

Proposed Operating Budget

City of Chesapeake
March 2014

City of Chesapeake 3/25/2014

[1]

Council's Budget Principles

- No increase in the real estate tax rate
- No new fees
- No supplanting of losses in state or federal funds with local revenue
- Review all vacant positions for possible elimination
- Identify operating efficiencies and reduce spending accordingly
- Identify non-core services for possible consolidation, curtailment or elimination

City of Chesapeake 3/25/2014

[2]

Budget Process

- Revenue forecast
- 3 year budget plans prepared by departments
- Analytical inquiry and review
- Budget Review Committee
 - Includes City Manager, Deputy City Managers, City Attorney, Chief Information Officer, Purchasing Officer, and Directors of Budget, Finance, and Human Resources
- Reconcile budget plans with available resources
- City Manager Recommendation
- Council Appropriations

Economic Conditions

- Slowly recovering real estate market
 - Increasing new construction activity
 - First overall improvement in assessments since start of recession
 - Commercial sector outperforms residential sector
- Slowly improving business activities
 - Consumer spending appears is above FY 2013 levels, but below FY 2014 budget forecast
 - Improved building and related permit issuances



Revenue – Historical Perspective

Fiscal Year	General Fund	All Funds
• FY 2009	\$ 527.3	\$ 950.7
• FY 2010	\$ 517.5 - 1.8%	\$ 925.4 - 2.7%
• FY 2011	\$ 497.5 - 3.9%	\$ 903.1 - 2.4%
• FY 2012	\$ 501.0 +0.7%	\$ 910.1 +0.8%
• FY 2013	\$ 501.9 +0.2%	\$ 896.4 - 1.5%
• FY 2014	\$ 507.8 +1.2%	\$ 910.9 +1.6%
• FY 2015	\$ 516.8 +1.2%	\$ 925.7 +1.6%
• FY 2016	\$ 525.7 +1.7%	\$ 935.1 +1.0%
• FY 2017	\$ 533.2 +1.4%	\$ 943.1 +0.8%

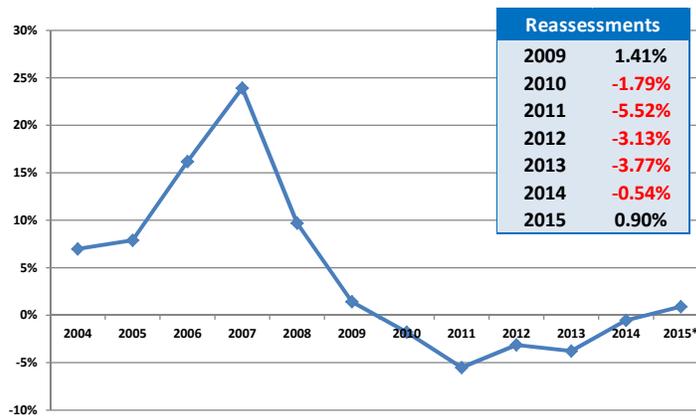
Note revenue has not completely recovered to pre-recession levels.

Amounts in millions

Prior years were restated for changes in accounting for Parks and Recreation and Solid Waste Disposal.

No adjustments are made for inflation.

Average Reassessment %

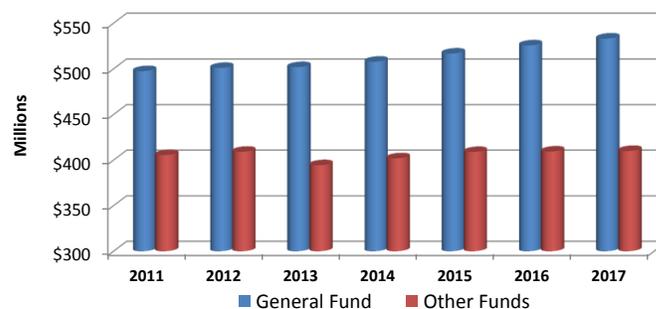


Revenue – FY 2015

- **Overall improvement – \$14.8 million (1.6%)**
-
- State funding of schools – up \$4.5 million (2%)
 - Real estate taxes – up \$4.7 million (2%)
 - Personal property taxes – up \$1.8 million (4%)
 - Consumer taxes (sales, restaurant, etc.) – nearly flat
 - Business licenses (BPOL) – slight reduction
 - Recordation taxes – up \$1 million (35%)
 - Permits and licenses – up \$426,000 (18%)
 - Service charges – up \$526,000 (5%)

