

**MEMORANDUM**

*City Council met on June 10, 2014 and approved all recommendations as presented here.*

TO: James E. Baker, City Manager

FROM: Steven Jenkins, Budget Director

DATE: June 4, 2014

SUBJECT: Revisions to Operating and Capital Budgets for FY 2014-15

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On May 13, 2014 City Council approved operating and capital budgets for the year beginning July 1, 2014. Council adopted the FY 2015 budget as proposed in March without amendments; it also adopted necessary appropriations to insure the continuance of normal operations into Fiscal Year 2015.

Since the budget was proposed in late March, several events have occurred that require an amendment of both the operating and capital budgets. The most significant issue was the conclusion of negotiations for participation in the regional jail which City Council approved on May 27, 2014. We have also received budget amendments from the School Board and budget proposals from the vendor selected to operate the Chesapeake Convention Center. Finally, we have learned of several errors and omissions that require Council attention. The remainder of this memorandum describes amendments that are recommended for FY 2015.

In addition to the revisions mentioned above, several other issues should be mentioned. First, a reminder of the budget impasse in the General Assembly. Typically we would revise state revenue estimates in June based on actual legislation signed by the Governor. Since the legislature has not approved a budget and because there are differences between budgets of the two chambers aside from expansion of Medicaid, we will defer state revenue revisions until a later date. In preparing the FY 2015 budget, we assumed that state revenue would remain at FY 2014 levels, and I believe that is still a prudent assumption. The second issue concerns the actual mechanics of the pay raise that was recommended with the FY 2015 Operating Budget. Following discussion of budget revisions, I have included an explanation of the pay improvements that were included in the Operating Budget.

## RECOMMENDED AMENDMENTS TO THE CAPITAL IMPROVEMENT BUDGET FOR FY 2015

Contribution to the Operations of Hampton Roads Regional Jail Authority (new project) – under terms of the agreement reached with the Authority and under consideration by the four current member cities, Chesapeake is required to pay \$3 million to the Authority in order to become a full member with all privileges and responsibilities of the other members. The terms of the agreement neither convey an equity interest in the facility nor require the City to do so in the future. The City and the Authority have agreed that the contribution will be paid in three annual installments of \$1 million due at the start of the next three years. No interest will accrue during the period covered by the agreement.

We recommend amendments to the FY 2015-19 Capital Improvement Plan to add this new project and to the FY 2015 Capital Improvement Budget to authorize payment of the three installments. We have considered partially funding the agreement with a reduction to the budget for the existing project to address jail overcrowding (#04-180); however, the agreement with HRRJA does not fully address overcrowding of the City jail and we anticipate an addition to the City jail in the near future. For this reason, we recommend funding Chesapeake's contribution to the Authority's operations with a \$3 million transfer from the City's General Fund Balance.

See Schedule 2 at the end of this memorandum for a restatement of the Capital Improvement Program.

## RECOMMENDED AMENDMENTS TO THE OPERATING BUDGET FOR FY 2015

1. Sheriff's Budget: Increase the General Fund budget by \$2,008,125 for the City's participation in the Hampton Roads Regional Jail Authority. The agreement reached with the Authority requires the City to pay a per diem of \$63 per day for each inmate sent to the regional facility. Chesapeake is required to guarantee payments for 50 inmates starting July 1, 2014 and increase the guarantee by 25 inmates each quarter until the guarantee reaches 250 inmates. Under terms of the agreement, Chesapeake will guarantee an average of 87.33 inmates during FY 2015. Payments owed to the Regional Authority for the guarantee will total \$2,008,125 during FY 2015.

The Sheriff will realize some savings in the food contract and possibly in the medical service contract; however, the exact amount is not known at this time. The department is reviewing operations to identify savings that accrue as inmates are transferred to the regional facility. Staffing reductions are likely to be minimal since the City jail is overcrowded and we do not anticipate the immediate closing any sections of the jail. We are hopeful that the most costly sections of the City's jail can be closed as we utilize all contracted space in the regional jail.

Adjustment to Sheriff's revenue: since the City will transfer inmates to the Regional Jail, the per diem payments we receive from the state will be reduced by approximately \$188,000. An adjustment to state payments is recommended to FY 2015 revenue.

