processing fees.
 - (3) Police Department - fees for accelerated collections related to Photo Red (intersection safety).
 - (4) Sheriff - inmate food and medical care.
- Casualty losses - increases in worker' compensation charges (employee benefits) offset the reduction in casualty losses during FY 2018-19.
- Water Purchases - the city negotiated a new water contract with the City of Portsmouth. The new contract extended the term and lowered minimum quantities as well as the unit cost of finished water.
- Other Expenditures - increased costs of technology for licenses and support have increased by \$1.9 million.



Summary Statement of Revenue & Expenditures - General Fund

	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year	
Budgetary Fund Balance	\$ 183,442,836	\$ 203,092,810	\$ 200,376,919	\$ (2,715,891)	-1.3%
Revenue:					
General Property Taxes	\$ 310,181,000	\$ 319,448,316	\$ 334,051,416	\$ 14,603,100	4.6%
Other Local Taxes	128,669,787	130,215,802	133,315,002	3,099,200	2.4%
Permits, Privilege & License Fees	2,633,317	2,889,900	2,683,893	(206,007)	-7.1%
Fines and Forfeitures	2,324,124	2,408,000	2,324,500	(83,500)	-3.5%
Interest & Rents	1,893,144	1,620,700	2,038,396	417,696	25.8%
Charges for Services	13,054,200	12,674,900	13,127,741	452,841	3.6%
Miscellaneous Revenue	673,998	551,100	539,626	(11,474)	-2.1%
Recovered Costs	296,327	110,300	-	(110,300)	-100.0%
State Noncategorical Aid	31,045,198	31,123,200	31,130,507	7,307	0.0%
State Shared Expenses	13,710,270	14,467,562	15,309,981	842,419	5.8%
Other State Categorical Aid	47,785,037	43,551,000	45,446,236	1,895,236	4.4%
Federal Noncategorical Aid	148,016	46,200	46,400	200	0.4%
Total Revenue	\$ 552,414,418	\$ 559,106,980	\$ 580,013,698	\$ 20,906,718	3.7%
Transfers from other funds	4,016,054	3,845,060	5,463,300	1,618,240	42.1%
Total Funds Available	\$ 739,873,308	\$ 766,044,850	\$ 785,853,917	19,809,067	2.6%
Expenditures:					
Governance & Management					
<i>Elected or Appointed Officials:</i>					
City Council and Mayor	\$ 361,527	\$ 391,203	\$ 429,026	\$ 37,823	9.7%
City Manager	1,638,435	1,843,524	1,935,320	91,796	5.0%
City Attorney	2,022,791	2,525,475	2,653,477	128,002	5.1%
City Auditor	797,671	838,085	870,176	32,091	3.8%
City Clerk	513,766	579,373	595,770	16,397	2.8%
City Treasurer	4,222,127	5,299,824	5,841,127	541,303	10.2%
Registrar/Elections	1,288,383	1,231,961	1,202,388	(29,573)	-2.4%
Commission of the Revenue	3,520,499	3,745,992	3,979,584	233,592	6.2%
Real Estate Assessor	2,209,261	2,553,371	2,760,535	207,164	8.1%
<i>Other City Departments:</i>					
Budget	676,961	695,834	762,536	66,702	9.6%
Customer Contact Center	751,270	888,209	942,290	54,081	6.1%
Finance	2,275,398	2,750,746	2,694,277	(56,469)	-2.1%
Human Resources	2,150,577	2,353,324	2,519,746	166,422	7.1%
Public Communications	1,181,125	1,304,653	1,429,656	125,003	9.6%
Purchasing	681,137	957,563	1,034,367	76,804	8.0%
	\$ 24,290,929	\$ 27,959,137	\$ 29,650,275	\$ 1,691,138	6.0%

Summary Statement of Revenue & Expenditures - General Fund

	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year	
Quality Community of Life					
Community Programs	\$ 988,125	\$ 1,143,561	\$ 1,386,966	\$ 243,405	21.3%
Health Department	2,738,381	2,641,400	2,793,442	152,042	5.8%
Libraries	8,299,645	9,569,125	10,199,254	630,129	6.6%
Parks & Recreation	14,029,848	17,029,438	17,599,423	569,985	3.3%
	\$ 26,056,000	\$ 30,383,524	\$ 31,979,085	\$ 1,595,561	5.3%
Economic & Environmental Vitality					
Agriculture	\$ 412,997	\$ 419,968	\$ 429,644	\$ 9,676	2.3%
Development & Permits	6,131,081	6,939,964	7,530,425	590,461	8.5%
Economic Development	1,654,018	1,811,244	1,968,203	156,959	8.7%
Planning	1,977,387	2,390,997	2,587,304	196,307	8.2%
Planning Commission	46,196	247,228	68,613	(178,615)	-72.2%
Public Works	58,083,890	59,886,249	58,160,746	(1,725,503)	-2.9%
	\$ 68,305,569	\$ 71,695,650	\$ 70,744,935	\$ (950,715)	-1.3%
Public Safety & Justice					
Police	\$ 46,220,017	\$ 50,059,447	\$ 52,859,840	\$ 2,800,393	5.6%
Fire	43,754,683	47,642,143	49,106,131	1,463,988	3.1%
Sheriff	43,039,960	47,263,491	50,762,646	3,499,155	7.4%
Circuit Court	670,990	682,499	721,434	38,935	5.7%
Circuit Court Clerk	2,102,241	2,499,689	2,508,617	8,928	0.4%
General District Court	268,836	330,437	334,939	4,502	1.4%
Magistrate	57,065	73,301	77,183	3,882	5.3%
Juvenile & Domestic Relations Court	117,149	113,627	118,232	4,605	4.1%
Commonwealth's Attorney	4,336,087	4,703,284	4,943,913	240,629	5.1%
Court Services Unit	260,671	341,473	333,096	(8,377)	-2.5%
	\$ 140,827,699	\$ 153,709,391	\$ 161,766,031	\$ 8,056,640	5.2%
Non-Departmental					
Information Technology	\$ 190,395	\$ 259,491	\$ 290,715	\$ 31,224	12.0%
Non-Departmental (incl Emergency contingency)	11,764,338	12,252,894	17,233,946	4,981,052	40.7%
	\$ 11,954,733	\$ 12,512,385	\$ 17,524,661	\$ 5,012,276	40.1%

Summary Statement of Revenue & Expenditures - General Fund

	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year	
Total Operating Expenses	\$ 271,434,931	\$ 296,260,087	\$ 311,664,987	\$ 15,404,900	5.2%
Transfer to Other Funds					
Education	\$ 190,326,834	\$ 199,716,509	\$ 204,813,500	\$ 5,096,991	2.6%
Virginia Public Assistance	6,046,135	5,858,549	6,706,628	848,079	14.5%
Interagency Consortium	1,419,507	1,460,011	1,285,510	(174,501)	-12.0%
E-911 Fund	80,229	6,458	2,850,227	2,843,769	44034.8%
Integrated Behav. Healthcare	\$ 8,134,875	\$ 7,533,867	\$ 7,940,645	\$ 406,778	5.4%
Chesapeake Juvenile Services	1,557,674	1,484,574	2,054,373	569,799	38.4%
Debt Service Fund	25,754,629	33,804,440	34,554,147	749,707	2.2%
Central Fleet	37,976	1,500,000	-	(1,500,000)	-100.0%
Information Technology	\$ 283,810	\$ -	\$ -	\$ -	
Risk Management	9,415	-	-	-	
Grants Fund	187,747	15,300	14,800	(500)	-3.3%
Transfer to Capital Projects	23,549,246	20,187,636	20,573,451	385,815	1.9%
Transfer to Schools Capital	8,946,135	6,580,500	7,000,000	419,500	6.4%
Subtotal Transfers	\$ 266,334,211	\$ 278,147,844	\$ 287,793,281	\$ 9,645,437	3.5%
Total Expenditures & Transfers	\$ 537,769,142	\$ 574,407,931	\$ 599,458,267	\$ 25,050,336	4.4%
Non-budget transactions	988,643	-	-	-	
Expected Budgetary Savings	-	8,740,000	9,117,000	377,000	4.3%
Projected Ending Fund Balance	\$ 203,092,810	\$ 200,376,919	\$ 195,512,649	\$ (4,864,270)	-2.4%

