

MEMORANDUM

City Council met on June 14, 2016 and approved all recommendations as presented here.

TO: James E. Baker, City Manager
 FROM: Steven Jenkins, Budget Director
 DATE: June 7, 2016
 SUBJECT: Revisions to Operating and Capital Budgets for FY 2017

Since the proposed budget was released to City Council in late March, a number of issues have surfaced that require amendment of the operating and capital budgets. Most of the revisions are routine and generally considered technical adjustments or minor error corrections. We have identified twenty-three (23) revisions to the operating budget and eight (8) changes to the capital budget. The most significant changes to the operating budget concern the addition of the new self-insured employee healthcare fund and changes to the school budget due largely to an increase in student enrollment. For the capital budget, we recommend three new projects, the elimination of two projects, and minor changes to several others.

If City Council agrees with the recommended changes, the FY 2017 appropriations will change as follows:

	<u>Operations</u>	<u>Capital</u>
Budgets adopted last month	\$ 975,118,591	\$ 67,815,084
Add Employee Healthcare Fund	4,346,399	0
School revisions	1,745,889	2,370,235
Fleet Maintenance revisions	211,950	0
Police Department revisions	483,800	0
Integrated Behavioral Health – parking lot project	0	300,000
Public Utilities – remove duplicate project	0	(416,595)
Public Works – stormwater project	0	1,908,000
Public Works – rural road improvements	0	1,000,000
Other changes	414,346	0
Revised budgets as recommended	\$ 982,320,975	\$ 72,976,724

The following reports are attached here:

1. Operating Appropriation – Reconciliation Original Budget to Revised Budget
2. Capital Improvement Program – Revised
3. Full explanations for all budget revisions

Please contact me if you require further information.

City of Chesapeake
Operating Appropriation
FY 2016-17 Starting July 1, 2016

	Original	Amends	Revised
BEGINNING FUND BALANCES	\$ 355,016,605	\$ -	\$ 355,016,605
REVENUES			
General Property Taxes	\$ 321,660,080	\$ -	\$ 321,660,080
Other Local Taxes	138,814,100	-	138,814,100
Licenses and Permits	2,902,040	-	2,902,040
Fines & Forfeitures	2,746,400	-	2,746,400
Use of Money & Property	4,678,879	-	4,678,879
Charges for Services	134,624,610	4,381,399	139,006,009
Miscellaneous Revenue	5,270,241	151,362	5,421,603
Recovered Costs	1,681,835	33,650	1,715,485
Revenue from the Commonwealth	342,471,719	1,946,668	344,418,387
Revenue from the Federal Government	41,956,056	28,030	41,984,086
Categorical Grant Awards	7,666,937	-	7,666,937
Total Revenue	\$ 1,004,472,897	\$ 6,541,109	\$ 1,011,014,006
TRANSFERS FROM OTHER FUNDS	-	717,697	717,697
TOTAL FUNDS AVAILABLE	\$ 1,359,489,502	\$ 7,258,806	\$ 1,366,748,308
APPROPRIATIONS			
General Fund	\$ 287,001,622	\$ 799,087	\$ 287,800,709
Special Revenue Funds			
Virginia Public Assistance	21,269,208	139,078	21,408,286
Interagency Consortium	3,704,622	88	3,704,710
Fee Supported Activities	941,055	-	941,055
Integrated Behavioral Healthcare	24,458,884	54,818	24,513,702
Conference Center & Tourism	3,956,453	-	3,956,453
E-911 Operations	6,218,223	12,791	6,231,014
Chesapeake Juvenile Services	6,791,582	13,910	6,805,492
Tax Increment Financing-Greenbrier	6,000	-	6,000
Tax Increment Financing-South Norfolk	50,000	-	50,000
City Wide Debt Fund	42,301,521	-	42,301,521
Enterprise Funds			
Public Utilities	65,720,058	11,000	65,731,058
Stormwater Management	10,638,688	-	10,638,688
Chesapeake Transportation System	19,838,591	-	19,838,591
Internal Service Funds (net of department billings)			
Central Fleet / City Garage	1,400,000	35,415	1,435,415
Information Technology	751,774	9,948	761,722
Employee Health Care Fund	-	4,380,049	4,380,049
Risk Management	-	311	311
Mosquito Control	4,415,925	-	4,415,925
Education	467,987,448	1,745,889	469,733,337
Categorical Grant Awards	7,666,937	-	7,666,937
Total Appropriations	\$ 975,118,591	\$ 7,202,384	\$ 982,320,975
Transfers to Other Funds	45,554,184	1,176,371	46,730,555
Estimated Budgetary Savings	(8,570,000)	-	(8,570,000)
ENDING FUND BALANCE	\$ 347,386,727	\$(1,119,949)	\$ 346,266,778

