

**Office of the City Manager**  
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June 24, 2010

The Honorable Mayor Alan P. Krasnoff and  
 Members of the City Council  
 City of Chesapeake  
 Civic Center  
 Chesapeake, VA 23322

Dear Mayor Krasnoff and Members of the City Council:

On May 11, 2010, the City Council adopted the Fiscal Year 2010-11 Operating Budget. The budget as approved held the non-mosquito real estate tax rate unchanged at \$1.04 as well as the mosquito real estate tax rate at \$0.01. The approved budget provides the necessary resources for critical basic services.

The City Council action of May 11, 2010, included the following adjustments to the resources and requirements of the Proposed FY 2010-11 Operating Budget:

<b>PROPOSED BY THE CITY MANAGER</b>		<b>\$873,859,799</b>
<b><u>ACTION BY CITY COUNCIL OF MAY 11, 2010</u></b>		
<b>Approved Increases - May 11, 2010</b>		
Restoration of four (4) police positions	\$260,000	
Removal of employee furlough and other wage savings from the operating budget	\$1,473,000	\$1,733,000
<b>Approved Decreases - May 11, 2010</b>		
Reduction in group life insurance rate as approved by the General Assembly	(\$533,000)	
Recognition of estimated savings from the Early Retirement Incentive Plan	(\$1,200,000)	(\$1,733,000)
<b>FY 2010-11 OPERATING BUDGET APPROVED BY COUNCIL</b>		<b><u>\$873,859,799</u></b>

On June 8, 2010, City Council approved the following amendments to the FY 2010-11 Operating Budget:

**ACTION BY CITY COUNCIL JUNE 8, 2010**

<b>OPERATING BUDGET APPROVED BY CITY COUNCIL MAY 11, 2010</b>	<b>\$873,859,799</b>
060 Increase City Treasurer's budget by appropriating licenses fees currently held in Fund Balance	\$215,324
061 Increase Schools budget by categorical funds in the Textbook Fund, Cafeteria Fund, and Cell Tower Fund	\$18,008,342
061 Increase Schools budget by categorical grants from Federal (including ARRA) State, and other sources	\$64,104,520
061 Reduce Schools budget by reduction in State funding	(\$14,447,499)
062 Increase budgets of constitutional officers, Agriculture, and Library for revisions in State budget projections	\$958,089
063 Increase Public Communications budget in order to restore video equipment technician	\$18,585
<i>Note: references are to ordinance number</i>	
<b>FY 10-11 OPERATING BUDGET APPROVED AS AMENDED JUNE 8, 2010</b>	<b><u>\$942,717,160</u></b>

The Approved FY 2010-11 Operating Budget as amended provides a total of \$942.7 million for all governmental activities beginning July 1, 2010. This represents a 1.9% reduction from the original spending plan for FY 2009-10. Of the \$942.7 million for FY 2010-11, \$450.5 million support School operations and capital. This represents 51.6% of all available resources.

The FY 2010-11 Operating Budget reflects the efforts of our staff, the citizens and the City Council in working to understand and shape a spending plan which reflects the highest priorities and needs for all our citizens. This plan will ensure our continued quality of life for the future.

Sincerely,

  
William E. Harrell  
City Manager