2. Chesapeake Public Schools: the School Board requests an amendment to its appropriation to recognize an additional \$500,000 of federal revenue and the use of \$3,297,449 of FY 2013 City funds owed to the School Board under the City's long-standing revenue sharing practices. We recommend an increase in federal funding of \$500,000 and an increase in the School Board's operating budget by \$3,797,449 representing the additional federal funding plus excess FY 2013 City revenue owed to the School Board.
3. Chesapeake Conference Center: reduce Center's budget from \$3,406,049 to \$2,696,000 (a decline of \$710,049) based on the proposed FY 2015 budget submitted by the contractor. Since all Conference Center employees are working for the contractor, we also recommend removing the 30 FTE positions assigned to the Center from the City's complement. The revised budget includes an allowance of \$171,000 for the fixed monthly management fee and additional incentive payments that are contingent upon appropriate performance by the contractor. The budget also includes \$75,000 for a new position for contract management, \$50,000 for non-routine repairs and \$116,000 for contract administration,

unemployment claims, the recovery of technology costs, and self-insurance costs. The combined budgets for the Conference Center and Tourism Bureau is reduced from \$4.49 million to \$3.78 million with this adjustment.

Relatedly, the non-departmental section of the budget includes the recovery of \$110,000 of City overhead costs from the Conference Center. Because of the Center is managed by an outside contractor and is paying directly for administrative oversight, the General Fund recovery of overhead is no longer recommended. We recommend reducing the GF recovery from the Conference Center Fund by \$110,000.

Adjustment to revenue: the Conference Center contractor projects a \$263,355 reduction in the Center's revenue for FY 2015. The revenue reduction is consistent with recent trends and the expenditure budget. We recommend a reduction in fund's revenue as projected by the contractor.

4. Chesapeake Transportation System: Reduce the Expressway operating budget by \$4,462,900 related to construction period interest on debt issued for the construction of Dominion Boulevard and replacement of the Steel Bridge. In 2012, the City issued senior revenue bonds for the Dominion project and to refund existing debt on the Expressway. The proposed operating budget included interest for both the Expressway and Dominion Boulevard capital project for the senior debt. Interest accruing during the construction period is already included in the Capital Improvement Program for Dominion Boulevard and should not have been included in the operating budget. This amendment would reduce the operating budget accordingly.
5. Transfers to Grant Fund: the operating budget includes a \$225,000 transfer from the General Fund to the Grants Fund in order to meet the City's cash match requirements for certain future grant awards. Typically, cash matches are met through department budgets, however, the City has historically reserved funds to meet match requirements for small departments. The reservation is recognized with a transfer of funds from the General Fund. Since the Grant Fund is currently holding approximately \$735,000 for this purpose, it is unnecessary to transfer additional funds at this time. We recommend removing the transfer during FY 2015 and monitor the Grant Fund for future requirements.
6. Planning Department and Open Space and Agricultural Preservation: the Planning Department staff have identified a need for an annual appropriation in order to address pre-acquisition costs related to development rights of parcels that are candidates for the OSAP program. Typically the City contracts for environmental and legal assessments before a recommendation is made for Council funding of an acquisition. These assessments can identify issues that would preclude the City's acquisition of development rights to the property. An annual appropriation would ensure sufficient funding of pre-acquisition assessments that must occur before development rights are purchased. Because the OSAP Fund is a multi-year fund similar to the Capital Fund, the budget and accounting of pre-acquisition costs is more easily done in the General Fund. For this reason, we recommend increasing the General Fund budget for the Planning Department by \$175,000 provided by transfers from the OSAP Fund.
7. Non-Departmental Budget (Tidewater Builders Association): the budget adopted last month includes \$12,000 for TBA's building trades program. The Association has requested that the City fund a total of \$63,000 in the form of grants for students in its building trades training program. We recommend an increase in the non-departmental budget of \$51,000 that would be available for students that have reached agreed-upon performance benchmarks. While City funding is capped at \$63,000, funds would only be paid if students achieve benchmarks; unused funding will remain with the City.
8. Non-Departmental Budget (For Kids/Our House Families): the City committee that reviews requests from human service agencies recommends increasing the grant to For Kids/Our House Families by \$21,750. Under the proposed budget, For Kids/Our House Families is to receive up to \$14,250; the additional funding would authorize \$36,000 for FY 2015. The initial funding recommendation provided for a part-time case manager; the objectives of the grant require a full-time case manager. Staff recommends

reducing the budgeted amount for the Comprehensive Plan for Children and Youth by \$21,750 as an offsetting adjustment.

