

Non-Departmental

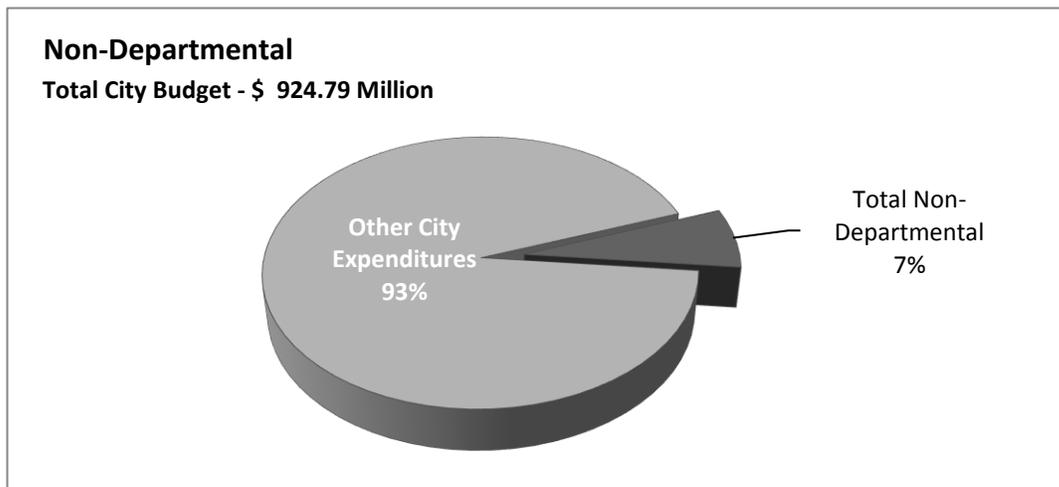
Summary

Non-Departmental expenditures include the City's three internal service funds (Garage/Central Fleet, Risk Management, and Information Technology) and other citywide expenditures that are not related to a single department. Also included are contingencies and expense provisions that will be allocated to individual departments.

Internal service departments provide necessary functions throughout the organization and bill their services to other City departments. This section also includes the Debt Service for the City and Schools, and the other external agencies that receive funding from the City.

Budget by Service	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Debt Services	\$ 55,655,920	\$ 56,228,160	\$ 53,437,514	-5.0%
Garage/Central Fleet	13,203,405	17,486,549	14,099,740	-19.4%
Risk Management	9,971,189	7,561,878	8,066,848	6.7%
Information Technology	10,695,403	10,513,753	11,339,835	7.9%
Non-Departmental	20,140,701	22,484,508	13,150,935	-41.5%
Total Expenditures	\$ 109,666,618	\$ 114,274,848	\$ 100,094,872	-12.4%
Less Billings to Other Departments	(27,868,925)	(28,129,378)	(29,738,780)	5.7%
Total Non-Departmental	\$ 81,797,693	\$ 86,145,470	\$ 70,356,092	-18.3%

* The FY 2014-15 Budget excludes Other Post-Employment Benefits (OPEB). These costs totaling \$11.75 million have been allocated to individual departments.



Non-Departmental

Summary

Operating Revenues	FY 12-13	FY 13-14	FY 14-15	Change from
Resource	Actual	Budget	Budget	prior year
Other Local Taxes	\$ 1,809,853	\$ 652,971	\$ 315,953	-51.6%
Use of Money and Property	473,024	441,206	391,209	-11.3%
Miscellaneous Revenue	26,720,049	26,692,438	28,065,998	5.1%
Recovered Costs (Risk Management)	4,682,150	3,549,678	3,798,269	7.0%
State Noncategorical Aid	1,266,330	1,275,494	1,236,373	-3.1%
State Other Categorical Aid	221,984	190,239	0	-100.0%
Federal Aid	921,303	959,809	889,363	-7.3%
Total Revenues	\$ 36,094,692	\$ 33,761,835	\$ 34,697,165	2.8%
General Fund Support	66,288,304	68,478,108	57,798,500	-15.6%
Transfers from other funds	3,620,602	3,121,419	3,329,822	6.7%
Use of Fund Balance	3,663,019	8,913,486	4,269,385	-52.1%
Total Resources	\$ 109,666,618	\$ 114,274,848	\$ 100,094,872	-12.4%

- Other local taxes includes the local share of state sales tax on communications services which are committed to the E911 fund. The Information Technology department uses these funds for the 800Mhz maintenance and replacement program.
- Use of money and property includes interest earnings primarily in from the Debt Service fund.
- Miscellaneous Revenue includes internal service fund (ISF) charges for Garage/Central Fleet, Information Technology, and Risk Management that are billed to other City departments. The revenue for the ISF is shown here while the expense is included in the budgets of all other City departments.
- Recovered Costs are internal billings by Risk Management for medical expenses paid to current employees for workers compensation claims.
- State and Federal aid includes reimbursements received in the Debt Services fund. Federal payments are received for "Build America" bonds and qualified construction bonds. The City also receives state payments for a portion of jail construction costs.

Increase (Decrease) in Fund Balances

Debt Fund	\$ (5,022,980)	\$ (5,909,341)	\$ (4,558,033)
Central Fleet	1,358,253	(3,500,000)	-
Risk Management	(1,504,978)	-	-
Information Technology	1,506,686	495,855	288,648
Total Increases (Decreases)	\$ (3,663,019)	\$ (8,913,486)	\$ (4,269,385)