Composition of Education Transfers

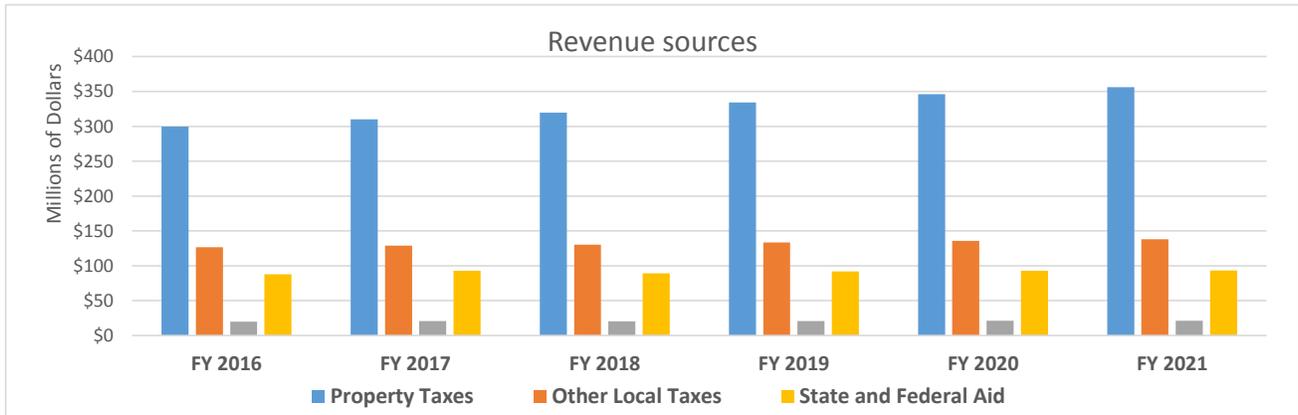
Revenue sharing formula	\$ 187,623,000	\$ 194,522,000	\$ 202,491,000	\$ 7,969,000	4.1%
Revenue sharing true-up	12,000	2,883,000	1,262,000	(1,621,000)	-56.2%
Current year reversion	1,691,834	1,311,509	60,500	(1,251,009)	-95.4%
Greenbrier TIF	1,000,000	1,000,000	1,000,000	-	0.0%
From School Lockbox	-	-	-	-	
Total	\$ 190,326,834	\$ 199,716,509	\$ 204,813,500	\$ 5,096,991	2.6%

Budget Projections FY 2019 - 2021: General Fund

Amounts in thousands	Actual Results		Budget		Projections	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	2	3	4	5	6	7
RECAP OF REVENUE, EXPENDITURES, AND FUND BALANCES						
Beginning Fund Balances (budgetary basis)	\$ 154,929	\$ 184,447	\$ 203,093	\$ 200,377	\$ 195,514	\$ 191,924
Revenue	534,055	552,413	559,107	580,014	595,325	609,414
Transfers from other funds	4,611	4,016	3,845	5,463	5,963	6,463
Accounting entries-no budget impact	149	(18)				
Funds available	\$ 693,743	\$ 740,858	\$ 766,045	\$ 785,854	\$ 796,801	\$ 807,800
Expenditures	\$ 260,879	\$ 271,435	\$ 296,260	\$ 311,665	\$ 317,341	\$ 325,243
Transfers to Chesapeake Schools	181,910	190,266	199,717	204,813	209,402	216,723
Transfers to Capital Funds	16,946	32,495	26,768	27,573	27,603	19,844
Transfers to Other Funds	49,561	43,568	51,663	55,406	59,960	65,980
Anticipated budget savings	-	-	(8,740)	(9,117)	(9,428)	(9,727)
Total expenditures and transfers	\$ 509,297	\$ 537,765	\$ 565,668	\$ 590,340	\$ 604,878	\$ 618,063
Ending Fund Balances	\$ 184,447	\$ 203,093	\$ 200,377	\$ 195,514	\$ 191,924	\$ 189,737

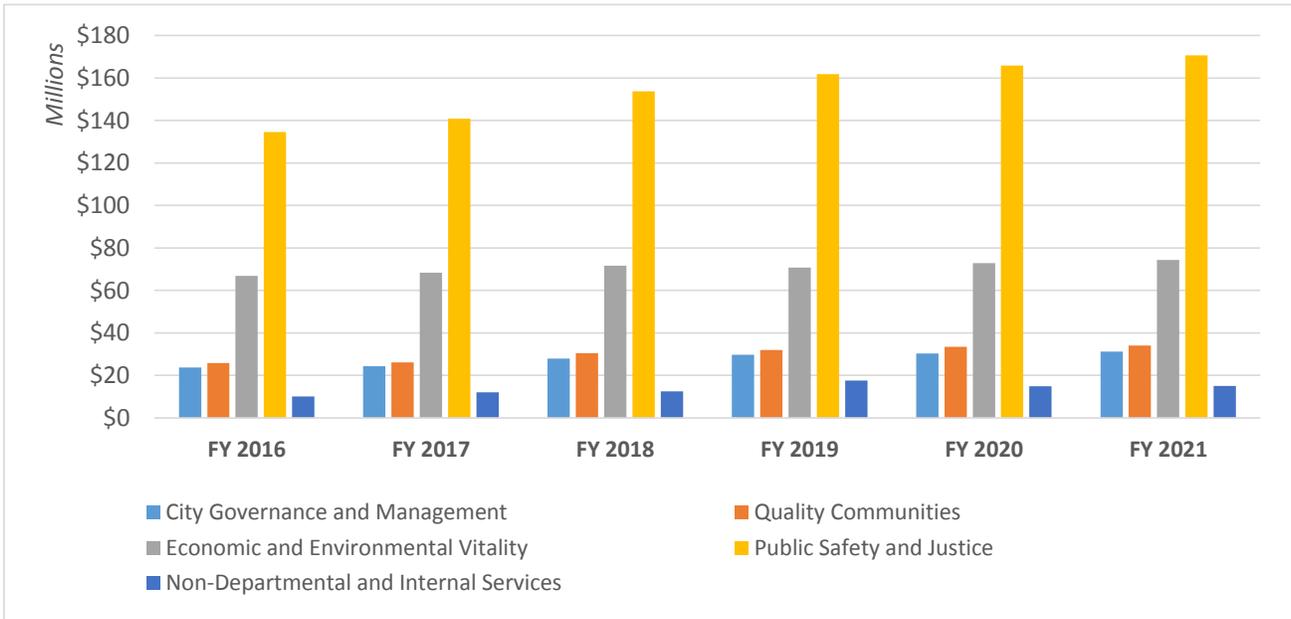
REVENUE

General Property Taxes	\$ 299,631	\$ 310,181	\$ 319,448	\$ 334,051	\$ 346,064	\$ 356,330
Other Local Taxes	126,765	128,670	130,216	133,315	135,518	138,228
Permits, Privilege & License Fees	2,755	2,633	2,890	2,684	2,731	2,779
Fines and Forfeitures	2,498	2,324	2,408	2,325	2,325	2,325
Interest & Rents	1,788	1,893	1,621	2,038	2,063	2,088
Charges for Services	11,585	13,054	12,675	13,128	13,371	13,617
Miscellaneous Revenue	842	674	551	540	543	543
Recovered Costs	543	296	110	-	-	-
State Noncategorical Aid	31,096	31,045	31,123	31,131	31,175	31,221
State Shared Expenses	13,674	13,710	14,468	15,310	15,309	15,309
Other State Categorical Aid	42,744	47,785	43,551	45,446	46,180	46,928
Federal Aid	134	148	46	46	46	46
Total Revenues	\$ 534,055	\$ 552,413	\$ 559,107	\$ 580,014	\$ 595,325	\$ 609,414



Budget Projections FY 2019 - 2021: General Fund

<i>Amounts in thousands</i>	Actual Expended		Budget		Projections	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
EXPENDITURES						
City Governance and Management	\$ 23,673	\$ 24,291	\$ 27,959	\$ 29,645	\$ 30,347	\$ 31,123
Quality Communities	25,843	26,056	30,384	31,978	33,425	34,045
Economic and Environmental Vitality	66,831	68,306	71,696	70,742	72,773	74,411
Public Safety and Justice	134,492	140,828	153,709	161,764	165,902	170,697
Non-Departmental and Internal Services	10,041	11,955	12,512	17,537	14,894	14,969
Total Expenditures	\$ 260,879	\$ 271,435	\$ 296,260	\$ 311,665	\$ 317,341	\$ 325,243