Non-Departmental Budget (2015 Jubilee): no cash subsidy of the Jubilee was included in the FY 2015 budget; however, this does not reflect a staff recommendation against such funding. Instead, staff is conscious of several unresolved matters involving the Jubilee, including an open City invoice relating to the 2012 Jubilee, a careful review of Jubilee finances through the just completed 2014 Jubilee, a recommended level of City participation in future Jubilee events, and a long-term lease agreement for the use of City Park. Consequently, we recommend deferring final consideration of FY 2015 funding for the Jubilee, pending further discussions with Jubilee officials and a report and recommendations to the full Council by the appointed Jubilee committee.

9. Circuit Court: the proposed operating budget omitted funding for equipment needed to better display evidence presented in the Circuit Court. The Court plans to acquire three (3) portable units that include white boards, computer, television monitors, and related items costing approximately \$50,000. We recommend amending the General Fund budget to include \$50,000 for acquisition of three portable evidence display units.
10. Human Resources: the proposed budget omitted necessary funding in order for department to conduct a compensation and classification review of non-public safety employees. The purpose of the study is to identify inequities that may exist in the general employee ranks and to address pay compression that may exist. A similar study was conducted for public safety personnel during FY 2014. The general employee study is expected to cost \$44,000, of which, \$36,551 is needed during FY 2015. This amount will be used to pay a temporary part-time staff position and payments to a temporary staffing agency.
11. Public Communication and Economic Development: assign the position currently shared between the two departments to the Public Communication on a full-time basis. The directors of the two departments have jointly recommended that the shared part-time position in Economic Development be transferred and joined with the part-time position in Public Communications to create a single consolidated full-time position in Public Communications. The position will continue to be used, in part, to create promotional and informational video and television material that will support the efforts of the Economic Development Department. However, both directors believe placing the position in a single department will promote better coordination and management. This revision transfers \$59,113 and 0.6 FTE from Economic Development to Public Communications.
12. City Manager's Office: the budget includes an allowance for a part-time office assistant (II); however, the position was inadvertently left off the Office's complement. Recommend increasing the personnel complement by 0.5 FTE positions.
13. Information Technology: the Department requests the reassignment of a systems analyst from Enterprise Applications (12509) to Enterprise Software Development (12511). We recommend a budget transfer between the two programs for estimated pay and benefits of the position (\$79,607).
14. Stormwater Operations/Central Fleet: the FY 2015 Stormwater budget includes a new position for a mechanic that will repair street sweepers and other stormwater equipment. Since this position will report to the Fleet Manager and work in the central garage we recommend that the position be part of the Central Fleet complement and removed from the Stormwater complement. Transferring the position increases the Fleet budget by \$50,087, an amount that will be recovered through internal service fees collected from Stormwater. We also recommend a revision to the Stormwater budget reducing wages and benefits by \$50,087 and increasing internal service payments to Central Fleet by the same amount. Since internal service transactions are eliminated from the entity wide budget, this revision does not change the total appropriation.

15. Transfers to Capital Fund – the recommended revision to the capital projects budget for the jail program requires the transfer of \$3 million from the general fund balance in order to acquire an equity interest in the Hampton Roads Regional Jail Authority. However, capital transfers as shown on the operating budget are \$862,400 greater than is shown in the capital budget. The difference between the \$3 million budget for the regional jail and the \$862,400 imbalance between the two budgets will require a net increase in transfers from operating funds of \$2,137,600. This adjustment funds the acquisition of the equity interest in HRRJA and brings the operating budget into agreement with the capital budget.
16. Restatement of Opening Fund Balance – the proposed budget includes comparative data for the original FY 2014 budget without revisions approved by Council during the intervening months. Using original FY 2014 budget data also meant using the beginning fund balance without changes for subsequent Council amendments. Between September 2013 and April 2014 Council has appropriated \$6.3 of fund balances, including \$4.3 million from the General Fund. The beginning fund balance stated in the appropriation ordinance should be reduced accordingly. A complete listing of Council appropriations from fund balances appears in Schedule 3 at the end of this memorandum.