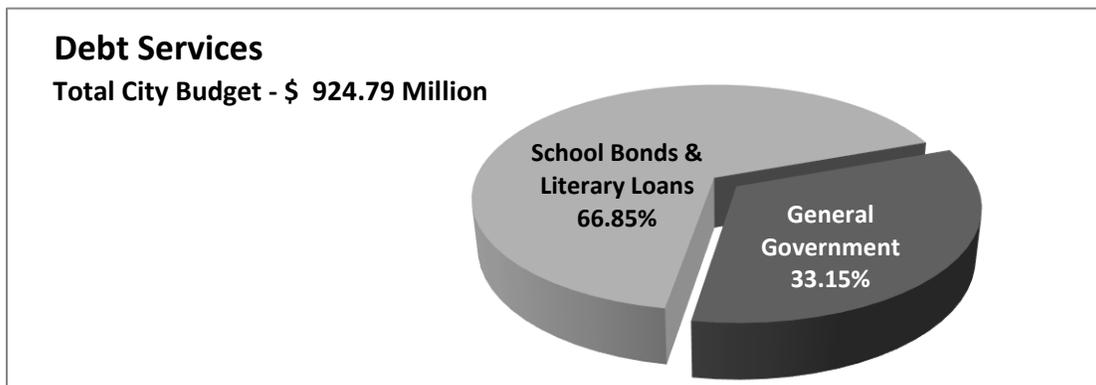
Debt Services

Summary

Debt service represents the annual payments required for bonds and other debt issued by the City. Debt service costs for the enterprise funds are included in department budgets and excluded from this section. The City typically borrows to finance the construction or acquisition of infrastructure, buildings, and equipment.

Budget by Department	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	FY 14-15 Budget
General Government	20,190,292	20,801,873	17,716,930	-14.8%
School Bonds & Literary Loans	35,465,628	35,426,287	35,720,584	0.8%
Total Debt Service Fund	\$ 55,655,920	\$ 56,228,160	\$ 53,437,514	-5.0%

General Government includes Tax Increment Financing Districts



Budgeted Resources:	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Use of Money and Property	(72,422)	271,206	201,209	-25.8%
Revenue from the Commonwealth	221,984	190,239	-	-100.0%
Revenue from Federal Government	921,303	959,809	889,363	-7.3%
Transfer from:				
General Fund	30,265,318	30,343,380	26,217,126	-13.6%
City Lock Box	3,822,784	4,041,192	4,581,665	13.4%
School Lock Box	11,853,371	12,047,824	13,660,296	13.4%
less excess prepayment from prior years		(656,250)	-	
Conference Center	1,000,000	1,000,000	1,000,000	0.0%
Open Space	64,430	64,430	64,430	0.0%
Greenbrier TIF	1,454,313	1,461,050	1,543,746	5.7%
South Norfolk TIF	598,863	595,939	721,646	21.1%
Other Funds	502,996			
Use of (Contribution to) Fund Balance	5,022,980	5,909,341	4,558,033	-22.9%
	55,655,920	56,228,160	53,437,514	-5.0%

Debt Service

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Description:

The Operating Budget includes the funding required for the City’s current year payment of principal and interest (debt service) on outstanding debt. This does not include the debt service of Enterprise funds (Public Utilities and Chesapeake Expressway), capital leases included in department budgets, and debt payments made to the Virginia Department of Transportation in connection with the Oak Grove Connector (see non-departmental expenses).

Budget by Program	FY 11-12 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Principal	37,524,877	41,657,529	39,174,306	-6.0%
Interest	17,458,708	14,515,631	14,208,208	-2.1%
Other Debt Expenses	575,035	55,000	55,000	0.0%
Total General Government and School Debt Service	55,558,619	56,228,160	53,437,514	-5.0%

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 will not exceed \$3,000 per capita.
- 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 bond covenants.
- 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 Service

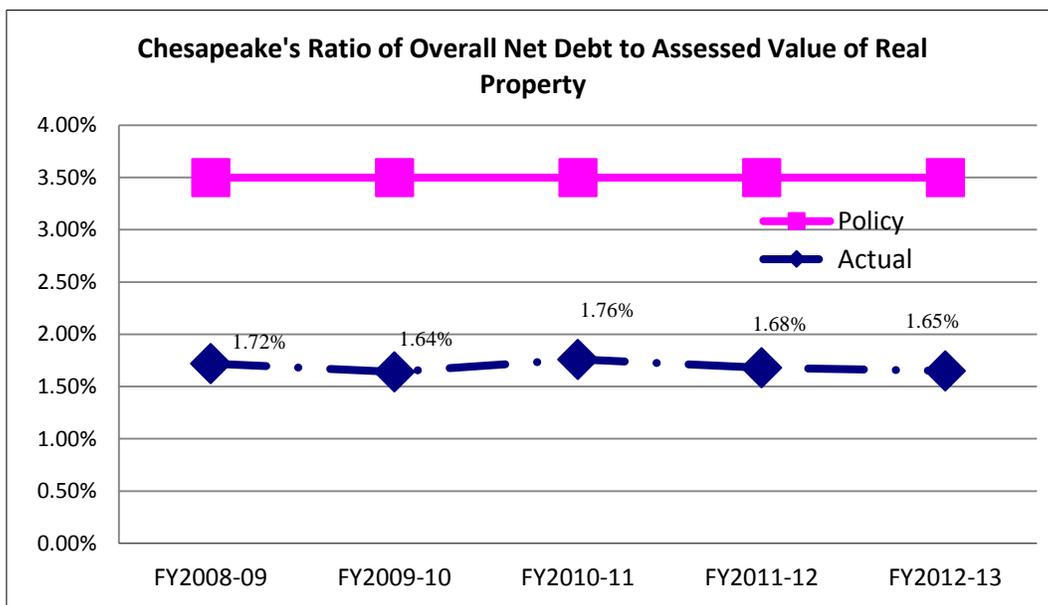
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Debt Management Policies continued

- 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 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.)



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 for the years in which the debt will be outstanding, as well as, the City's legal debt limits and debt management policies.

Debt Service

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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, 2013. 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, 2013, the City may incur an additional \$1,943,889,197 in debt without exceeding its legal debt limit.