Percentage of Total Expenditures	Actual Expended		Budget		Projections	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
City Governance and Management	9.1%	8.9%	9.4%	9.5%	9.6%	9.6%
Quality Communities	9.9%	9.6%	10.3%	10.3%	10.5%	10.5%
Economic and Environmental Vitality	25.6%	25.2%	24.2%	22.7%	22.9%	22.9%
Public Safety and Justice	51.6%	51.9%	51.9%	51.9%	52.3%	52.5%
Non-Departmental Costs	3.8%	4.4%	4.2%	5.6%	4.7%	4.6%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Budget Projections FY 2019 - 2021: General Fund

<i>Amounts in thousands</i>	Actual Expended		Budget		Projections	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GENERAL FUND - DEPARTMENTS						
Agriculture	392	\$ 413	\$ 420	\$ 428	\$ 432	\$ 439
Audit Services	730	798	838	870	883	912
Board of Elections	1,305	1,288	1,232	1,202	1,367	1,300
Budget Office	647	677	696	762	785	809
Human Services - Community Programs	1,049	988	1,144	1,386	1,564	1,605
Chesapeake Airport Authority	273	316	279	293	301	308
City Attorney	1,821	2,023	2,525	2,653	2,720	2,801
City Clerk	503	514	579	595	607	625
City Council/Mayor	350	362	391	429	433	444
City Manager	1,540	1,638	1,844	1,935	2,010	2,031
Commissioner of Revenue	3,407	3,520	3,746	3,980	4,032	4,161
Commonwealth's Attorney	4,211	4,336	4,703	4,944	5,080	5,248
Courts : Circuit Court	611	671	682	721	740	764
Courts: Circuit Court Clerk	2,056	2,102	2,500	2,509	2,574	2,653
Courts: General District Court	266	269	330	335	333	334
Courts: Juvenile and Domestic Relations	99	117	114	118	117	117
Courts: Magistrate	55	57	73	77	76	77
Court Services Unit	254	261	341	333	330	331
Customer Contact Center	722	751	888	941	1,003	1,044
Development and Permits	5,823	6,131	6,940	7,530	7,685	7,936
Economic Development	1,615	1,654	1,811	1,968	2,002	2,051
Finance Office	2,333	2,275	2,751	2,694	2,753	2,838
Fire Department	42,907	43,755	47,642	49,103	50,719	52,290
Health Department	2,820	2,738	2,641	2,793	2,814	2,844
Human Resources	2,096	2,151	2,353	2,519	2,638	2,723
Information Technology	187	190	259	291	375	385
Libraries	8,192	8,300	9,569	10,199	10,461	10,859
Non Departmental Costs	9,581	11,449	11,974	16,952	14,218	14,276
Parks, Recreation and Tourism	13,782	14,030	17,029	17,599	18,586	18,737
Planning Commission	58	46	247	69	69	69
Planning Department	1,927	1,977	2,391	2,586	2,635	2,714
Police Department	43,383	46,220	50,059	52,860	53,615	55,160
Public Communications	1,198	1,181	1,305	1,429	1,469	1,519
Public Works	57,016	58,084	59,886	58,161	59,950	61,202
Purchasing Office	803	681	958	1,033	1,006	1,039
Real Estate Assessor	2,006	2,209	2,553	2,761	2,824	2,918
Sheriff	40,651	43,040	47,263	50,763	52,320	53,723
Treasurer	4,211	4,222	5,300	5,841	5,815	5,960
	\$ 260,879	\$ 271,435	\$ 296,260	\$ 311,665	\$ 317,341	\$ 325,243

Budget Projections FY 2019 - 2021 (all funds)

Summary of Significant Assumptions Underlying Projections

REVENUE

- The City budget is based on a plan of revenue collections that assumes current trends will continue, modified by the known events such as changes in fees or tax rates and in real estate assessments. Economic prognostications inform the evaluation of revenue trends, but do not drive the values. Recognizing the uncertainties and blind risks of forecasts about future economic conditions, estimated revenues constitute a baseline planning scenario rather than a prediction of the future with known probabilities. The budget process addresses risk and uncertainty by setting aside contingency appropriations and financial reserves for unexpected variances and events, and allows for modifications through amendment based on monitoring and periodic management reviews.
- Continued steady but modest revenue growth is assumed in General Fund Revenues for FY 2018 through FY 2021. No further growth is assumed for any of the other funds. This reflects the gradual pace of Virginia's and Hampton Roads' economic recovery from the recession of 2007-2009, which remains constrained by the Federal government's policies of fiscal austerity that have a particularly significant effect in our state and region with their high concentration of defense activities and industries. These conditions affect not only local revenue, but also revenues collected by the State of Virginia, approximately half of which are distributed to localities for schools and local services. No expectations regarding the effect of recent Federal tax and budget legislation are incorporated into the outlook for City revenues.
- General Fund revenue growth in FY 2019 is projected at \$20.4 M (4.9%) over FY 2018 budget. Growth in property taxes accounts for most of the growth (\$12.0 M or 60% of total growth in the fund).
- **Real estate taxes** are a major part of local taxes and are projected to grow moderately over the three year projection period. The real estate market has continued to strengthen. The January 2018 reassessment showed an improvement in property values of 2.62%. Combined with new building activity, real estate taxes are projected to increase 4.7% over budget in FY 2018. Growth in real estate values from a combination of new construction and increasing values is estimated at about 3.3% each year for FY 2020 and 2021.
- **Personal property taxes** are cyclical in pattern, with considerable volatility. The FY 2018 budget reflects 1.4% growth over FY 2017 actual for Total Personal Property Tax (including Personal Property Tax Relief). Based on Commissioner of Revenue estimates, FY 2018 revenues are now projected to be about 3.6% over FY 2017 actuals. Growth for FY 2019 is thus projected as 4.8% over FY 2018 budget (2.6% over revised estimates for FY 2018). Growth for FY 2020 and FY 2021 is assumed to be 2.6% each year. Public service corporation property tax revenues declined in FY 2016 due to the shutdown of coal-fired units at Deep Creek in calendar year 2015. Some further decline was expected in the FY 2017 budget, but instead we saw 5.7% growth. The FY 2018 budget assumes a modest increase of 2%. In FY 2019, growth is estimated at 2.4%. Growth in FY 2020 and FY 2021 are projected at 2% each year. Delinquent personal property tax collections are expected to rise also.
- **Other local taxes** comprise 23% of the City General Fund revenues and 28% of its local revenues; they are primarily taxes on business and consumer transactions, including retail sales, food service, lodging, utility services, and business gross receipts. Growth in this revenue source is strongly dependent on employment and income. Communication sales tax is expected to continue its gradual decline. The state's exemption of defense-related industries from business license tax is expected to dampen growth in this revenue significantly in the future. Modest growth of 2% is projected for other local taxes in FY 2019 and the out years.
- Most remaining local revenues are projected to remain stable during the projection period (growing by less than one percent annually). State aid to localities reflects increases for Sheriff operations and street maintenance. Budgeted Federal funds are assumed to remain flat

Budget Projections FY 2019 - 2021 (all funds)

Summary of Significant Assumptions Underlying Projections

EXPENDITURES

- Several City departments included new positions in their three-year plans. While the future position requests will be reviewed in future years, it is helpful for policymakers to be aware of them. The following position requests for FYs 2020 and 2021 are included in the three-year projection (inclusion in the projection does not commit the city to future funding):
 - o Customer Contact Center – one (1) additional call advocate is included starting in FY 2020.
 - o Fire Department – plans to add nine (9) incident command technicians to each shift of the three battalions over three years starting in FY 2020. The projection includes the new battalion positions along with an additional lieutenant for ongoing training.
 - o Human Services, Community Programs Division – an additional Senior Specialist and a Case Manager to address homelessness is anticipated to start in FY 2020.
 - o Human Services, Juvenile Services Division – one (1) Administrative Assistant is planned for FY 2020.
 - o Human Services, Social Services Division – three (3) Family Services Specialists are planned for the Child and Adult Protective Service units and one (1) Benefits Program Supervisor is planned for the Eligibility unit. The General Fund transfers resources to the Social Services Fund and the additional positions will increase such transfers.
- **Employee wages** - we have projected annual pay raises of 2.5% for all years. We also anticipate that several public safety professionals will qualify each year for career progression wage increases. The performance pay awards for the top 10% of employees are included on an ongoing basis.
- **Healthcare inflation** – we expect that health care costs will continue to exceed the general inflation rate and estimate rising employee health costs. At December 2017 health costs rose to seven percent (7%) annually. We project these costs to rise eight percent (8%) for the period of December 2018 - 2021. Similarly, Chesapeake Integrated Behavioral Healthcare projects rising costs to treat eligible residents, and the Sheriff will incur additional health care and food service costs for jail
- **Health Department** – anticipates opening a new wing on existing building in September 2020. The expansion is needed to address overcrowding of the existing facility.
- **Risk Management** and Workers' Compensation charges are anticipated to increase each fiscal year.
- **Community Corrections Center** – this 192-bed annex to the city jail will open in late Spring 2018. The new annex will house low risk inmates who participate in work-release and weekend programs.
- **Hampton Roads Regional Jail Authority** – we estimate the daily rate will increase by four dollars per inmate in each of the next three years. The FY 2018 daily rate is \$66/per inmate.
- **Board of Elections** varies based on the number and type of election. Presidential elections require added staffing and supplies as there is typically greater voter turnout.
- **Waste Management** disposal costs will continue at the current rate of \$65 per ton with inflationary adjustments starting in FY 2020.
- **Central Fleet** – fuel prices are expected to remain stable over the projection period.
- **Debt service** is expected to rise based on the need to issue bonds for upcoming Capital Improvement projects. Further information is available in the Capital Improvement Plan (CIP).
- **Economic Development Authority** – the city funds grants awarded Economic Development Authority. In 2017, the City agreed to a number of incentives for the Dollar Tree Headquarters. The agreement requires annual payments of \$750,000 per year for each of six years. We anticipate payments will start in FY 2020 and will come from surpluses in the Greenbrier TIF.

