

## **SUMMARY OF CAPITAL IMPROVEMENT BUDGET**

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### **Overview**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit D

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

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

## CAPITAL BUDGET - IMPACT ON THE OPERATING BUDGET

### Overview

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

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

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

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

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

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

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

### Impact on Future Operating Budget Costs

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

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

## CAPITAL BUDGET - DEBT OBLIGATIONS BUDGET

### Current Debt Obligations:

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

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

### Projected Level of Future Debt Obligations:

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

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

## CITY DEBT BUDGET

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

### Legal Debt Limit

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

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

### Calculation of Legal Debt Limit

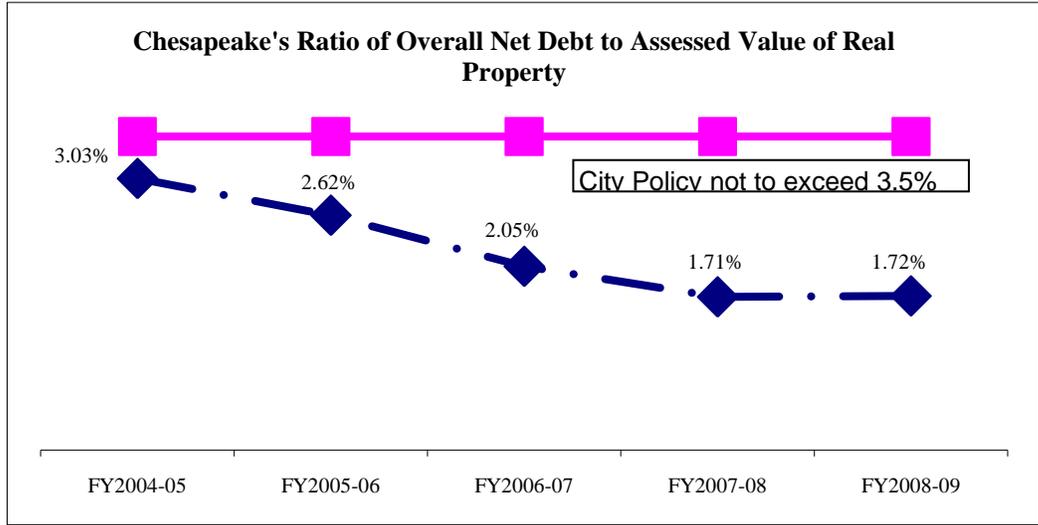
The following table illustrates the calculation of the legal debt margin as of June 30, 2009. According to the current statutes of the Commonwealth of Virginia, the City's general obligation bonded debt issuance must not exceed 10% of the total assessed value of real property.

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

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

# CITY DEBT BUDGET

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



## Overall Net Debt Per Capita

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

## Annual Overall Net Debt Service to General Fund Revenues

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

## **DEBT MANAGEMENT POLICIES**

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

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

### **Medium Term Debt**

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

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

## **DEBT MANAGEMENT POLICIES**

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### **Short Term Debt**

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

### **Other Debt Considerations**

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

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

### **Bond Rating Agencies**

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

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

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