Assessed Value of taxable real estate: as of June 30, 2013		\$23,197,467,449
Legal debt limit of 10% of assessed value:		\$2,319,746,745
Amount of debt applicable to legal debt limit:		
Total Bonded Debt	\$639,154,955	
Less: Self-Supporting Debt not chargeable to debt limit	(230,477,520)	
Less: Amounts available for debt service	<u>(32,819,887)</u>	
Total Debt Applicable to Legal Debt Limit		<u>\$375,857,548</u>
Legal Debt Margin for Creation of Additional Indebtedness:		\$1,943,889,197
Notes:		
*Self-Supporting Debt includes Revenue Bonds		

Source: Data in this table are from the City's Comprehensive Annual Financial Report-June 30, 2013

Central Fleet

112012

Description:

Central Fleet manages all of the rolling stock for the City from the procurement of the equipment through its disposal. Central Fleet performs preventative maintenance inspections, major and minor mechanical repairs, and other automotive support to provide a safe, reliable, and economical fleet for the City's operations. The department also maintains small power equipment (chainsaws, tractors, pumps, etc.), manages the City's motor pool fleet, and operates six fueling sites, along with one compressed natural gas (CNG) station, located throughout the City for fueling City vehicles. The division controls the distribution of fuel and repair parts, maintains individual vehicle and equipment records, and recommends the purchase of new and replacement vehicles and equipment.

Code	Program Title	Program Description
12520	Fleet Operations	Provides for daily operations, maintenance, and fuel for City vehicles and equipment
12521	Fleet Capital	Appropriations for purchase of new replacement equipment and the necessary principal and interest for the capital lease purchases

	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Budget by Program				
12520 Fleet Operations	10,042,486	10,530,549	10,643,740	1.1%
12521 Fleet Capital/Replacement Vehicles and Equipment	3,160,919	6,956,000	3,456,000	-50.3%
Total By Program	13,203,405	17,486,549	14,099,740	-19.4%

Goals

- Provide efficient and cost-effective fleet management services for a safe, economical, and environmentally sound fleet that meets the needs of our customers and which protects the investment of our citizens.
- Enlarge the existing motor pools (located at City Hall and Central Fleet) by transferring non-mission essential low usage vehicles assigned to departments into the motor pool so that they can be shared with all departments.

Performance Measures	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Average age of vehicles (Years)	7.32	7.83	6.77	-13.5%
Fleet Availability	95.80%	97.00%	97.50%	0.5%
Repair Turnaround Time (days)	5.10	5.00	4.00	-20.0%
Fleet Size				
Light Duty	966.00	923.00	927.00	0.4%
Heavy Duty	402.00	409.00	409.00	0.0%
Fire	138.00	136.00	136.00	0.0%
# of repairs	8,736	9,855	8,500	-13.7%
# of preventative maint. procedures	3,439	3,237	3,939	21.7%

Central Fleet

112012

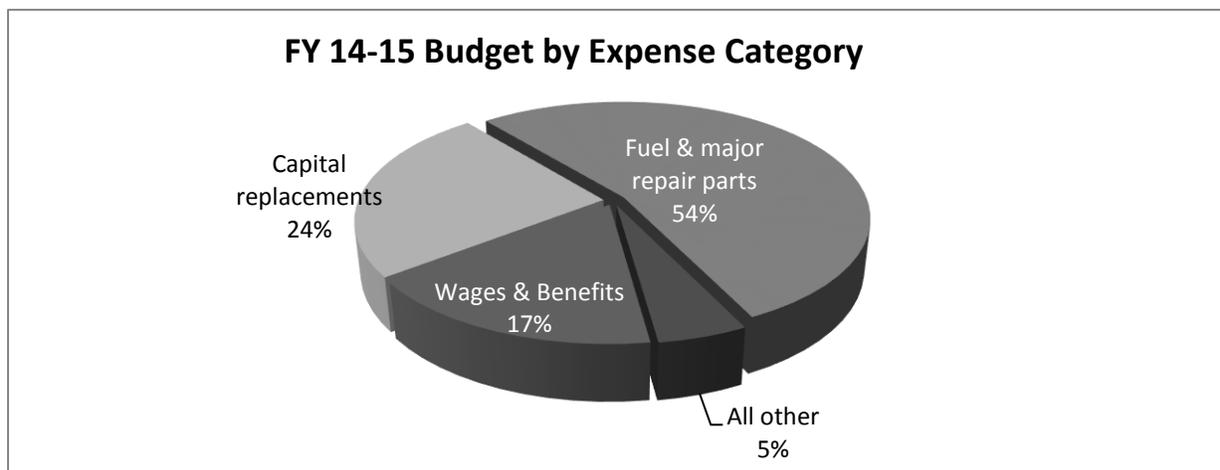
Budget Highlights:

- The Central Fleet is an internal service fund that serves the vehicle needs of other City departments and receives funding from these internal customers to cover costs.
- Fuel (diesel and gasoline) prices are expected to continue climbing. The budget for fuel is sufficient for 950,000 gallons of diesel fuel at \$3.37 per gallon, 700,000 gallons of gasoline at \$3.13 per gallon, and \$70,000 of natural gas for fueling 21 vehicles.
- The City installed a compressed natural gas (CNG) station and is currently operating 21 CNG-powered solid-waste collection (trash) vehicles. This project is part of the City's Capital Improvement Budget and is expected to produce significant savings in vehicle fuel costs.
- The FY 2014 budget included one time funding of \$3.5 million of fund balance in order to address the backlog of vehicles that are beyond their economic service life.
- The personnel complement was increased by one Mechanic II position that will be funded by Stormwater Operations.

Emerging Budget Issues

- The challenge going forward for the department will be having enough funding to replace vehicles and equipment needed for the fleet.