City Charter Reserves and Council Policy on Undesignated Fund Balance

The City Charter requires the maintenance of cash reserves equivalent to six percent (6%) of annual General Fund revenue. The City Council also adopted a budget policy to project an undesignated fund balance of at least twelve percent (12%). This schedule includes the Charter and policy reserve requirements. At the start of each year, 18% of the projected revenue growth in the Greenbrier and South Norfolk TIF districts is transferred to the General Fund.

FY 2019 Revenue Projection

General Fund	\$ 580,014,000
South Norfolk TIF	5,061,000
Greenbrier TIF	9,120,000
Total Applicable Revenue	<u>\$ 594,195,000</u>

	<i>Charter Reserve</i>	<i>Undesignated Fund Balance</i>	<i>Total Reserves</i>
Charter reserve requirement - must retain reserve equal to 6% of general fund revenue	\$ 35,651,700		
Policy reserve target - unassigned fund balance will be at least 10% of General Fund Revenue; recommended budgeting at 12%		\$ 71,303,400	
Total reserve requirements	<u>\$ 35,651,700</u>	<u>\$ 71,303,400</u>	<u>\$ 106,955,100</u>

Funds available to meet reserve requirements:

Reserves at June 30, 2016 (CAFR)	\$ 33,795,931	\$ 67,591,862	\$ 101,387,793
FY 2017 increased reserve requirements:			
From Current GF revenue	436,518	872,572	1,309,090
From South Norfolk TIF	20,100	40,800	60,900
From Greenbrier TIF	66,600	133,200	199,800
Totals at June 30, 2017	34,319,149	68,638,434	102,957,583
FY 2018 Increased reserve requirements			
From Current GF revenue	1,166,551	2,332,966	3,499,517
From South Norfolk TIF	22,600	45,300	67,900
From Greenbrier TIF	110,300	220,500	330,800
Totals at June 30, 2018	\$ 35,618,600	\$ 71,237,200	\$ 106,855,800

Fund Balance Schedules

100 General Fund

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ 183,442,836	\$ 203,092,810	\$ 200,376,919
Revenue collections	552,414,418	559,106,980	580,013,698
Transfers from Chesapeake Public Schools	60,521	-	-
Transfers from other funds	4,016,054	3,845,060	5,463,300
Total funds available	\$ 739,933,829	\$ 766,044,850	\$ 785,853,917
Expenditures	(271,434,920)	(296,260,087)	(311,664,987)
Transfers to Chesapeake Schools (operations)	(190,327,834)	(199,716,509)	(204,813,500)
Transfers to Capital and Grant funds	(32,683,128)	(26,783,436)	(27,588,251)
Transfers to other operating funds	(43,324,250)	(51,647,899)	(55,391,530)
Non-budgetary transactions	929,113	-	-
Estimated vacancy savings	-	8,740,000	9,117,000
Ending Fund Balance	\$ 203,092,810	\$ 200,376,919	\$ 195,512,649

Special Revenue Funds

201 Social Services

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ 6,008,040	\$ 6,512,148	\$ 4,581,560
Revenue collections	14,056,423	14,136,371	14,393,747
Transfers from General Fund	6,046,135	5,858,549	6,706,628
Total funds available	\$ 26,110,598	\$ 26,507,068	\$ 25,681,935
Expenditures	(19,656,263)	(21,904,308)	(22,613,435)
Transfers to General Fund	(23,612)	-	-
Transfers to Capital and Grant funds	(17,973)	(21,200)	(21,200)
Non-budgetary transactions	99,398	-	-
Ending Fund Balance	\$ 6,512,148	\$ 4,581,560	\$ 3,047,300

203 Interagency Consortium

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ 950,860	\$ 633,006	\$ 383,006
Revenue collections	2,214,554	2,249,815	2,631,351
Transfers from General Fund	1,419,507	1,460,011	1,285,510
Total funds available	\$ 4,584,921	\$ 4,342,832	\$ 4,299,867
Expenditures	(3,949,137)	(3,959,826)	(3,996,861)
Transfers to General Fund	(2,778)	-	-
Ending Fund Balance	\$ 633,006	\$ 383,006	\$ 303,006

Fund Balance Schedules

204 <u>Fee Supported Activities</u>	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 997,592	\$ 1,258,552	\$ 1,207,975
Revenue collections	1,065,230	1,064,116	1,210,653
Transfers from General Fund	2,297	-	-
Total funds available	\$ 2,065,119	\$ 2,322,668	\$ 2,418,628
Expenditures	(800,632)	(1,064,693)	(1,286,762)
Transfers to General Fund	(5,935)	(50,000)	-
Ending Fund Balance	\$ 1,258,552	\$ 1,207,975	\$ 1,131,866

205 <u>Integrated Behavioral Healthcare</u>	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 9,700,464	\$ 11,204,981	\$ 8,625,981
Revenue collections	16,685,800	19,021,980	19,155,688
Transfers from General Fund	8,134,875	7,533,867	7,940,645
Total funds available	\$ 34,521,139	\$ 37,760,828	\$ 35,722,314
Expenditures	(22,808,757)	(27,268,697)	(27,607,045)
Transfers to General Fund	(48,360)	-	-
Transfers to Capital Fund	(350,000)	(1,579,000)	(75,000)
Transfers to Debt Service Fund	(291,150)	(287,150)	(293,150)
Non-budgetary transactions	182,109	-	-
Ending Fund Balance	\$ 11,204,981	\$ 8,625,981	\$ 7,747,119

206 <u>Conference Center and Tourism</u>	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 3,826,994	\$ 5,004,306	\$ 5,906,973
Revenue collections	5,403,117	6,088,293	6,128,417
Total funds available	\$ 9,230,111	\$ 11,092,599	\$ 12,035,390
Expenditures	(3,468,247)	(4,305,626)	(4,536,850)
Transfers to General Fund	(19,824)	-	-
Transfers to Capital Fund	(760,000)	(880,000)	(780,000)
Non-budgetary transactions	22,266	-	-
Ending Fund Balance	\$ 5,004,306	\$ 5,906,973	\$ 6,718,540

Fund Balance Schedules

207 <u>E-911 Operations (Public Safety)</u>	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 3,231,589	\$ 3,723,598	\$ 3,190,525
Revenue collections	6,361,370	6,272,998	5,947,390
Transfers from General Fund	80,229	6,458	2,850,227
Total funds available	\$ 9,673,188	\$ 10,003,054	\$ 11,988,142
Expenditures	(6,095,296)	(6,812,529)	(8,797,617)
Transfers to General Fund	(18,182)	-	-
Transfers to Capital Fund	-	-	-
Non-budgetary transactions	163,888	-	-
Ending Fund Balance	\$ 3,723,598	\$ 3,190,525	\$ 3,190,525

208 <u>Juvenile Services</u>	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 2,627,687	\$ 2,941,609	\$ 1,923,218
Revenue collections	4,982,882	4,702,388	4,776,284
Transfers from General Fund	1,557,674	1,484,574	2,054,373
Total funds available	\$ 9,168,243	\$ 9,128,571	\$ 8,753,875
Expenditures	(6,258,089)	(7,205,353)	(7,580,657)
Transfers to General Fund	(12,122)	-	-
Non-budgetary transactions	43,577	-	-
Ending Fund Balance	\$ 2,941,609	\$ 1,923,218	\$ 1,173,218