Revenue Forecast

	2011	2012	2013	2014	2015	2016	2017
General Fund	\$497.5	\$501.0	\$501.9	\$507.8	\$516.8	\$525.7	\$533.2
Other Funds	\$405.6	\$409.1	\$394.4	\$402.0	\$408.9	\$409.4	\$410.1
All Funds	\$903.1	\$910.1	\$896.4	\$909.8	\$925.7	\$935.1	\$943.3



Budget Drivers

- Share revenue growth with schools
- Address productivity and rising service demands
- Employee compensation
 - General wage increase
 - Recognize superior performance
 - Address pay compression for Public Safety
- Health care and OPEB costs
- Citizen recreational opportunities
- Street and road maintenance
- Debt service requirements

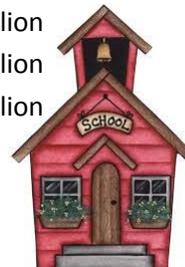


School Revenue Sharing

- City shares growth in general tax revenues with schools
 - Includes: property taxes and most other local taxes
 - Excludes: service fees, permits, licenses, fines, and state assistance
- Shared revenue – FY 2014 \$429.4 million*
- Shared revenue – FY 2015 \$437.3 million*
- Increase in shared revenue \$7.90 million
- Increase in lockbox funding** \$1.60 million
- Increase in school operations \$3.15 million

* Net of reserve requirements

**Includes city and school lockboxes



Organizational Productivity (1)

- City Attorney Assistant city attorney
- City Treasurer Fully fund all positions
- Commissioner of Revenue Business tax specialist
- Community Programs Prison re-entry/homelessness
- Development & Permits Stormwater permitting
- Finance Payroll specialist
- Fire Department Regional Incident Mgmt. Team,
HEAT, training lieutenant
- Human Resources Wellness coordinator
- Parks, Rec. & Tourism Electrician, Eliz. River Park,
Recreation programs, tree crew

Organizational Productivity (2)

- Planning Department Full-time planner (upgrade PT)
- Police Department Animal attendant, IT analyst, crime
analyst, video coordinator (evidence)
- Public Libraries Volunteer coordinator
- Public Utilities Electrician, electronics technician
- Public Works Stormwater crew (6 FTE), mechanic
- Purchasing Contract/procurement specialist
- Real Estate Assessor Senior appraisal analyst
- Social Services Child and Adult Protection, trauma
training for foster parents
- Technology System analyst (Accela® permits)

Recommend funding for 35 of 82 positions requested

Employee compensation

- Employee pay raises since 2009:
 - Several cost of living adjustments (1.5% - 1.6%)
Increase FY 2015 for January 2014 raise - \$1.5 million
 - Virginia Retirement System Reform – added cost \$612,000
(\$1.5 million over 3 years)
- Propose 3.0% general wage increase for October 1, 2014
 - Added costs - \$4.5 million
- Address pay compression in Public Safety ranks (sworn)
 - Added cost - \$800,000
- Study pay compression in general employee (non-sworn)
- Pay for performance – transitional recognition
 - Added cost - \$315,000



Health care and OPEB costs

- Anticipate 6% increase in health and dental premiums –
December 2014
- Increases budget by \$1.6 million
- Anticipate savings by switching to self-insurance plan
- No change in citywide OPEB cost
 - We are at Annual Required Contribution!
 - Moved OPEB from non-departmental accounts to department budgets
 - Saves General Fund \$356,000