	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Requirements:				
Salaries and wages	1,445,874	1,587,876	1,665,662	4.9%
Employee benefits	731,738	656,465	695,725	6.0%
Purchased services	529,195	604,160	599,000	-0.9%
Other expenditures	89,739	107,878	104,011	-3.6%
Materials	2,097,980	2,157,170	2,091,842	-3.0%
Fuel (diesel and gasoline)	5,149,360	5,417,000	5,487,500	1.3%
Capital Outlay	3,159,519	6,956,000	3,456,000	-50.3%
Total Expenses/Requirements:	13,203,405	17,486,549	14,099,740	-19.4%



Central Fleet

112012

Personnel:		FY 12-13	FY 13-14	FY 14-15	Change from
Grade	Positions	Budget	Budget	Budget	prior year
109	Customer Service Clerk I	1.00	1.00	1.00	0.00
113	Account Technician I	1.00	1.00	1.00	0.00
114-123	Mechanic	25.50	26.50	27.50	1.00
115	Office Coordinator	1.00	1.00	1.00	0.00
118	Welder	1.00	1.00	1.00	0.00
119	Administrative Assistant I	1.00	1.00	1.00	0.00
125	Mechanic Supervisor	2.00	0.00	0.00	0.00
125	Fleet Safety Specialist	0.00	1.00	1.00	0.00
127	Mechanic Ops. Superintendent	1.00	1.00	1.00	0.00
128	Fleet Service Coordinator	1.00	1.00	1.00	0.00
137	Fleet Manager	1.00	1.00	1.00	0.00
Total Department Personnel		35.50	35.50	36.50	1.00

		FY 12-13	FY 13-14	FY 14-15	Change from
Operating Revenues by Fund		Actual	Budget	Budget	prior year
601	<u>Fleet Management</u>				
	Use of Money and Property	423,453	0	0	0.00%
	Billings to City departments				
	and Schools	14,098,972	13,986,549	14,099,740	100.00%
	Recovered Costs	39,232	0	0	0.00%
	Total Revenues	14,561,658	13,986,549	14,099,740	100.00%
	Use of (contribution to) Fund				
	Balance	(1,358,253)	3,500,000	0	0.0%
	Total Resources	13,203,405	17,486,549	14,099,740	-19.37%

Budget by Fund:

601 Central Fleet	13,203,405	17,486,549	14,099,740	-19.4%
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Risk Management (Self Insurance)

111020

Description:

The Risk Management function is administered by the Finance Department. The function handles claims for property, casualty, and worker's compensation losses.

Budget by Program	FY 12-13 Actual	FY 12-13 Budget	FY 13-14 Budget	Change from prior year
12550 Risk Management	9,971,189	7,561,878	8,066,848	6.7%
Total By Program	9,971,189	7,561,878	8,066,848	6.7%

Goals:

- Continue to support conversion to third party administrator for Worker's Compensation claims and turn focus to prevention and effective management and coordination of City/TPA claimant services.
- Staff will continue to explore new methods of cost containment for Worker's Compensation claims through innovative ideas focused on catastrophic case management, vocational case management, pharmaceutical utilization reviews and independent medical evaluations.
- With the addition of a new Safety Officer, begin the development and update of a City-wide Safety Program to assist departments with setting standards for safety equipment and practices; formulate individualized departmental training program and analyze data to identify trends for recommended process changes.

Performance Measures	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
# worker's comp. cases assigned	399	375	387	3.2%
# All other insurance cases assigned	342	335	339	1.2%
# of worker's comp. open cases	372	375	372	-0.8%
# All other insurance open cases	75	80	78	-2.5%

Budget Highlights:

- A 3% general wage increase (effective October 2014) and a 2% salary adjustment for the increased portion that employees must pay for the Virginia Retirement System (VRS) is included in salaries and wages. Benefits decreased because of the decrease in the amount allotted for health insurance due to staff changes and their selection of different insurance plans.
- The primary factor in the decrease in purchased services is a smaller reliance on temporary services. The department is currently fully staffed; therefore, the need for temporary services has decreased.
- The increase in materials is due to an increase in the amount budgeted for claims management software contract renewal.
- One full-time Safety Officer position was added to the department in FY 13-14 to coordinate risk management and OSHA regulations. The department anticipates a significant reduction in injury cases over time with the addition of this position.
- Premiums for all insurance policies increased based on industry trends. An additional \$111,718 was included in the budget for the projected insurance premium increase.

Risk Management (Self Insurance)

111020

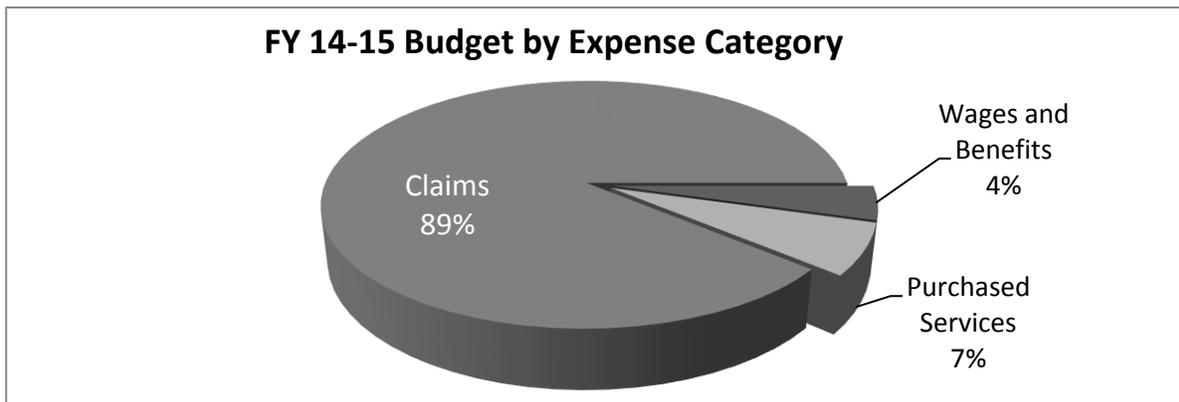
Budget Highlights Continued:

- An allowance was included for the expected increase in fees paid to the Third Party Administrator. Contractual services was reduced by \$45,000 for the new City Attorney that will be working on risk management and contract review.
- The budget for risk claims was increased by \$380,000 through the redeployment of savings realized in the City's annual required contribution to the OPEB Trust fund.

Emerging Budget Issues

- Insurance premiums, software maintenance, and Third Party Administrator fees are all projected to increase going forward.