209 <u>Greenbrier Tax Increment Financing</u>	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 16,516,415	\$ 19,029,755	\$ 12,150,082
Revenue collections	6,482,573	7,282,400	9,120,000
Total funds available	\$ 22,998,988	\$ 26,312,155	\$ 21,270,082
Expenditures	-	(3,000)	(8,975,000)
Transfers to General Fund	(2,497,576)	(2,493,460)	(2,733,500)
Transfers to Debt Service Fund	(1,471,658)	(1,465,613)	(1,472,548)
Transfers to Capital Fund	-	(10,200,000)	(1,290,000)
Ending Fund Balance	\$ 19,029,755	\$ 12,150,082	\$ 6,799,034

212 <u>South Norfolk Tax Increment Financing</u>	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 8,701,610	\$ 7,434,771	\$ 8,907,590
Revenue collections	4,368,528	4,683,700	5,061,000
Total funds available	\$ 13,070,138	\$ 12,118,471	\$ 13,968,590
Expenditures	(250)	(25,000)	(25,000)
Transfers to General Fund	(1,213,319)	(1,176,600)	(2,729,800)
Transfers to Debt Service Fund	(605,550)	(1,009,281)	(1,002,435)
Transfers to Capital Fund	(3,816,247)	(1,000,000)	(966,187)
Ending Fund Balance	\$ 7,434,771	\$ 8,907,590	\$ 9,245,168

Fund Balance Schedules

210 Open Space and Agriculture Preservation

(OSAP) - Operations

	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	-	-	-
Revenue collections	271,284	271,284	271,284
Total funds available	271,284	271,284	271,284
Transfers to General Fund	-	(175,000)	-
Transfers to Debt Service Fund	(64,430)	(64,430)	(64,430)
Transfers to OSAP Capital Fund	(206,854)	(31,854)	(206,854)
Ending Fund Balance	-	-	-

800 Mosquito Control Commission

	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 3,584,009	\$ 3,804,134	\$ 3,703,646
Revenue collections	4,396,246	4,381,400	4,516,000
Total funds available	\$ 7,980,255	\$ 8,185,534	\$ 8,219,646
Expenditures	(4,176,121)	(4,481,888)	(4,473,681)
Ending Fund Balance	\$ 3,804,134	\$ 3,703,646	\$ 3,745,965

401 Debt Services Fund

	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 19,340,334	\$ 16,198,289	\$ 12,198,286
Revenue collections	1,266,147	1,306,308	1,380,437
Transfers from General Fund	25,754,629	33,804,440	34,554,147
Transfers from Tax Increment Financing	2,077,208	2,474,894	2,474,983
Transfers from Capital Fund	664,278	-	-
Transfers from Proffer Fund	717,697	-	-
Transfers from Chesapeake Public Schools	189,865		
Transfers from other funds	355,580	351,580	357,580
Total funds available	\$ 50,365,738	\$ 54,135,511	\$ 50,965,433
Expenditures	(34,658,650)	(41,937,225)	(42,767,267)
Non-budgetary transactions (bond issue)	491,201	-	-
Ending Fund Balance	\$ 16,198,289	\$ 12,198,286	\$ 8,198,166

Fund Balance Schedules

Internal Service Funds

601 Fleet Services/Sheriff's Services

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ 4,087,652	\$ 4,404,840	\$ 4,404,840
Revenue collections	15,945,144	16,535,607	18,540,174
Transfers from General Fund	37,976	1,500,000	-
Total funds available	\$ 20,070,772	\$ 22,440,447	\$ 22,945,014
Expenditures	(15,258,584)	(18,035,607)	(18,543,281)
Transfers to General Fund	(28,284)	-	-
Non-budgetary transactions	(379,064)	-	-
Ending Fund Balance	\$ 4,404,840	\$ 4,404,840	\$ 4,401,733

603 Information Technology

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ 1,678,562	\$ 2,139,145	\$ 1,999,145
Revenue collections	9,811,473	11,283,397	13,483,895
Transfers from General Fund	283,810	-	-
Total funds available	\$ 11,773,845	\$ 13,422,542	\$ 15,483,040
Expenditures	(9,957,227)	(11,283,397)	(13,484,005)
Transfers to General Fund	(38,864)	-	-
Transfers to Capital Fund	-	(140,000)	(995,000)
Non-budgetary transactions	361,392	-	-
Ending Fund Balance	\$ 2,139,145	\$ 1,999,145	\$ 1,004,035

605 Health Insurance Fund

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ (1,684,741)	\$ (1,099,432)	\$ (1,099,432)
Revenue collections	35,729,269	40,570,000	40,244,500
Total funds available	\$ 34,044,528	\$ 39,470,568	\$ 39,145,068
Expenditures	(35,143,960)	(40,570,000)	(40,244,500)
Ending Fund Balance	\$ (1,099,432)	\$ (1,099,432)	\$ (1,099,432)

606 Risk Management Fund

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Beginning Fund Balance	\$ (2,555,235)	\$ (2,323,268)	\$ (2,323,268)
Revenue collections	7,915,924	9,586,694	10,459,068
Transfers from General Fund	9,415	-	-
Total funds available	\$ 5,370,104	\$ 7,263,426	\$ 8,135,800
Expenditures	(7,730,332)	(9,586,694)	(10,459,068)
Non-budgetary transactions	36,960	-	-
Ending Fund Balance	\$ (2,323,268)	\$ (2,323,268)	\$ (2,323,268)

Fund Balance Schedules

Enterprise Funds

501 Public Utilities Operating Funds

	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 89,585,092	\$ 61,689,627	\$ 63,517,575
Revenue collections	77,115,727	78,916,555	75,752,800
Total funds available	\$ 166,700,819	\$ 140,606,182	\$ 139,270,375
Expenditures	(61,725,276)	(65,829,862)	(65,383,045)
Transfers to Capital Fund	(28,727,184)	(11,258,745)	(15,818,000)
Reserved for capital projects	(14,558,732)	-	-
Ending Fund Balance	\$ 61,689,627	\$ 63,517,575	\$ 58,069,330

520 Stormwater Operating Fund

	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 8,042,633	\$ 3,449,814	\$ 2,784,583
Revenue collections	16,402,206	16,129,416	16,484,457
Total funds available	\$ 24,444,839	\$ 19,579,230	\$ 19,269,040
Expenditures	(9,743,842)	(11,094,647)	(11,863,128)
Transfers to Capital Fund	(6,250,000)	(5,700,000)	(5,275,000)
Reserved for capital projects	(5,001,183)	-	-
Ending Fund Balance	\$ 3,449,814	\$ 2,784,583	\$ 2,130,912

525 Chesapeake Transportation System

	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 33,534,203	\$ 46,871,599	\$ 43,421,359
Revenue collections	17,876,904	23,348,380	26,350,669
Total funds available	\$ 51,411,107	\$ 70,219,979	\$ 69,772,028
Expenditures	(11,877,852)	(25,390,770)	(26,194,432)
Transfers to Capital Fund	-	(1,407,850)	-
Reserved for capital projects			
Non-budgetary transactions	7,338,344	-	-
Ending Fund Balance	\$ 46,871,599	\$ 43,421,359	\$ 43,577,596

900 Chesapeake Public Schools

	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	\$ 25,956,429	\$ 29,184,032	\$ 23,835,352
Revenue collections - CPS budget report	264,094,853	283,623,701	292,757,998
Revenue collections - adjust to CAFR	14,195,687		
Transfers from General Fund	190,326,834	199,716,509	204,813,500
Total funds available	\$ 494,573,803	\$ 512,524,242	\$ 521,406,850
Expenditures - CPS budget report	(453,019,541)	(488,688,890)	(505,229,108)
Expenditures - adjust to CAFR	(17,132,238)		
Transfers to City General Fund	(60,521)	-	-
Proceeds from capital leases	4,810,158	-	-
Other transactions not impacting budget	12,371	-	-
Ending Fund Balance	\$ 29,184,032	\$ 23,835,352	\$ 16,177,742

Fund Balance Schedules

Fund Recap - Beginning Fund Balances	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
City Funds			
General Fund	\$ 183,442,836	\$ 203,092,810	\$ 200,376,919
Special Revenue Funds	56,145,260	61,546,861	50,580,557
Debt Service Fund	19,340,334	16,198,289	12,198,286
Internal Service Funds	1,526,238	3,121,285	2,981,285
Enterprise Funds	131,161,928	112,011,040	109,723,517
Total City Funds	<u>\$ 391,616,596</u>	<u>\$ 395,970,286</u>	<u>\$ 375,860,565</u>
School Funds	25,956,429	29,184,032	23,835,352
Total All Funds	<u><u>\$ 417,573,025</u></u>	<u><u>\$ 425,154,318</u></u>	<u><u>\$ 399,695,917</u></u>