Parks and Recreation



- Therapeutic recreation for the disabled, senior day care and other expansions of recreation program - \$220,000
- Elizabeth River Landing Park (opens April 2015) - \$44,000
- AAU Junior Olympics sponsorship - \$50,000
- Park and athletic field maintenance, including an electrician and 2 member tree crew - \$346,000
- Capital outlays in operating budget for playground equipment, park benches, picnic tables, fencing, trash cans, athletic fencing, light replacements, and tennis court resurfacing, turf manager pick-up truck - \$365,000
- Cash funding of capital projects (CIP) for ADA compliance, athletic field, community center, and park improvements - \$1.245 million

Capital Projects Cash Funding

Transfers to Capital Fund – \$32.4 million cash funding

• General Fund (current resources)	\$3.9 million
• Stormwater Fund (current)	\$4.9 million
• Public Utilities (current)	\$1.0 million
• South Norfolk TIF (current)	\$1.7 million
• City Lockbox (current)	\$0.6 million
• School Lockbox (current and balance)	\$6.7 million*
• General Fund Balance	\$5.7 million
• Capital Projects Fund Balance	\$3.9 million
• OSAP Fund Balance	\$1.1 million
• Other Fund Balances	\$2.8 million

*\$5.2 million from opening lockbox balance

Other Issues

- Street and road maintenance
 - Pass increased road maintenance funds to Public Works
- Debt service requirements
 - Drop in debt payments
 - Payoff of jail tower lease (reflected in Sheriff's budget)
- Non-Departmental
 - Transit operating agreement – Portsmouth Boulevard
 - Moved OPEB costs to department budgets
 - Regional agencies and partners – see pages 15-16 of non-departmental section of budget

What's Not Included

- Permanent solution to jail crowding
- Community para-medicine – exploring future direction of Fire/EMS personnel and their relations with medical providers
- Police personnel to address emerging criminal activities
- Community resident program for eligible police officers
- Benefits workers and quality assurance personnel in Social Services
- Fleet replacements
- Deferred maintenance on city facilities
- Expansion of community centers
- Renovations and improvements for Northwest River Park
- Wage compression in general employee population and competitiveness of city compensation package

Beyond Immediate Horizon

- Revenue (resources)
 - Federal sequestration and other austerity measures
 - Very slow growth
 - Recovering real estate market and consumer spending
- Expenditure (demands)
 - New or expanded facilities: Elizabeth River Park, Public Safety Operations Building, Replace Fire Stations (2018 and beyond)
 - Service demands in CSB, Human Services, Technology, and Police Departments
 - Employee health care
 - Declining debt payments
 - Jail overcrowding



MAJOR FUNDS

City of Chesapeake
Operating Budget

General Fund

- Revenue grows \$8.93 million (1.8%)
- School sharing formula – up \$3.15 million
- School reliance on Fund Balance – down \$5.48 million
- Employee pay and benefits – up \$5.71 million
- Organizational productivity – up \$1.54 million
- Transfers to Human Svc and CSB Funds – up \$3.14 million
- Transfers to Debt Service Fund – down \$1.32 million
- Park and Facility maintenance – up \$1.35 million
- Transfers to Capital Funds – up \$8.05 million
- Strategic reliance on designated fund balances – \$5.97 million

General Fund Balance

<i>in millions</i>	June 2013	June 2014	June 2015
General Fund Balance (CAFR)	\$ 143.7		
Less outstanding encumbrances	(5.3)		
Budgetary beginning fund balance	\$ 138.4	\$ 143.4	\$ 137.4
Restricted funds:			
Charter, policy, and core reserves	\$ (76.7)	\$ (78.6)	\$ (79.8)
Lockboxes	(4.1)	(7.1)	(1.5)
Economic Development Incentive Program	(1.0)	(0.1)	(0.1)
Solid waste designation	(2.2)	(1.6)	(1.0)
Treasurer's reserves	(1.9)	(2.0)	(1.8)
School reversion, settlement, and reserves	(7.0)	(3.3)	(3.3)
Open Space and Agricultural Preservation	(1.1)	(1.1)	-
Other litigation liability	(2.1)	(1.3)	(1.3)
Other reserves	(4.3)	(4.7)	(4.6)
Total required or approved reserves	\$ (100.4)	\$ (100.0)	\$ (93.5)
Unassigned (Available) Fund Balance	\$ 38.0	\$ 43.4	\$ 43.9