	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Requirements:				
Administrative Costs				
Salaries and wages	144,474	241,774	258,389	6.9%
Employee benefits	60,422	104,927	95,834	-8.7%
Purchased services	141,197	473,596	469,575	-0.8%
Materials	20,593	56,489	66,040	16.9%
Subtotal Expenses/Requirements:	366,687	876,786	889,838	1.5%
Risk Management Claims	9,604,503	6,685,092	7,177,010	7.4%
Total Expenses/Requirements:	9,971,189	7,561,878	8,066,848	6.7%



Risk Management (Self Insurance)

111020

Personnel:		FY 12-13	FY 13-14	FY 14-15	Change from
Grade	Positions	Actual	Budget	Budget	prior year
117	Liability Claims Adjuster I	1.00	1.00	1.00	0.00
123	Liability Claims Adjuster II	1.00	1.00	1.00	0.00
132	Risk Manager	1.00	1.00	1.00	0.00
126	Safety Officer	0.00	1.00	1.00	0.00
Total Department Personnel		3.00	4.00	4.00	0.00

		FY 12-13	FY 13-14	FY 14-15	Change from
Operating Revenues by Fund		Actual	Budget	Budget	prior year
606	<u>Risk Management</u>				
	Use of Money and Property	(80,764)	0	0	0.0%
	Miscellaneous Revenue	3,908,639	4,012,200	4,268,579	6.4%
	Recovered Costs	4,638,337	3,549,678	3,798,269	7.0%
	Total Revenues	8,466,212	7,561,878	8,066,848	6.7%
	Use of (contribution to) Fund				
	Balance	1,504,978	0	0	0.0%
	Total Resources	9,971,189	7,561,878	8,066,848	6.7%

Budget by Fund:

606 Risk Management	9,971,189	7,561,878	8,066,848	6.7%
Total by Fund	9,971,189	7,561,878	8,066,848	6.7%

Information Technology

111040

Description:

The Information Technology Department provides centralized and decentralized automated information systems technology services to City departments and the Chesapeake School Administration. In addition, Information Technology manages radio and telephone systems serving City departments as well as the City's website, internet, and intranet.

Code	Program Title	Program Description
12509	Enterprise Application Services	Manages the City's Commercial Off the Shelf (COTS) software applications. Examples of software include Maximo, FleetAnywhere, and Kronos.
12510	Administration	Provides leadership, policy direction, planning, governance, coordination, and oversight.
12511	Enterprise Software Development	Automates business processes through the development and implementation of software solutions to facilitate the successful delivery of business value-added services to departments and citizens.
12512	Computer/Network Operations Center	The network operations center is the focal point for network and computer related troubleshooting. <ul style="list-style-type: none"> ● Processes production batch applications ● Monitors the day-to-day activities of the City's network ● Monitors systems availability, integrity and performance ● Provides online data communications and job scheduling ● Provides Help Desk support ● Serves as the main point of contact for problem resolution and escalation
12513	Network Support	Manages the hardware and software infrastructure which includes: <ul style="list-style-type: none"> ● Network connectivity ● Voice, data, and internet access ● Security ● Backups and disaster recovery ● Database support ● Operating system maintenance.
12514/ 12517	Desktop Support	Manages and supports all client desktop environments along with their associated software and the PC replacement plan.
12515	Mainframe Operations	<ul style="list-style-type: none"> ● Provides high speed computing and reliability to perform large computing jobs ● Performs daily and nightly batch job processing and enterprise backup of critical applications

Information Technology

111040

Code	Program Title	Program Description
12516	Geographic Information System (GIS)	<ul style="list-style-type: none"> • Provides mapping and geospatial technology support for the Enterprise GIS in the City • Administers the central repository for all geospatial data • Maintains applications and software integrations that utilize this data
12518	Enterprise Financial System	Maintains and supports the official record of financial transactions for the City and Chesapeake Public Schools.
12519	E-Gov	<ul style="list-style-type: none"> • Manages the City's internet website, CityofChesapeake.net, including content development and approval. • Manages the City's primary social media sites • Oversees the Social Media Steering Committee, which sets policy for social media use within the City.
31404	Radio Systems Maintenance and Administration	Provides maintenance support for the Public Safety and operational services departments radio system.
12221	Data Security Administration	<ul style="list-style-type: none"> • Protects data and systems vital to the operation of the City from loss or damage due to security threats, inadvertent disclosure, or unintended actions by establishing security policies and protective measures, system and network monitoring, and reviewing system security designs. • Ensures compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH).

Budget by Program		FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
12509	Enterprise Application Services		1,465,699	1,832,087	25.0%
12510	Administration	735,817	795,637	789,273	-0.8%
12511	Enterprise Software Develop.	2,457,767	1,067,928	1,339,332	25.4%
12512	Computer Operations	567,582	460,395	443,976	-3.6%
12513	Technical Support	1,064,977	1,332,600	1,460,460	9.6%
12514	Desktop Support	401,347	557,012	638,845	14.7%
12515	Mainframe Operations	780,983	890,996	957,750	7.5%
12517	PC Replacement Plan	817,322	912,297	912,297	0.0%
12516	Geographic Information Systems (GIS)	451,432	518,287	555,737	7.2%
12518	Enterprise Financial System	586,144	629,917	640,055	1.6%
12519	E-Gov Operations	222,654	232,921	317,867	36.5%
31404	800 MHz Maint/Replacement	2,403,247	1,432,610	1,263,678	-11.8%
12221	Data Security Administration	206,131	217,454	188,478	-13.3%
Total By Program		10,695,403	10,513,753	11,339,835	7.9%

Information Technology

111040

Goals

- Optimize infrastructure - Develop an IT infrastructure that can help advance, rather than impede, business while addressing the high cost of energy (agility).
- Develop a written business disaster recovery and continuity plan to protect the City's critical data, security, and business infrastructure against short-term and long-term disruptions (accountability).
- Ensure regulatory compliance and best business practices for Land Mobile Radio System operations promoting efficient use and quality infrastructure.
- Implement and maintain modern, agile software solutions that respond quickly to changing business needs and provide stable, reliable applications systems for increased efficiency in our departments and enhanced access to services for our citizens and customers.
- Assist in the implementation and documentation of automated systems within the City.
- Continue identification, development, and implementation of e-government applications for the Internet and the Intranet.
- Provide online services, information, and engagement opportunities to the citizens of Chesapeake.
- Provide timely and efficient computer services and availability to all City departments and Chesapeake Public Schools (Economic Vitality).
- Maintain and expand connectivity/communications to outlying areas of the City (Quality Infrastructure).
- Provide training and technical assistance to City departments with quality, responsive, and professional Client Technology Services to resolve client desktop environment challenges (Economic Vitality).
- Maintain GIS as a viable technology for the City and apply GIS technologies effectively to support the City's mission.
- Maintain financial stability through information system reliability and vendor support.
- Improve the security posture of the City against internal and external threats through improving technology.
- Meet the expanding legislative requirements for protection of personally identifiable information.
- Provide 99.99% of City of Chesapeake radio systems to Public Safety and other departmental users to promote a safe community.
- Develop and implement Service Level Agreements with stakeholders to maintain the value of the radio system thereby promoting its economic vitality.