Fund Recap - Ending Fund Balances	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
City Funds			
General Fund	\$ 203,092,810	\$ 200,376,919	\$ 195,512,649
Special Revenue Funds	61,546,861	50,580,557	43,308,596
Debt Service Fund	16,198,289	12,198,286	8,198,166
Internal Service Funds	3,121,285	2,981,285	1,983,068
Enterprise Funds	112,011,040	109,723,517	103,777,838
Total City Funds	<u>\$ 395,970,286</u>	<u>\$ 375,860,565</u>	<u>\$ 352,780,318</u>
School Funds	29,184,032	23,835,352	16,177,742
Total All Funds	<u><u>\$ 425,154,318</u></u>	<u><u>\$ 399,695,917</u></u>	<u><u>\$ 368,958,059</u></u>

Report of New Positions

Department	Description of Department Request Listed below are department requests and recommended staffing changes for FY 2018-19	Annual Cost of Request	Included in Approved Budget	Change in FTE
Budget Office	Budget Analyst - request to convert part-time position to full-time status to better address department support and service-level budgeting.	45,700	45,700	0.375
Chesapeake Integrated Behavioral Healthcare	Psychiatric Nurse - for Psychiatric Services to accommodate increasing number of patients and complexity of their needs. Psychiatric nurses also support the in-house pharmacy and maintenance of electronic medial records.	69,300	69,300	1.000
<i>Mental Health Services</i>	Van Driver I - for Mental Health Rehabilitation is needed when the Coastal Clubhouse opens at the former New Galilee Church site. The new site will allow for more participants. Actual hiring would take place when the new site is opened.	44,100	44,100	1.000
	Van Driver II - for Mental Health Rehabilitation. This new position will have supervisory and scheduling responsibilities that are currently handled by a clinician. Adding the position will allow the clinician to devote full attention to patient mental health.	46,800	46,800	1.000
	Certified Peer Recovery Specialists - 1 each for Mental Health Rehab and Intensive Community Treatment. The positions are necessary in meeting the non-clinical needs of individuals with severe mental illness and are eligible for Medicaid reimbursement.	106,100	106,100	2.000
	Licensed Program Supervisory - for Mental Health Assessment/Evaluation. The department has consolidated two programs under a single supervisor and recommends converting the second supervisory to part-time status. Retaining the position as part-time will permit the supervision of staff in residence who are working on certifications.	(53,000)	(53,000)	(0.500)

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
CIBH <i>Mental Health,</i> continued	Direct Service Technicians (DST)- Psychosocial Rehabilitation. Additional positions are needed to work with adults with intellectual disabilities by assisting with care, communication and personal living skills. State standards require 4 DSTs for every 3 participants. Current staffing limits service to eligible persons.	97,800	97,800	2.000
	Clinician III - Psychosocial Rehabilitation - this position is required for adequation supervision and training of DSTs. Currently one Clinician III is supervising the 12 DSTs and attending daily meetings with program participants. The existing caseload requires a second Clinician III.	74,100	74,100	1.000
<i>Administrative Services</i>	Client Technology Analyst - needed to support complex computer support, including computer system installations and upgrades, maintaining inventory records, and training users. and provide assistance Functions currently provided by temporary services. Implementation of Microsoft 365 requires additional support.	67,400	67,400	1.000
Circuit Court - Office of Clerk	Technology systems analyst requested to improve efficiency in Clerk's Office. Position would allow personnel to make better use functionality within state computer systems. Not recommended.	65,000	-	-
City Attorney	Convert on special project right-of-way attorney to permanent status to address on-going easements and acquisitions. The position is partially paid from through overhead charges to the Stormwater Fund and a reduction in the non-departmental environmental account for outside counsel.	130,800	130,800	-
	Reduction in non-departmental costs	(65,400)	(65,400)	
Development and Permits	Business Application Specialist II - convert existing special projects position to permanent status. Complexity of Accela Plan Review and Permitting System requires continuation of position. The current status of the position makes it difficult to retain qualified employees and upgrade to BAS II.	7,600	7,600	-

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Finance	Weekly payroll - requested two full-time Payroll Specialist and one part-time Business Application Specialist in order to convert all employees to a weekly payroll. The request is deferred and will only be required if weekly payroll is recommended.	152,600	-	-
General District Court	Supplements for General District Courts - request to supplement state salaries which are not competitive with market. Not recommended.	87,500	-	-
Human Resources	Business Application Specialist - requested new position to support department's technology requirements, including data integrity, security, and implementation of HR system modules.	70,500	70,500	1.000
	Office Assistant - convert existing part-time position to full-time status to address volume of administrative duties necessary as new employees are hired (725 hires in FY 2017).	25,500	25,500	0.375
Human Services <i>Community Services</i>	Community Program Specialist (Housing Coordinator) - this position will plant, implement, and coordinate housing for families and individuals with economic barriers. It will also work with dwelling and apartment owners to expanding affordable housing.	75,000	75,000	1.000
Human Services <i>Juvenile Services</i>	Community Placement Program (CPP) - Special projects positions - convert two special projects positions to permanent status. CPP was established several years ago to improve the transition of juveniles from state custody back to the community. The program has been successful and continued state funding is more certain. Converting the positions to permanent status improves recruiting and retention. The status change requires participation in the state retirement plan. The two positions: <ul style="list-style-type: none"> ▪ Operations Coordinator ▪ Office Assistant II 	11,800	11,800	-

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Human Services <i>Juvenile Services, continued</i>	Listed below are department requests and recommended staffing changes for FY 2018-19			
	Community Placement Program (CPP) - Clinician II - is needed to work with CPP participants and families.	68,400	68,400	1.000
	Community Placement Program (CPP) - Juvenile Service Specialists - eliminate two special projects positions. A Family Clinician is more appropriate in meeting CPP objectives and participants needs.	(110,300)	(110,300)	(2.000)
Information Technology	Systems Security Manager - to address expanding security concerns. Responsibilities include identifying, evaluating, and reporting on security risks, working with executive management to determine acceptable levels of risk, developing and implementing plans accordingly, and proactively working with business units to implement practices in accordance with information security standards.	125,500	125,500	1.000
	Systems Analyst I - to provide IT support for the Fire Department. The SAI would assist with new technologies including deployment of NetMotion, Wireless infrastructure within the fire stations, and assist the Client Tech II.	92,500	-	-
Juvenile and Domesitic Relations Court	Supplements for Juvenile Courts - request to supplement state salaries which are not competitive with market. Not recommended.	43,500	-	-
Library	Library Manager III for Central Library - currently the Library Services Assistant Director also serves as Library Manager for Central. Central is the largest library and accounts for a significant part of the system circulation. The Assistant Director has responsibilities across the entire system, including training and oversight. A single person cannot effectively perform both functions.	113,200	113,200	1.000

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Parks, Recreation and Tourism	Recreational Leaders (part-time) - Department requests additional part-time hours in order to eliminate practice of closing community centers one day each week. We recommend establishing hours based on demands of individual community centers.	43,000	-	-
	Great Bridge Battlefield and Waterways Visitors Center - 1 Visitor Center Coordinator and 3 Seasonal Office Assistants - are necessary to staff the visitor's center. Anticipate opening September 2018.	91,300	91,300	2.875
Planning Department	Principal Planner - new full-time position required for administration and oversight of planned unit developments (PUD) located in the City. Currently 16 PUDs exist in Chesapeake and an additional five are under review. Each PUD requires permanent monitoring.	114,600	114,600	1.000
Police	Police Officers - Detectives - increase capacity to deploy at "intensive crime sites." Cost include equipment in first year (\$50,000/officer). Request deferred until all existing officer positions are filled. Not recommended.	444,700	-	-
	Police Officers - Operations. Cost include equipment in first year (\$50,000/officer). Request deferred until all existing officer positions are filled. Not recommended.	444,700	-	-
	Outreach Volunteer Coordinator - Animal Services Division - convert existing part-time position to full-time status. The large number of volunteers requires a full-time position to adequately manage.	30,300	30,300	0.375
	School Resource Officers	365,000	365,000	4.000
	Office Specialist II for Training Unit - to assist Police Academy staff in procurement and maintaining DCJS certifications. Not recommended.	22,900	-	-
	Veterinarian - Animal Services Section. Position would avoid time spent transporting animals to contract veterinarian (estimated at minimum of six hours each week). Costs could be offset by increased fees. - Not recommended.	120,000	-	-