With these revisions, the Operating Budget Ordinance is revised as follows:

- Reduce beginning fund balances from \$362.2 million to \$355.9 million (down \$6.3 million)
- Increase revenue from \$928.53 million to \$928.58 million (up \$48,645)
- Increase expenditures from \$926.7 million to \$927.8 million (up \$1.05 million)
- Increase transfers to capital projects and grant funds from \$29.6 million to \$31.5 million (up \$1.9 million)
- Reduce ending fund balance from \$341.9 million to \$332.7 million (down \$9.2 million)

## **IMPROVEMENTS PLANNED IN EMPLOYEE PAY**

The FY 2015 budget includes several improvements in employee pay that may need clarification. Below are adjustments in employee pay that are planned:

1. Pay raise to offset increase in VRS rates for Plan 1 employees (generally hired before July 2010): starting July 1, 2014, the retirement contribution of Plan 1 employees will increase from 3% of earnings to 5%. State statute requires that the City provide a pay raise of the same percentage as the increase in the employees' contribution. Accordingly, on July 1, all Plan 1 employees will receive a 2% pay raise to offset the increase in their retirement contributions.
2. General pay raise (3%): the budget includes sufficient funds to improve the pay of all employees by 3% starting October 2014. The pay raise will apply to those employed before April 1, 2014. Additionally, each full-time employee will receive a pay raise of no less than \$1,000. This will mean that the lowest paid employees will receive pay raises that exceed 3%. Permanent part-time employees will receive the same 3% pay raise and the floor will be prorated. Finally, the across board pay raise also permits an increase in the competitive wage rate. The competitive wage rate will increase 3% rising from \$9.86 per hour to \$10.15. The current rate is 5% above the federal poverty level for a family of three.
3. Equity pay adjustment for Public Safety positions: starting October 1, 2014, some public safety personnel in sworn positions will receive an equity pay adjustment. The adjustment is based on each employee's tenure in their current position. Approximately 40% of sworn personnel will receive an equity adjustment. The initial estimate of the equity adjustment that eligible employees would receive ranged from \$42 to \$5,800 annually. The range will likely increase slightly as a result of the VRS adjustment and the 3% general pay raise.
4. Recognize and reward superior performance: the City plans to more closely tie pay raises to employee performance. As a first step, the FY 2015 budget includes a reward program to recognize superior work performed by the most productive employees. On October 1, 2014, pay raises of \$1,000 will be provided to highest performing City employees. The performance award is limited to 10% of the full-time positions working in City government and will become a part of each employee's base pay (it is not a one-time bonus).

Following this memorandum are schedules that summarize the budget revisions proposed here. The supporting schedules are as follows:

- Schedule 1 – Operating Appropriation
- Schedule 2 – Capital Improvement Program
- Schedule 3 – Restatement of Beginning Fund Balances: Council Appropriations

Please place these amendments on Council's agenda for consideration at the June 10, 2014 meeting. Should you have any questions or require further information, please let me know.

Copy: Nancy Tracy

## Schedule 1 – Operating Appropriation

<i>Listed below is the annual appropriation, including sources used to finance the operating budget.</i>	<b>Adopted 05/13/14</b>		<b>Amendments 06/10/14</b>	<b>Recommended Appropriation</b>
<b>BEGINNING FUND BALANCES</b>	<b>\$ 362,215,258</b>	16	<b>\$ (6,291,444)</b>	<b>\$ 355,923,814</b>
<b>REVENUES</b>				
General Property Taxes	\$ 301,386,559		\$ -	\$ 301,386,559
Other Local Taxes	132,727,140		-	132,727,140
Licenses and Permits	2,996,983		-	2,996,983
Fines & Forfeitures	3,369,327		-	3,369,327
Use of Money & Property	4,920,144		-	4,920,144
Charges for Services	112,026,605	3	(263,355)	111,763,250
Miscellaneous Revenue	5,032,679		-	5,032,679
Recovered Costs	2,239,760		-	2,239,760
Revenue from the Commonwealth	322,134,433	1	(188,000)	321,946,433
Revenue from the Federal Government	38,843,518	2	500,000	39,343,518
Categorical Grant Awards	2,852,653		-	2,852,653
<b>Total Revenue</b>	<b>\$ 928,529,801</b>		<b>\$ 48,645</b>	<b>\$ 928,578,446</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 1,290,745,059</b>		<b>\$ (6,242,799)</b>	<b>\$ 1,284,502,260</b>
<b>APPROPRIATIONS</b>				
<b>General Fund</b>	<b>\$ 274,620,764</b>			<b>\$ 277,051,440</b>
Sheriff		1	\$ 2,008,125	
Non-Departmental - adjust overhead allocations		3	110,000	
Planning for OSAP		6	175,000	
Non-Departmental for Tidewater Builders Assoc		7	51,000	
Circuit Court		9	50,000	
Human Resources		10	36,551	
<b>Special Revenue Funds</b>				
Virginia Public Assistance	21,085,921		-	21,085,921
Interagency Consortium	3,851,910		-	3,851,910
Fee Supported Activities	1,018,162		-	1,018,162
Integrated Behavioral Healthcare	22,399,059		-	22,399,059
Conference Center & Tourism	4,487,732	3	(710,049)	3,777,683
E-911 Operations	5,895,723		-	5,895,723
Chesapeake Juvenile Services	6,006,280		-	6,006,280
Tax Increment Financing-Greenbrier	450,000		-	450,000
Tax Increment Financing-South Norfolk	400,000		-	400,000
Open Space and Agricultural Preservation	-		-	-
<b>City Wide Debt Fund</b>	<b>53,437,514</b>		<b>-</b>	<b>53,437,514</b>