Information Technology

111040

Performance Measures	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Enterprise Application Support:				
Help requests completed	N/A	2,337	2,400	2.7%
Systems Supported	N/A	23	25	8.7%
Updates and Patches applied	N/A	16	17	6.3%
Major upgrades and implementations	N/A	17	18	5.9%
Computer Operations:				
Avg. on-line trans. per day	106,442	110,000	90,500	-17.7%
% of time mainframe is available	99%	99%	99%	0.0%
# of man hrs. per Help Desk call	0.75	0.75	0.85	13.3%
Help Desk calls resolved in 4 hrs.	55%	83%	84%	1.2%
Help Desk calls resolved in 24 hrs.	75%	90%	90%	0.0%
Tickets assigned to Help Desk staff	8,797	9,620	9,620	0.0%
Tickets Created by Help Desk	29,466	31,200	32,000	2.6%
# Phone calls answered by Help Desk	14,995	20,200	20,200	0.0%
Network Support:				
# of network servers installed	319	300	400	33.3%
Internet Traffic (Terabytes-TB)	106	125	130	4.0%
SAN Storage Maintained (TB)	219	268	350	30.6%
Incoming E-mail from the Outside	15,038,000	15,038,000	17,000,000	13.0%
Outgoing E-mail to the Outside	1,968,000	1,968,000	2,500,000	27.0%
Desktop Support:				
# of man hours per call	0.80	0.75	0.75	0.0%
% of calls resolved in 4 hours	48%	75%	76%	1.3%
% of calls resolved in 24 hours	69%	76%	80%	5.3%
Calls to Client Technology	11,574	9,280	9,280	0.0%
GIS:				
# of GIS software apps. supported	15	15	16	6.7%
'Property Quick Search' visits (monthly)	3,534	2,800	4,800	71.4%
External requests for City's GIS Data	22	25	25	0.0%
E-Gov:				
Pages viewed on City website	4,434,567	4,000,000	4,500,000	12.5%
Unique visitors on City website	745,801	550,000	750,801	36.5%
Radio System Maintenance & Admin:				
*Radio system call events	10,685,987	10,498,599	10,685,987	1.8%
*Radio system maintenance events	692	789	588	-25.5%
*Under service agreement				

Information Technology

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Budget Highlights:

- Major focus on FY14-15 budget is the inclusion of funding for annual maintenance cost increases and funding for software support.
- The hosting, maintenance, and support for the online job application software (CLICK) hosted by PeopleAdmin was transferred from the Human Resources Department to the Information Technology Department.
- One full-time Client Technology II position was moved from Computer Operations to Desktop Support to keep all positions in one program. One Systems Analyst I was moved from Enterprise Application Services to Enterprise Software Development. The personnel complement increased by 1 FTE due to the inclusion of one Systems Analyst I that was previously funded by the capital budget.

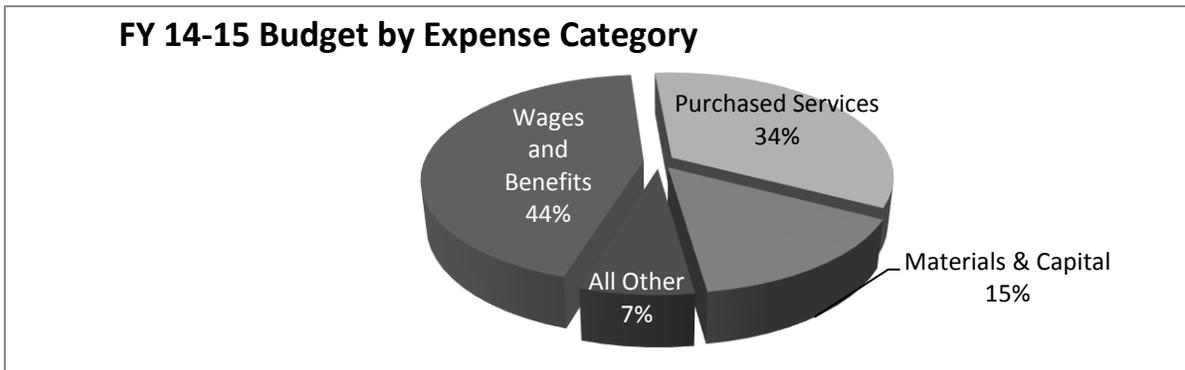
Emerging Budget Issues

- A Business Analyst Coordinator focused on process improvement, business value metrics, and innovation will be needed in FY 2017 to develop a business process competency center for the department's Administration Program (12510).
- As the mainframe migration is completed and placed out of production, the roles and duties of Computer Operations and the Help Desk area will shift. Various reclassifications of staff positions will need to take place as employees gain experience, complete training, and earn certifications.
- An increase in training funds for staff will be needed as new systems are put into place. Most training for FY 14-15 should occur in-house, followed by formal classes in FY 15-16.
- Due to the plethora of various devices (mobile phones, tablets, etc.) that have added to the complexity of information technology security, an additional professional staff member in information security will be needed.