School Funds

- Budget is \$8.6 million less than Superintendent proposed
 - Superintendent’s proposal contained \$9.6 million deficit
 - Revised City funding narrowed gap by \$1.0 million
 - No use of prior year settlement (City General Fund Balance)
 - Continued draw down on Self-Insurance Fund (\$7.7 million)
- State funding increases \$4.5 million
 - Additional of approximately \$1 million if Senate budget version prevails (inflation adjustment)
- City funding (current)
 - \$3.15 million increase for operations
 - \$0.75 million increase for lockbox
- Slight decline in total budget from FY 2014 – drops \$338,000
- 2% salary increase for school staff
- Textbook spending drops \$3.2 million

Virginia Public Assistance Fund

- Caseloads remain high ... 31% above pre-recession levels
- Budget increases \$1.65 million (8.5%)
 - Allocation of full OPEB costs to departments \$ 593,850*
 - Increased wages and benefits 379,440
 - Protective services, foster parent training 139,300
 - Additional vehicles (staff safety) 160,000
 - State mandates/funding (adoptions subsidies) 122,000
 - Postage and communications costs 30,000
- Separately, propose replacing worn carpet and obsolete work stations – CIP cash funding \$1.1 million from General Fund

**Additional costs offset by increased GF transfers.*

Other Funds

- CIBH (CSB) – budget increases \$1.43 million (6.8%)
 - OPEB – full allocation adds \$542,700
 - Health care and employee pay raises account for remainder
- Tax Increment Financing Districts
 - \$850,000 earmarked for future studies in two TIFs
 - Transfers to debt service fund
 - Declared surpluses to address maintenance of TIF improvements, community mowing, hotel interdictions, lighting:
 - South Norfolk \$115,700
 - Greenbrier \$293,660
- Central Fleet (INTERNAL FLEET FUND)
 - Remove \$3.5 million one-time draw on fund balance for deferred vehicle maintenance

Debt Service Fund

- Debt payment fall \$2.8 million
 - School lockbox debt up \$ 1.61 million
 - City lockbox debt up \$ 0.54 million
 - Tax Increment Financing debt up \$ 0.21 million
 - Pre-lockbox debt down \$ 4.82 million
- Debt service fund balance
 - Balance at June 30, 2013 \$32.24 million
 - Budget for use during FY 2014 \$ 5.25 million
 - Budget for use during FY 2015 \$ 4.56 million
 - Projected fund balance 06/2015 \$22.78 million

Public Utility Fund

- Anticipate 4.9% rate increase
- Budget increases by \$2.04 million (3.45%)
 - Increased repair and maintenance costs \$682,000
 - Increased cost of electricity 484,000
 - Increased routine capital costs 502,500
 - Employee pay and benefits 466,700
 - Increased internal service costs 209,900
 - New electrician, electronics tech (sewer) 104,500
- Future issues
 - Review staffing for water, sewer, and administrative areas
 - Memorandum of Agreement with HRSD

Stormwater Management

- Operating budget increases by \$1.3 million (14.4%)
- No change in stormwater fees
- New stormwater regulations
- Focus on maintaining drainage infrastructure
 - Increased engineering services \$349,000
 - New six-person crew 220,000
 - Additional garage costs, including mechanic 250,000
 - Materials, tech equipment, equipment rentals 223,500
- Employee pay, health care, and OPEB \$298,000
- Reduced funding of capital improvement plan