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Police <i>continued</i>	Customer Service Clerk - Animal Services - part-time position requested to staff the front desk and assist customers seeking adoptions. Would increase existing staff of 2 full-time and 1 part-time employees. - Not recommended.	17,883	-	-
	Crime Analyst/Specialist - Current staffing does not include an analyst to assist with investigations into extremists, criminal street gangs, and others who present a danger. The requested analyst would be responsible for intelligence gathering activities. Not recommended.	62,000	-	-
	Police Officer - Training - replace two (2) civilian background investigators with one police officer. Additional cost in first year includes non-recurring equipment costs. The change saves \$3,245 annually starting in the second year.	46,500	46,500	(1.000)
Public Communications	Public Communications Coordinator - to coordinate communications of Departments of Planning, Public Utilities, Public Works, and Development & Permits. The new position would be the media liaison, take part in community meetings, and manage website updates and social media contacts. 25% of the position costs would be recaptured through over head charges to Public Utilities.	97,200	97,200	1.000
	City Hall Receptionist - part-time positions to staff the lobby in City Hall. Previously the desk was staffed by Customer Contact personnel. That is not practicable with the move of that office to the Public Safety Operations Building.	28,000	28,000	1.000
Public Utilities	Office Assistant - currently one assistant serves part time at the two water treatment plants. A full-time assistant is needed at each plant.	43,600	43,600	1.000
	Motor Equipment Operator (MEO) I - Water Production - needed for maintenance of 39 sites (storage tanks, pump stations, and in-town lakes). Current staff includes one mechanic and one electrical technician. Staff often work alone in violation of city policy.	44,700	44,700	1.000
	Data Control Technician I - needed for work order data entry and quality assurance. This reduces administrative tasks of field supervisors.	44,700	44,700	1.000

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Public Utilities <i>Continued</i>	Motor Equipment Operator I - Water Distribution - needed for maintenance of hydrants, meters, and valves throughout distribution system.	44,700	44,700	1.000
	Utility Business Analyst - position is needed to analyze and model utility rates and distribution costs. Currently this function is performed by outside consultants.	119,600	119,600	1.000
	Engineering Technician I - needed for GPS field assets.	58,200	58,200	1.000
	Utilities Locator - needed to identify and investigate leaks in water distribution system. The position will ensure improvements in response to customer calls.	53,900	53,900	1.000
	Construction Inspector III - needed for management of contracts and inspection of utility repairs. The position is required to provide faster response.	72,200	72,200	1.000
	Special Projects Engineer II - funded in capital improvement budget - eliminate position.	-	-	(1.000)
Public Works	Laborers - additional positions for Streets Division were requested to improve crew effectiveness and to allow for hiring and training of unskilled employees for operation of motor equipment. Recommend funding of one position for each of four street crews with a reduction in temporary services. Also recommend creation of career path so that laborers can be hired and provided training to qualify for promotion to MEO.	450,000	160,000	4.000
	Related reduction in Temporary Service account.		(160,000)	-
	Engineer IV for Bridges and Structures Division. Position is needed to ensure completion of annual inspections of all bridges and overpasses.	123,500	123,500	1.000
	Waste Management Operators II for Solid Waste Division - increased residences and route optimization requires two additional operators.	100,500	100,500	2.000
	Special Projects Positions - Dominion Boulevard Project - eliminate positions funded by capital program.	-	-	(4.630)
Public Works, continued	Account Tech III - needed for accounting for tolls at Chesapeake Transportation System (CTS). Opening of Dominion Boulevard has increased work load above current capacity.	56,600	56,600	1.000

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
	Listed below are department requests and recommended staffing changes for FY 2018-19			
	Account Tech II - needed for collection of unpaid tolls. Position would work in and under supervision of City Treasurer with funding from CTS.	50,100	50,100	1.000
	Assistant Toll Collections Supervisor - convert part-time position to full-time status to address scheduling at Chesapeake Expressway. Before converting positions, there was not adequate supervision on all shifts (24/7 operation).	28,400	28,400	0.375
	Engineer Tech III - additional position needed in Stormwater Division .	70,700	70,700	1.000
	Motor Equipment Operator - upgrade position from level II to level III in Stormwater Division.	21,400	21,400	-
Sheriff	Deputy Sheriff - Jail Transport - four (4) positions requested to address inmate transfers between facilities, especially long-distance transfers for mental health. Request includes equipment cost. Recommended 1 team (2 deputies).	324,200	162,100	2.000
	Sheriff Clerk - Booking Section - position needed for maintenance of records of inmates approved for work release, weekend program, and home electronic monitoring. Clerks also maintain records of time served and fees collected. Not recommended.	43,100	-	-
	Security Officers - new Community Corrections Annex - two (2) security officers are needed for visitation. Recommended.	100,700	100,700	2.000

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Sheriff, continued	Deputy Sheriff - Criminal Apprehension - two (2) positions requested to address outstanding criminal warrants and out-of-area extraditions. Request includes equipment cost. Not recommended.	187,100	-	-
	Deputy Sheriff - Civil Enforcement - two (2) positions requested to address high volume civil papers that are served by deputies. Request includes equipment cost. Not recommended.	187,100	-	-
	Van Driver - Work Release - part-time position needed to taxi work release inmates to their jobs.	13,900	13,900	0.625
Grand totals		5,513,283	2,887,600	38.495
Total positions requested - 65.87 FTE				

RECAP BY FUND:

General Fund	4,072,683	1,539,500	16.745
Chesapeake Integrated Behavioral Healthcare	452,600	452,600	8.500
Conference Center and Visitor's Bureau	91,300	91,300	2.875
Juvenile Services Fund	(30,100)	(30,100)	(1.000)
Public Utilities	481,600	481,600	7.000
Chesapeake Transportation System (tolls)	135,100	135,100	2.375
Stormwater Fund	92,100	92,100	1.000
Information Technology Fund	218,000	125,500	1.000
Central Fleet	-	-	-
Totals by Fund	5,513,283	2,887,600	38.495

PROPOSED CHANGES IN EMPLOYEE COMPENSATION

The FY 2019 operating budget includes a 2.5% general wage increase for all eligible employees hired before January 1, 2018, with a \$1,000 minimum increase (\$.4808 hourly) for full-time employees. It also includes a provision for performance recognition and market adjustments for several job classifications whose pay is significantly below our comparison localities. Market adjustments ensure the City's pay ranges remain competitive and better enable the City to attract and retain qualified personnel. Pay raises are scheduled as follows:

- Eligible employees paid weekly and semi-monthly – 2.5% pay raise is effective July 7, 2018
- Market adjustments for employees in select job classifications – will be effective July 7, 2018 for employees paid weekly and semi-monthly.

OTHER CHANGES PROPOSED:

Position Reclassifications: Position reclassifications approved in the FY 2019 budget will be effective on or after the beginning of the first full applicable pay period in July 2018, after the general wage increase and market adjustments have been implemented.

Competitive Wage Rate: Currently, the City's competitive wage rate (i.e. living wage) for regular full-time employees is established at \$10.56 per hour. Based on a review of the change in the Consumer Price Index and U.S. Federal Poverty Guidelines, an increase to \$10.82 per hour (2.5%) is proposed effective July 7, 2018.

Merit increases: Funding for merit pay increases is once again included in the operating budget for high performing employees. Increases will be effective October 7, 2018 for all affected employees.