Requirements:	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Salaries and wages	3,147,066	3,454,260	3,633,751	5.2%
Employee benefits	1,218,820	1,304,680	1,354,825	3.8%
Purchased services	2,574,104	3,034,108	3,851,311	26.9%
Other expenditures	726,913	1,021,421	788,548	-22.8%
Materials	2,683,948	1,083,700	1,211,400	11.8%
Capital outlay	344,553	615,584	500,000	-18.8%
Total Expenses/Requirements:	10,695,403	10,513,753	11,339,835	7.9%

Information Technology

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Personnel:		FY 12-13	FY 13-14	FY 14-15	Change from
Grade	Positions	Budget	Budget	Budget	prior year
115	Office Coordinator	1.00	1.00	1.00	0.00
117	Computer Operator II	3.00	3.00	3.00	0.00
117	Internet Technician	1.00	0.00	0.00	0.00
120	Online Content Coordinator	0.00	1.00	1.00	0.00
122	Client Technologies Analyst I	1.00	1.00	0.00	(1.00)
125	Webmaster	1.00	1.00	1.00	0.00
126	800 MHz Administrator	1.00	1.00	1.00	0.00
126	Applications Dev. Analyst II	1.00	1.00	1.00	0.00
126	Client Technologies Analyst II	6.00	6.00	7.00	1.00
126	Public Comm. Coordinator	1.00	1.00	1.00	0.00
127	GIS Analyst	2.00	2.00	2.00	0.00
128	Client Tech Analyst III	1.00	1.00	1.00	0.00
128	Quality Assurance Coordinator	1.00	1.00	1.00	0.00
129	Network Engineer I	1.00	1.00	1.00	0.00
129	Systems Analyst I	12.00	11.50	12.50	1.00
130	Fiscal Administrator	1.00	1.00	1.00	0.00
130	GIS Senior Analyst	1.00	1.00	1.00	0.00
131	Data Architect	1.00	1.00	1.00	0.00
131	Network Engineer II	2.00	2.00	2.00	0.00
132	Systems Analyst II	4.00	4.00	4.00	0.00
132	Systems Software Programmer	2.00	2.00	2.00	0.00
133	Network Engineer III	1.00	1.00	1.00	0.00
133	Data Base Administrator	1.00	1.00	1.00	0.00
133	Information Tech. Project Mgr.	1.00	0.00	0.00	0.00
133	Systems Security Analyst	1.00	1.00	1.00	0.00
134	GIS Administrator	1.00	1.00	1.00	0.00
134	Systems Analyst III	2.00	2.00	2.00	0.00
135	System Dev. Coordinator	1.00	1.00	1.00	0.00
136	Assistant Director of IT	1.00	1.00	1.00	0.00
143	Chief Information Officer	1.00	1.00	1.00	0.00
Unclass.	PT Interns	1.50	1.50	1.50	0.00
Unclass.	QA Testing Analyst (Special Proj.)	1.00	1.00	1.00	0.00
Unclass.	Software Engineer (Special Proj)	1.00	1.00	1.00	0.00
Total Department Personnel		57.50	56.00	57.00	1.00

Information Technology

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Operating Revenues by Fund	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
100 General Fund Operations				
General Fund Support	206,131	217,454	188,478	-13.3%
Total Fund 100 Resources	206,131	217,454	188,478	-13.3%
207 E-911 Operations				
Other Local Taxes	1,809,853	652,971	315,953	-51.6%
State Other Categorical Aid	1,266,330	1,275,494	1,236,373	-3.1%
Use of (contribution to) Fund Balance	(672,936)	(495,855)	(288,648)	-41.8%
Total Fund 207 Resources	2,403,247	1,432,610	1,263,678	-11.8%
603 Information Technology				
Use of Money and Property	202,756	170,000	190,000	11.8%
Miscellaneous Revenue	8,712,437	8,693,689	9,697,679	11.5%
Recovered Costs	4,581	0	0	0.0%
Total Revenues	8,919,775	8,863,689	9,887,679	11.6%
Use of (contribution to) Fund Balance	(833,750)	0	0	0.0%
Total Fund 603 Resources	8,086,025	8,863,689	9,887,679	11.6%
Total ALL Resources	10,695,403	10,513,753	11,339,835	7.9%

Budget by Fund:	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
100 General Fund	206,131	217,454	188,478	-13.3%
207 E-911 Operations	2,403,247	1,432,610	1,263,678	-11.8%
603 Information Technology	8,086,025	8,863,689	9,887,679	11.6%
Total by Fund	10,695,403	10,513,753	11,339,835	7.9%

Non - Departmental

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Description:

The Non-departmental programs focus on City-wide expenses that are not related to a specific department. It also includes contingencies that will be allocated to departments as estimates are finalized or needs are identified.

- **Outside Agencies** includes City support for non-profit organizations providing services to citizens.
- **Regional Cooperation & Support** includes Real Estate tax relief for eligible elderly and disabled homeowners, as well as, dues and memberships in agencies promoting region-wide cooperation.
- **City-Wide Operations** includes costs that are not specific to a particular City department, as well as, for FY 2012-13 and FY 2013-14 retiree health care and other post employment benefits. For FY 2014-15 these expense budgets were moved to the individual departments.
- **Contingencies** are included in the budget to address unforeseen demands or specific costs that are not well-defined during budget development.
- **Emergency Event Contingency** provides immediate funding for materials, supplies, and overtime costs incurred during inclement weather or other declared emergencies.

Budget by Program	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
91300 Outside Agencies	292,317	295,462	327,940	11.0%
91311 Regional Cooperation & Support	6,142,223	6,371,328	6,651,215	4.4%
91304 City-Wide Operations	13,424,122	14,590,941	4,265,217	-70.8%
91305 Airport Authority	249,908	272,287	279,426	2.6%
91400 Contingencies	-	629,490	1,302,137	106.9%
91900 Emergency Event Contingency	32,131	325,000	325,000	0.0%
Total By Program	20,140,701	22,484,508	13,150,935	-41.5%