Operating Budget Summary

<i>in millions</i>	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Estimated Beginning Fund Balance	\$ 386.99	\$ 375.47	\$ 362.22	\$ 342.05	\$ 330.79
Revenue	896.37	909.83	925.68	935.14	943.27
Total Available	\$1,283.36	\$1,285.30	\$1,287.90	\$1,277.19	\$1,274.06
Expenditures					
City	\$ 429.49	\$ 464.47	\$ 481.31	\$ 487.67	\$ 489.84
Public Schools	433.32	442.77	442.43	446.59	450.65
Anticipated budgetary savings*	-	(7.50)	(7.50)	(8.00)	(8.30)
Subtotal	\$ 862.81	\$ 899.74	\$ 916.24	\$ 926.26	\$ 932.19
Transfers to Capital Fund	45.08	23.34	29.61	20.14	20.33
Expenditures and Transfers	\$ 907.89	\$ 923.08	\$ 945.85	\$ 946.40	\$ 952.52
Estimated Ending Fund Balance	\$ 375.47	\$ 362.22	\$ 342.05	\$ 330.79	\$ 321.54
Operating Surplus	\$ 33.56	\$ 10.09	\$ 9.44	\$ 8.88	\$ 11.08
Use of fund balances	\$ 11.52	\$ 13.25	\$ 20.17	\$ 11.26	\$ 9.25
Includes strategic use for debt	\$ 5.02	\$ 5.25	\$ 4.55	\$ 4.25	\$ 4.25

*Budgetary savings average between 2.75% and 3.0% of General Fund spending. While budgetary savings occur in all funds, savings are only projected in the General Fund.

Capital Improvement Plan

City of Chesapeake
March 25, 2014

CIP Policies

- CIP shall be consistent with Comprehensive Plan
- Citizen input is encouraged
- Include all capital resources
- Funding from user fees when appropriate
- Use grants and private funds when available
- Continue cooperative efforts with other agencies
- Federal and state mandates are a priority
- Fund and complete projects already underway
- Preserve and protect community health and safety
- Protect/preserve existing facilities
- Consider ongoing operating costs

CIP Summary: Fully Funded Projects

Fully Funded Projects	Number of Projects	Previous Appropriations	Obligations to-Date	Remaining Project Cost
Community Facilities	13	\$ 16,644,595	\$ 8,418,131	\$ 8,226,464
Economic Development	21	56,513,671	34,198,054	22,315,617
Education	17	80,650,000	68,734,727	11,915,273
Information Technology	21	32,368,996	24,896,358	7,472,638
Parks, Recreation, and To	12	15,206,161	14,108,838	1,097,323
Public Safety	10	68,206,825	33,162,897	35,043,928
Public Utilities	44	110,585,544	60,669,457	49,916,087
Stormwater Projects	29	31,610,280	11,051,602	20,558,678
Transportation	33	492,699,070	307,753,356	184,945,714
Total Appropriations for Fully Funded Projects	200	\$ 904,485,142	\$ 562,993,420	\$ 341,491,722

Dominion Boulevard project accounts for 52% of appropriation.

Underlying Assumption



- Debt service for existing bond issues related to general government and school projects is scheduled to drop from \$56 million in FY 2014 to \$28 million in FY 2019
- We recommend investing these savings through existing lockbox mechanism in order to address ongoing capital needs
- Recommend increasing FY 2015 contribution to each lockbox by \$750,000
- Recommend increasing annual contribution to each lockbox by \$12.75 million between FY 2016 and FY 2019
- Additional annual contributions supports cash and debt funding for city and school projects

City Lockbox

City Lockbox	2014	2015	2016	2017	2018	2019
Opening Balance	\$ 784	\$ 886	\$ 481	\$ 2,222	\$ 2,692	\$ 2,300
Locked Revenue:						
Annual contribution	\$ 5,600	\$ 6,350	\$ 13,350	\$ 16,100	\$ 17,100	\$ 19,100
1¢ on real estate tax rate	2,098	2,145	2,160	2,206	2,266	2,337
Total Locked Revenue	\$ 7,698	\$ 8,495	\$ 15,510	\$ 18,306	\$ 19,366	\$ 21,437
Total Funds Available	\$ 8,482	\$ 9,380	\$ 15,990	\$ 20,528	\$ 22,058	\$ 23,738
Use of Lockbox:						
Debt service	\$ 4,041	\$ 8,272	\$ 11,617	\$ 13,856	\$ 17,772	\$ 19,789
Transfer to Capital Projects	3,555	627	2,152	3,980	1,985	1,185
Total Uses	\$ 7,596	\$ 8,900	\$ 13,768	\$ 17,837	\$ 19,757	\$ 20,974
Ending Balance	\$ 886	\$ 481	\$ 2,222	\$ 2,692	\$ 2,300	\$ 2,764

All amounts are in thousands

Future debt service includes allowance for \$45 million bond-funded jail addition starting in FY 2017. The project is under study but is not included in the CIP.