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Schedule 1 – Operating Appropriation, continued

<i>Listed below is the annual appropriation, including sources used to finance the operating budget.</i>	<b>Adopted 05/13/14</b>		<b>Amendments 06/10/14</b>	<b>Recommended Appropriation</b>
<b>Enterprise Funds</b>				
Public Utilities	61,136,582		-	61,136,582
Stormwater Management	10,369,087		-	10,369,087
Chesapeake Transportation System	9,283,668	4	(4,462,900)	4,820,768
<b>Internal Service Funds (net of department billings)</b>				
Central Fleet / City Garage	1,508,772		-	1,508,772
Information Technology	806,715		-	806,715
Risk Management	-		-	-
Mosquito Control	4,546,837		-	4,546,837
<b>Education</b>	<b>442,432,431</b>	<b>2</b>	<b>3,797,449</b>	<b>446,229,880</b>
Categorical Grant Awards	2,852,653		-	2,852,653
<b>Total Appropriations</b>	<b>\$ 926,589,810</b>		<b>\$ 1,055,176</b>	<b>\$ 927,644,986</b>
TRANSFERS TO CAPITAL & GRANT FUNDS	29,610,430	15	2,137,600	31,523,030
		5	(225,000)	
Estimated Budgetary Savings	(7,500,000)		-	(7,500,000)
<b>ENDING FUND BALANCE</b>	<b>\$ 342,044,819</b>		<b>\$ (9,210,575)</b>	<b>\$ 332,834,244</b>



## Schedule 2 - Capital Improvement Program

Source of Funding	FY 2015 Budget	FY 2016-19 Plans	Total 5-Year Program
Cash - City Lockbox	\$ 627,265	\$ 9,302,024	\$ 9,929,289
Cash - General Fund Transfer	3,900,055	6,306,590	10,206,645
Cash - School Lockbox	6,685,981	18,750,000	25,435,981
Cash - South Norfolk TIF	1,749,300	3,300,000	5,049,300
Cash - Stormwater Fund	4,936,165	20,182,400	25,118,565
CTS - Renewal & Repl. Fund	690,000	-	690,000
Equipment Lease	1,349,208	-	1,349,208
Fund Balance - Capital Projects Fd.	3,945,280	3,001,720	6,947,000
Fund Balance - Conference Ctr. Fd.	968,000	-	968,000
Fund Balance - General Fund	<del>5,730,000</del>	<del>5,440,000</del>	<del>11,170,000</del>
	<b>8,730,000</b>	<b>5,440,000</b>	<b>14,170,000</b>
Fund Balance - OSAP Fund	1,120,000	-	1,120,000
Fund Balance - Other Funds	1,145,100	770,000	1,915,100
Fund Balance - Utility Fund	950,000	6,878,123	7,828,123
GO Debt - City	13,514,550	28,127,469	41,642,019
GO Debt - Greenbrier TIF	-	16,000,000	16,000,000
GO Debt - VPSA	7,500,000	52,000,000	59,500,000
Grant - State Matching	2,500,000	5,000,000	7,500,000
Grant - US DOT	-	22,000,000	22,000,000
Revenue Bonds - Utility Fund	4,347,524	47,885,246	52,232,770
VDOT - RevShare	4,000,000	32,000,000	36,000,000
<b>TOTAL FUNDING SOURCES</b>	<del><b>\$ 65,658,428</b></del>	<del><b>\$ 276,943,572</b></del>	<del><b>\$ 342,602,000</b></del>
	<b>\$ 68,658,428</b>	<b>\$ 276,943,572</b>	<b>\$ 345,602,000</b>