Non - Departmental

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Outside Agencies	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Boards and Commissions				
Commission on Health and Well Being*	2,404	5,387	5,800	N/A
Commission on Aging	-	2,250	2,250	0.0%
Mayor's Commission Veterans Affairs	124	360	360	0.0%
South Norfolk Revitalization	-	225	225	0.0%
Other Agencies				
Chesapeake Jubilee	-	16,050	-	-100.0%
Chesapeake Arboretum	4,050	4,050	4,050	0.0%
Services and Grants				
Child Abuse Ctr of Hampton Roads	16,200	16,200	15,060	-7.0%
Children's Harbor	5,500	5,500	-	-100.0%
CHIPS (Ches. Health Investment Program)	15,000	15,000	13,945	-7.0%
Comprehensive Plan for Children&Youth	8,090	8,090	9,410	16.3%
Dwelling Place	5,500	5,500	-	-100.0%
Endeppence Center (Tidewater)	15,000	15,000	13,945	-7.0%
Foodbank -- Southeastern Virginia	10,350	10,350	9,620	-7.1%
Free Clinic	167,500	142,500	128,250	-10.0%
Help & Emergency Response	18,000	18,000	16,735	-7.0%
Legal Aid Society of Eastern Virginia	3,375	4,500	4,180	-7.1%
For Kids / Our House Families	-	-	36,000	0.0%
PARC Place	4,224	5,500	5,110	-7.1%
Samaritan House	5,000	5,000	-	-100.0%
Tidewater Builders Assoc Academy	12,000	16,000	63,000	293.8%
	292,317	295,462	327,940	11.0%

* Formerly Commission on AIDS Prevention and Substance Abuse

Non - Departmental

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	FY 12-13	FY 13-14	FY 14-15	Change from
Regional Cooperation and Support	Actual	Budget	Budget	prior year
Real Estate Tax Relief	2,924,399	2,958,000	2,929,000	-1.0%
Transit Operating Agreement	1,932,977	2,183,500	2,458,500	12.6%
Dues & Memberships				
Chamber of Commerce	8,700	8,700	8,700	0.0%
Clean Community System	12,225	14,203	14,203	0.0%
Virginia Dept. of Historical Resources	15,000	-	-	
Hampton Roads Planning Commission	222,209	225,898	249,890	10.6%
Hampton Roads Partnership	10,210	15,210	15,210	0.0%
Local and Regional Community Development Funds				
Tidewater Community College	66,500	66,500	66,500	0.0%
Highway Safety Commission	772	1,500	1,500	0.0%
Hampton Roads Economic Dev. Alliance	208,200	213,798	216,997	1.5%
Eastern Virginia Medical School	81,650	81,670	81,670	0.0%
H. Rds. Military & Fed. Facilities Alliance	91,550	111,104	115,000	3.5%
Economic Develop Incentive Program	556,844	469,015	451,815	-3.7%
Economic Development Authority	-	11,115	31,115	179.9%
Chesapeake Port Authority	10,987	11,115	11,115	0.0%
	6,142,223	6,371,328	6,651,215	4.4%

Budget Highlights:

- Real estate tax relief is provided to elderly or disabled homeowners who meet eligibility requirements. It does not include tax exemptions granted to disabled veterans by the Virginia Constitution.
- The Transit operating agreement is the subsidy paid by the City for the transit bus routes within the City limits. The agreement with Hampton Roads Transit requires payments for operating and administrative costs that exceed the sum of fare collections and State and Federal reimbursements.
- The funding for the Economic Development Incentive Program comes from a dedicated portion of the tobacco tax revenue.
- The funding for the Economic Development Authority has been increased to cover the entire external audit fee.

Non - Departmental

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City-Wide Operations	FY 12-13 Actual	FY 13-14 Budget	FY 14-15 Budget	Change from prior year
Equipment Leases - Fire Hydrants	921,390	921,390	921,390	0.0%
Retirement - Employee Benefits	2,832,008	3,251,226	-	-100.0%
Stormwater Management Fees	307,690	306,000	306,000	0.0%
Enterprise Zone Reimbursement	-	7,000	7,000	0.0%
Advocacy Services	138,000	138,000	-	-100.0%
Line of Duty Benefits	525,821	613,000	666,650	8.8%
Oak Grove Connector - Principal	1,364,997	1,435,000	1,505,000	4.9%
Oak Grove Connector - Interest	859,500	791,250	719,500	-9.1%
Oak Grove Connector - Debt Admin	1,473	2,500	2,000	-20.0%
Risk Management Fund contingency	-	204,895	218,517	6.6%
Overhead Allocation- Other Funds	(1,027,000)	(1,050,000)	(1,020,000)	-2.9%
Environmental Protection Initiatives	160,875	352,180	352,180	0.0%
Edinburgh Development Payments	312,568	380,000	586,980	54.5%
Other Post Employee Benefits	7,026,800	7,238,500	-	-100.0%
	13,424,122	14,590,941	4,265,217	-70.8%
Chesapeake Airport Authority	249,908	272,287	279,426	2.6%
Total City-Wide Operations	13,674,030	14,863,228	4,544,643	-69.4%

Budget Highlights:

- Starting in FY 2015, Retirement - Employee Benefits and Other Post Employee Benefits are included in each department's budget. The total for this cost for FY 2014-15 is budgeted at \$11,752,000 and is stated at the expected Annual Required Contribution (ARC) for FY 2015. This total includes costs for several grant funded positions.
- Overhead allocations reflect the distribution of operating expenditures to other funds. Offsetting expenditures are included in some special revenue and enterprise funds.
- The increase for Chesapeake Airport Authority reflects the Authority's share of OPEB costs for FY 2014-15.

Non - Departmental

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	FY 12-13	FY 13-14	FY 14-15	Change from
Contingencies	Actual	Budget	Budget	prior year
Council Contingency	-	5,000	5,000	0.0%
Salary Contingency	-	(178,230)	547,137	-407.0%
Emergency Event Contingency	32,131	325,000	325,000	0.0%
Health Insurance Contingency	-	533,650	500,000	-6.3%
City Operations Fund Contingency	-	269,070	250,000	-7.1%
	32,131	954,490	1,627,137	70.5%

Budget Highlights:

- Funds are not usually paid directly from the Contingency, but rather moved to the appropriate department's expense line.
- Health Insurance and the Salary contingency are budgeted in contingencies until approved, then transferred to departments for actual expenditures.