School Lockbox

School Lockbox	2014	2015	2016	2017	2018	2019
Opening Balance	\$ 3,321	\$ 6,198	\$ 997	\$ 4,149	\$ 8,401	\$ 12,293
Locked Revenue:						
Annual contribution	\$ 9,556	\$ 10,306	\$ 17,306	\$ 20,056	\$ 21,056	\$ 23,056
Hotel tax - 3¢	2,148	1,938	1,946	1,954	1,961	1,969
1¢ on real estate tax rate	2,133	2,145	2,160	2,206	2,266	2,337
South Norfolk TIF	1,000	1,000	1,000	1,000	1,000	1,000
Other locked funds	-	-	-	-	-	-
Total Locked Revenue	\$ 14,837	\$ 15,389	\$ 22,411	\$ 25,216	\$ 26,283	\$ 28,363
Total Funds Available	\$ 18,158	\$ 21,587	\$ 23,409	\$ 29,365	\$ 34,684	\$ 40,656
Use of Lockbox:						
Debt service	\$ 9,460	\$ 13,903	\$ 14,760	\$ 16,214	\$ 17,641	\$ 19,023
Transfer to Capital Projects	2,500	6,686	4,500	4,750	4,750	4,750
Total Uses	\$ 11,960	\$ 20,589	\$ 19,260	\$ 20,964	\$ 22,391	\$ 23,773
Ending Balance	\$ 6,198	\$ 997	\$ 4,149	\$ 8,401	\$ 12,293	\$ 16,883

All amounts are in thousands

CIP Summary

Improvement Category	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5 Year Total
Community Facilities	\$ 4,180.9	\$ 5,828.8	\$ 1,000.0	\$ 1,000.0	\$ 1,000.0	\$ 13,009.7
Economic Development	6,749.3	5,000.0	33,300.0	-	-	45,049.3
Education	14,186.0	30,775.0	8,750.0	13,475.0	17,750.0	84,936.0
Information Technology	1,298.5	860.0	161.6	-	-	2,320.1
Parks, Recreation, and Tourism	2,213.0	1,185.0	1,185.0	1,185.0	1,185.0	6,953.0
Public Safety	10,661.8	6,438.0	640.5	4,696.7	640.5	23,077.5
Public Utilities	5,297.5	13,269.1	15,991.7	15,552.5	9,950.0	60,060.9
Stormwater Projects	4,936.2	5,045.6	5,045.6	5,045.6	5,045.6	25,118.6
Transportation	16,135.3	14,941.7	2,000.0	45,000.0	4,000.0	82,077.0
TOTALS	\$65,658.4	\$83,343.3	\$68,074.4	\$85,954.8	\$39,571.1	\$342,602.0

All amounts are in thousands

Current CIP (5-year) is \$183.5 million and ranges from \$25 million to \$52 million each year.

