

May 25, 2007

The Honorable Dalton S. Edge
and Members of City Council
Civic Center
Chesapeake, Virginia 23328

Dear Mayor Edge and Members of City Council:

On May 8, 2007 the City Council approved the Capital Improvement Budget for the period ending June 30, 2012. The Approved Capital Improvement Budget was amended on May 22, 2006 and included the following adjustments to resources and requirements in the budget:

City Council Approved May 8, 2007 Five-Year Capital Resources	<u>\$354,240,793</u>
Adjustments of May 22, 2007	
VPSA Bond Proceeds - Schools	3,009,200
Stormwater Management Fees	<u>20,300,000</u>
Council Approved FY 2007 - FY 2011 Five-Year Resources	<u>\$ 377,549,993</u>
City Council Approved May 8, 2007 Five-Year Requirements	<u>\$354,240,793</u>
Adjustments of May 22, 2007	
Oscar Smith Middle School Replacement	3,009,200
Various Stormwater Projects	<u>20,300,000</u>
Council Approved FY 2008 - FY 2012 Five-Year Requirements	<u>\$377,549,993</u>

The adjustment for Oscar Smith Middle School Replacement project was needed to reflect previously approved resource levels which were not shown in summary charts in the School Board Proposed Capital Budget. These are from VPSA borrowing served from deposits to the General Fund Reserve for Future School Capital. The additional funds for the Stormwater projects will come from the increased revenues generated from the Stormwater Fee increase approved by the City Council on March 13, 2007 to address critical drainage needs.

These adjustments combined with those projects approved on May 8, 2007, enable us to move forward in addressing the most critical infrastructure needs across the City.

Sincerely,

Anne F. Odell
Acting City Manager