Authorized Positions - Full Time Equivalent (FTE)

Department	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY18-19	5-Year Change
GOVERNANCE & MANAGEMENT SERVICES						
Audit Services	6.00	6.00	6.00	6.00	6.00	0.00
Budget	6.26	6.26	6.26	6.26	6.63	0.37
City Attorney	17.55	19.63	20.00	20.00	20.00	2.45
City Clerk	6.50	6.50	7.00	7.00	7.00	0.50
City Council	9.00	9.00	9.00	9.00	9.00	0.00
City Manager	9.50	9.50	10.50	10.63	10.63	1.13
City Treasurer	48.61	49.03	49.90	49.90	49.90	1.29
Commissioner of Revenue	42.22	42.22	42.22	42.23	42.23	0.01
Customer Contact Center	9.80	9.80	9.80	9.63	9.63	(0.17)
Finance	24.25	24.25	25.25	25.25	25.25	1.00
Human Resources	23.25	23.63	22.63	21.63	23.00	(0.25)
Public Communications	12.00	12.00	12.00	12.00	14.00	2.00
Purchasing	12.00	11.63	11.63	11.63	11.63	(0.37)
Real Estate Assessor	30.00	29.00	29.00	29.00	28.63	(1.37)
Registrar/Electoral Board	8.54	8.54	8.54	8.54	8.54	0.00
Sub-total	265.48	266.99	269.73	268.70	272.07	6.59
QUALITY COMMUNITY OF LIFE:						
Integrated Behavioral Healthcare*	245.28	246.42	263.90	290.90	296.65	51.37
Health	8.40	8.40	9.03	9.03	9.03	0.63
Human Services						0.00
Community Programs	10.80	10.63	10.63	11.00	11.00	0.20
Interagency Consortium	4.00	4.00	4.00	4.00	4.00	0.00
Juvenile Services*	87.05	97.43	99.56	96.38	91.28	4.23
Social Services	245.48	252.35	252.73	255.65	255.65	10.17
Library	124.53	124.73	125.25	126.25	127.25	2.72
Mosquito Control	41.51	41.51	44.63	44.63	44.60	3.09
Parks & Recreation*	222.88	229.10	235.35	237.75	237.75	14.87
Sub-total	989.93	1,014.57	1,045.08	1,075.59	1,077.21	87.28

Authorized Positions - Full Time Equivalents (FTE)

Department	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY18-19	5-Year Change
ECONOMIC & ENVIRONMENTAL VITALITY:						
Agriculture	6.00	6.00	6.00	6.00	6.00	0.00
Conference Center and Visitors Bureau	7.00	7.00	7.00	7.00	7.00	0.00
Development & Permits	80.00	80.00	75.00	76.00	76.00	(4.00)
Economic Development	10.63	10.63	11.00	11.00	11.00	0.37
Planning Department	23.00	23.00	23.63	24.63	25.63	2.63
Public Utilities	212.26	222.01	232.51	246.26	253.26	41.00
Public Works	463.10	467.74	476.14	478.22	483.97	20.87
Sub-total	801.99	816.38	831.28	849.11	862.86	60.87
PUBLIC SAFETY & JUSTICE:						
Police	552.24	552.24	564.47	577.09	581.47	29.23
Fire	445.82	445.82	447.06	449.06	448.94	3.12
Sheriff's Office	399.87	404.08	415.20	428.20	432.83	32.96
Circuit Court	6.00	6.00	6.00	6.00	6.00	0.00
Clerk of the Circuit Court	32.00	32.00	32.00	32.00	32.00	0.00
Commonwealth's Attorney	45.60	45.26	45.26	46.00	46.00	0.40
Sub-total	1,481.53	1,485.40	1,509.99	1,538.35	1,547.24	65.71
NON-DEPARTMENTAL						
Central Fleet	36.50	36.50	37.75	40.75	40.75	4.25
Information Technology	57.00	56.50	54.00	55.00	56.00	(1.00)
Risk Management	4.00	4.00	4.00	4.00	4.00	0.00
Sub-total	97.50	97.00	95.75	99.75	100.75	3.25
TOTAL	3,636.43	3,680.34	3,751.83	3,831.50	3,860.13	223.70

* Adjusted for seasonal/substitute pooled positions

Grant Summary

The City receives grants and donations from a variety of sources. Grants and donations are held in a fund separate from City Operational Funds; however, grants are a part of the annual appropriation and are included here for that purpose. Unlike the rest of the operating budget, grants typically have a term that extends beyond the fiscal year in which they are awarded. Each year the City is awarded grants that total approximately \$9.0 million. The grants listed below include staff estimates of FY 2019 awards from agencies that currently fund activities of the City. If an actual grant award for FY 2019 is smaller than the amount shown here, the related project budget will be reduced to the actual amount awarded. Conversely, if an award is greater than the amount shown, Council will be notified of the actual award and along with a request to increase the budget accordingly.

The budget also includes a contingency of \$4.0 million to account for new grant awards that may be received during the year. The contingency is completely funded from future grant awards and includes no City money. The contingency amount is only released with authority of City Council upon the receipt of new grant awards

Funding Source

- DON Donations
- FED Federal grants
- FSL Federal grants with State and Local match requirements
- LOC Local grants
- SL Commonwealth grant with local match requirements
- VA Commonwealth grants

Grant Title	Funding Source	FY16-17 Awarded	FY17-18 Expected	FY18-19 Proposed
City Clerk				
Veterans Memorial Donations	DON	\$ -	\$ 25,000	\$ 30,000
Commonwealth Attorney				
Boy's and Girl's Conferences	DON	\$ -	\$ 2,000	\$ 3,000
Domestic Violence	VA	45,000	45,000	50,000
Subtotal		\$ 45,000	\$ 47,000	\$ 53,000
Circuit Court Clerk				
Technology Trust fund	VA	\$ 100,000	\$ 100,000	\$ 100,000
Library of VA	VA	-	30,000	35,000
Subtotal		\$ 100,000	\$ 130,000	\$ 135,000

Grant Summary

Grant Title	Funding Source	FY16-17 Awarded	FY17-18 Expected	FY18-19 Proposed
Fire				
Fire Donations	DON	\$ -	\$ 25,000	\$ 30,000
Fire Programs - State	VA	670,000	670,000	760,000
Four For Life	VA	205,000	205,000	220,000
Hazardous Materials Training	FED	15,000	15,000	15,000
Local Emergency Management Performance	FED	71,284	71,284	72,000
Radio Communications Cache Grant	FED	150,000	150,000	150,000
Rescue Squad Assistance Grant	VA	-	-	-
SHSP Community Preparedness	FED	40,000	40,000	40,000
SHSP Foam Team Sustainment	FED	100,000	100,000	100,000
SHSP Hampton Roads Incident Management Team Sustainment	FED	200,000	150,000	150,000
Subtotal		\$ 1,451,284	\$ 1,426,284	\$ 1,537,000
Human Services				
Chesapeake Bay Grant	VA	\$ 6,000	\$ 6,000	\$ 6,000
Virginia Department of Forestry	VA	4,750	4,750	6,000
Community Corrections	VA	584,558	584,558	585,000
Court Appointed Special Advocate (CASA)	VA	96,617	96,617	97,000
USDA Summer Food Program Grant	FED	120,000	120,000	120,000
Guardianship Grant	VA	54,000	54,000	54,000
Promoting Safe and Stable Families	FSL	115,955	115,955	116,000
Subtotal		\$ 981,880	\$ 981,880	\$ 984,000
Library				
Library Donations	DON	\$ -	\$ 26,000	\$ 50,000
Parks, Recreation & Tourism				
Litter Prevention & Recycling Program Grant	VA	\$ 32,000	\$ 32,000	\$ 32,000
Local Government Challenge Grant	VA	10,000	10,000	10,000
Park Donations	DON	-	25,000	30,000
Urban Forestry Grant	FED	1,500	-	-
Subtotal		\$ 43,500	\$ 67,000	\$ 72,000

Grant Summary

Grant Title	Funding Source	FY16-17 Awarded	FY17-18 Expected	FY18-19 Proposed
Planning				
Community Development Block Grant (CDBG)	FED	\$ 1,020,417	\$ 1,013,260	\$ 1,029,000
HOME Investment Partnerships Program (HOME)	FED	361,613	363,429	367,000
Subtotal		\$ 1,382,030	\$ 1,376,689	\$ 1,396,000
Police				
Animal Services	DON	\$ -	\$ 8,000	\$ 12,000
COPS Grant	FED	-	-	-
Edward Byrne Memorial Justice Assistance	FED	115,000	116,416	117,000
Local Training Academy	LOC	45,000	45,000	45,000
Police Donations	DON	-	20,000	25,000
Public Safety Drug Enforcement Grant	FSL\SL	150,000	180,000	180,000
Selective Enforcement - Alcohol	VA	35,000	32,300	33,000
Selective Enforcement - Occupant	VA	14,000	15,300	16,000
Virginia Rules Camp	VA	3,500	4,775	5,000
Wireless Educatiom	VA	-	2,000	2,000
Subtotal		\$ 362,500	\$ 423,791	\$ 435,000
Sheriff				
Seized Assets	FSL	\$ 4,000	\$ 4,000	\$ 18,000
Victim Witness	VA	398,557	697,961	698,000
Subtotal		\$ 402,557	\$ 701,961	\$ 716,000
Provision for future grant awards Released upon acceptance by City Council		\$ -	\$ 4,000,000	\$ 4,000,000
Total		\$ 4,768,751	\$ 9,205,605	\$ 9,408,000