CIP Funding Plans

Source of Funding	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5 Year Total
Cash - City Lockbox	\$ 627.3	\$ 2,151.6	\$ 3,980.5	\$ 1,985.0	\$ 1,185.0	\$ 9,929.3
Cash - General Fund Transfer	3,900.1	2,100.0	2,006.6	1,200.0	1,000.0	10,206.6
Cash - School Lockbox	6,686.0	4,500.0	4,750.0	4,750.0	4,750.0	25,436.0
Cash - South Norfolk TIF	1,749.3	-	3,300.0	-	-	5,049.3
Cash - Stormwater Fund	4,936.2	5,045.6	5,045.6	5,045.6	5,045.6	25,118.6
Cash - Ches Transportation Sys	690.0	-	-	-	-	690.0
Equipment Lease	1,349.2	-	-	-	-	1,349.2
Fund Balance - Capital Projects	3,945.3	3,001.7	-	-	-	6,947.0
Fund Balance - General Fund	5,730.0	2,940.0	500.0	-	2,000.0	11,170.0
Fund Balance - Utility Fund	950.0	2,628.1	750.0	2,750.0	750.0	7,828.1
Fund Balance - Other Funds	3,233.1	770.0	-	-	-	4,003.1
General Obligation Bonds	21,014.6	37,065.3	20,000.0	25,421.7	13,640.5	117,142.0
State and Federal Grants	2,500.0	2,500.0	2,500.0	22,000.0	-	29,500.0
Revenue Bonds - Utility Fund	4,347.5	10,641.0	15,241.7	12,802.5	9,200.0	52,232.8
VDOT - Payments	4,000.0	10,000.0	10,000.0	10,000.0	2,000.0	36,000.0
	\$65,658.4	\$83,343.3	\$68,074.4	\$85,954.8	\$39,571.1	\$342,602.0

All amounts are in thousands

 Debt financing

Existing Projects

- \$1 million annually for facility and parking lot rehab
- \$14 million to complete 22nd Street Bridge – construction starts 2017
 - Includes \$9 million of VDOT Revenue Sharing
 - Includes \$5 million cash from South Norfolk TIF
- \$36.4 million for school renewal and replacement of roofs and HVAC systems
- \$6.7 million for Bowers Hill Fire Station and Logistics Center
- \$2.25 million for continuation of jail study and/or design
- \$6.65 million for St. Brides Fire Station and Police Precinct – construction to start in 2016

Existing Projects, continued

- \$60 million for Public Utilities to continue water and sewer renewals, rehabs, and improvements
- \$22.3 million for Stormwater to continue improvement to drainage infrastructure and related equipment
- \$690,000 to continue Expressway upgrades and replacements
- \$6.4 million for Portsmouth Boulevard widening
 - Includes \$3.0 million of VDOT Revenue Sharing
 - Includes \$3.4 million Capital Projects Fund Balance (recoveries from Coopers Ditch)
- \$14 million for Route 17 South of Cedar Road
 - Includes \$8.5 million from VDOT Revenue Sharing
 - Includes \$5.5 million from GO Bonds

NEW PROJECTS

Capital Improvement Plan

Community Facilities and Economic Development

- Fentress Encroachment Protection
 - 3 year plan - \$5 million each year (\$15 million total)
 - State provides \$7.5 million, City must match
 - Match from City Lockbox, GF Fund Balance, and OSAP Funds
- Public Health Building Expansion - \$5.6 million GO Bonds
- Social Services carpet and workstations - \$1.16 million General Fund transfer
- CIBH upgrades and expansions - \$765,100 CSB Fund Balance
- Central Library automated material handling system - \$425,765 lease financing
- Jordan Bridge Memorial - \$100,000 Capital Fund Balance

Education – Schools

- Great Bridge Primary School Renovation – \$24.8 million GO debt funded with school lockbox
- Second school renovation – \$13.7 million available – school to be determined; additional funding available beyond 2019 (funded by lockbox with GO bonds)
- Bus replacements – \$1 million each year (lockbox cash)
- Technology replacements and upgrades – \$1 million each year (lockbox cash)

Technology

- Case Management Software
 - Address case and document management needs of Commonwealth's Attorney and City Attorney
 - General Fund cash transfer in FY 2015 (\$454,200)
- Citizen Mobile Apps
 - Communication between citizen (smart phones) and Customer Contact Center – allows sharing of data and geo-location data (\$150,000 from Technology Fund Balance)
- Library technology
 - Replace aging network systems (\$232,445 GF transfer)
- Telephone system – replace PBX equipment
 - Replaces system installed in 2004 (\$348,452 equipment lease)

Parks, Recreation & Tourism (1)