Improvement Category	FY 2015 Budget	FY 2016-19 Plans	Total 5-Year Program
Community Facilities	\$ 4,180,856	\$ 8,828,826	\$ 13,009,682
Economic Development	6,749,300	38,300,000	45,049,300
Education	14,185,981	70,750,000	84,935,981
Information Technology	1,298,507	1,021,590	2,320,097
Parks, Recreation, and Tourism	2,213,000	4,740,000	6,953,000
Public Safety	<del>10,661,815</del>	<del>12,415,667</del>	<del>23,077,482</del>
	<b>13,661,815</b>	<b>12,415,667</b>	<b>26,077,482</b>
Public Utilities	5,297,524	54,763,369	60,060,893
Stormwater Projects	4,936,165	20,182,400	25,118,565
Transportation	16,135,280	65,941,720	82,077,000
<b>TOTAL CAPITAL SPENDING PLAN</b>	<del><b>\$ 65,658,428</b></del>	<del><b>\$ 276,943,572</b></del>	<del><b>\$ 342,602,000</b></del>
	<b>\$ 68,658,428</b>	<b>\$ 276,943,572</b>	<b>\$ 345,602,000</b>

*Capital budget revisions reflect \$3.0 million addition for the initial contribution to the operations of the Hampton Roads Regional Jail Authority.*

**Schedule 3 - Restatement of Beginning Fund Balances**  
**Council Appropriations of Fund Balances (September - April)**

	Total Amount Appropriated	From Reserves, Commitments or Designations	From Undesignated Funds
General Fund Appropriations:			
Elizabeth Park shoreline restoration	\$ 200,000	\$ -	\$ 200,000
Tidewater Training Center purchase	191,000	-	191,000
Fire station restroom renovations	110,000	-	110,000
Library improvements (FY 13 savings)	224,000	-	224,000
Econ. Development (Oceaneering)	840,000	840,000	-
Public Safety Ops Bldg - project management	670,000	-	670,000
Treasurer for EZ Pass sales	23,569	-	23,569
Schools - for OPEB transfer	1,000,000	1,000,000	-
Voter Registration - from equipment sales	12,000	12,000	-
Public Works - bridge repairs	606,000	606,000	-
Police - animal service fees	11,585	11,585	-
Freeman Overpass - preliminary engineering	75,000	-	75,000
Treasurer for EZ Pass sales	200,000	-	200,000
Dominion Corridor study	95,600	-	95,600
Developer stormwater bond	10,000	-	10,000
Caleb Williamson Building repairs	10,500	-	10,500
Cornland School historical evaluation	10,000	-	10,000
<b>Subtotal - General Fund</b>	<b>\$ 4,289,254</b>	<b>\$ 2,469,585</b>	<b>\$ 1,819,669</b>
Fund 204 - Dangerous Buildings Ordinance	150,000	150,000	-
Fund 204 - HEAT supplements (2)	13,030	13,030	-
	8,961	8,961	-
Fund 205 - CIBH - Bus stop improvements	15,980	15,980	-
Fund 205 - CIBH - Tidewater Training Center	750,000	750,000	-
Fund 212 - SN TIF streetlights	50,000	50,000	-
Fund 603 - IT Disaster Recovery	997,173	997,173	-
Fund 603 - IT Radio tower maintenance	17,046	17,046	-
<b>Total appropriations of beginning fund balances</b>	<b>\$ 6,291,444</b>	<b>\$ 4,471,775</b>	<b>\$ 1,819,669</b>

\$1.82 million of the \$6.29 million of supplemental appropriations were provided from undesignated fund balances. The difference (\$4.47 million) was from restricted, committed, or designated funds. \$223,569 of appropriations for the Treasurer were made from the undesignated fund balance; however, EZ Pass sales during FY 2014 will replenish the fund balance for nearly all of the EZ Pass appropriations.