- Conference Center Roof – replace original roof
 - \$968,000 from Conference Center Fund Balance (2015)
- ADA Facility Compliance – ensure accessibility for disabled
 - \$75,000 annually for 10 years (lockbox)
- Athletic Field Improvements – lighting, turf refurbishment, fences, irrigation systems
 - \$380,000 annually for 10 years (lockbox/GF transfer)
- Recreational Building Renovations
 - \$300,000 annually for 5 years (lockbox/GF transfer)

Parks, Recreation & Tourism (2)

- Park Program Improvements
 - Park structures, including shelters, bridges, camp store, piers, bulkheads, ranger stations, restrooms, and playgrounds
 - \$300,000 annually for 5 years (lockbox/GF transfer)
- Parking Lots and Pathways
 - \$90,000 per year for 10 years (lockbox/GF transfer)
 - \$60,000 for parking lot expansion at Oak Grove Park (GF transfer in FY 2015)
- Security Systems
 - Install cameras and replace/upgrade fire and security alarms
 - \$40,000 per year for 10 years (lockbox/GF transfer)

Public Safety

- Cooling tower – major component of cooling system that serves jail, courts, and public safety building
 - \$575,000 equipment lease (FY 2015)
- Emergency vehicle storage – to protect Police boat and SWAT and command vehicles from elements.
 - Build behind PSOB on Military Highway
 - \$612,400 GO debt funding
- Diesel exhaust extraction system – modify vehicles to limit staff exposure to carcinogens
 - \$340,825 lockbox cash (FY 2015)
- Deep Creek Fire Station – replace aging and inadequate facility
 - \$5.34 million (lockbox/GO debt) for design in FY 2017 and construction in 2018
- Dock Landing Fire St. – replace aging and inadequate facility
 - \$640,464 for design (2019), construction to follow later (\$4.7 million in 2020 or later); funding from GO bonds

Public Utilities/Stormwater

- Oak Grove Elevated Tank
 - Replace standpipe connecting top of tank to distribution system
 - \$200,000 cash funding in 2015 from Public Utility transfer
- Stormwater Equipment Purchases (replacements)
 - New project approved by Council 12/17/2013
 - Replaces aging vehicles and heavy equipment
 - \$2.8 million of additional funding from Stormwater Fund (FY 2015 and 2016)

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Transportation (1)

- Bruce Road Safety Improvements
 - Install traffic light at Miars Green, drainage and shoulder improvements near Prince of Wales, and turn lane at Peppercorn
 - \$1.28 million from Capital Fund Balance (2015-2016)
- Centerville Bridge Rehabilitation
 - Repairs to superstructure and fenders, removal of lead paint and repainting structure
 - \$2.2 million from Capital Fund Balance (2015-2016)
- Deep Creek/AIW Bridge Replacement
 - Replaces 2-lane Army Corps of Engineers' bridge (circa 1934)
 - \$45 million project (\$1 million cash in FY 2015), balance in 2018
 - Requires \$10 million VDOT revenue sharing
 - Requires \$22 million from federal government (new request)
 - Requires issuance of \$12 million GO debt

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Transportation (2)

- Military Highway and Smith Avenue
 - Installation of traffic signal at intersection
 - \$540,000 GF transfer (2015-2016)
- Residential Street Repaving
 - Addresses streets that have never been resurfaced
 - 1,506 lane miles
 - 191 lane miles are in poor condition (12%)
 - Estimated cost for all streets in poor condition - \$35 million
 - Budget \$12 million over five years
 - \$2.0 million from lockbox
 - \$4.5 million from GF transfers
 - \$5.5 million from VDOT Revenue Sharing

Budget Calendar

- Strategic Planning – April 1
- Council work sessions – April 15 and 22
 - As requested by Council
- Public hearings – April 22 and May 13
 - Charter requires public hearing at least one public hearing
- Adoption of budget and appropriations ordinances – May 13
 - City Charter requires adoption 45 days before year begins
- Technical amendments and corrections – June 10
- First day of new fiscal year – July 1