CAPITAL IMPROVEMENT PLAN FOR THE FIVE YEAR PERIOD ENDING JUNE 30, 2021
SUMMARY OF ESTIMATED RESOURCES

Source of Funding	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	5 Year Total
Cash						
Lockbox City	\$ 7,682,054	\$ 8,710,150	\$ 3,713,160	\$ 4,235,000	\$ 5,100,000	\$ 29,440,364
Lockbox Schools	6,575,900	5,580,500	5,500,000	5,500,000	5,500,000	28,656,400
South Norfolk TIF Revenue	2,304,467	-	-	-	-	2,304,467
Stormwater Operations	5,550,000	5,500,000	5,500,000	5,500,000	5,500,000	27,550,000
Public Utility Operations	8,878,867	6,701,000	9,725,000	13,375,000	15,550,000	54,229,867
Fund Balance - Capital Projects	400,000	3,183,000	-	-	-	3,583,000
Fund Balance - CTS	883,000	1,407,850	90,000	53,700	-	2,434,550
Fund Balance - General Fund	10,740,812	5,008,710	3,486,000	2,770,000	3,110,000	25,115,522
Fund Balance - Info. Technology	211,000	140,000	995,000	435,000	85,000	1,866,000
Fund Balance - Other Funds	2,260,000	1,830,000	650,000	1,125,000	1,000,000	6,865,000
Fund Balance - Stormwater	2,608,000	700,000	710,000	755,000	770,000	5,543,000
Subtotal - City Cash	\$48,094,100	\$ 38,761,210	\$30,369,160	\$33,748,700	\$36,615,000	\$ 187,588,170
Grant	2,753,791	22,000,000	-	-	-	24,753,791
Proffers	500,000	3,500,000	-	-	-	4,000,000
VDOT Revenue Share	6,645,533	10,000,000	2,000,000	2,000,000	2,000,000	22,645,533
Subtotal - Cash (all sources)	\$57,993,424	\$ 74,261,210	\$32,369,160	\$35,748,700	\$38,615,000	\$ 238,987,494
Debt Financing						
G.O. Debt - City	\$ -	\$ 16,696,739	\$ 640,500	\$ 5,750,836	\$13,500,000	\$ 36,588,075
G.O. Debt - Greenbrier TIF	-	-	-	-	16,000,000	16,000,000
G.O. Debt - South Norfolk TIF	7,500,000	-	-	-	-	7,500,000
G.O. Debt - Short Term Financing	-	1,250,000	1,500,000	1,500,000	1,500,000	5,750,000
G.O. Debt - VPSA	4,000,000	8,725,000	29,275,000	19,000,000	4,000,000	65,000,000
Revenue Bonds - Utility Fund	3,483,300	7,074,200	12,344,117	500,000	10,000,000	33,401,617
Subtotal - Debt Financing	\$14,983,300	\$ 33,745,939	\$43,759,617	\$26,750,836	\$45,000,000	\$ 164,239,692
Total Resources	\$72,976,724	\$ 108,007,149	\$76,128,777	\$62,499,536	\$83,615,000	\$ 403,227,186

SUMMARY OF RESOURCE REQUIREMENTS

Resource Requirements by Category	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	5 Year Total
General Government						
Community Facilities	\$ 3,369,500	\$ 2,414,000	\$ 1,984,000	\$ 2,375,000	\$25,280,000	\$ 35,422,500
Economic Development	4,200,000	1,500,000	-	-	16,000,000	21,700,000
Education	12,946,135	20,293,500	34,775,000	24,500,000	9,500,000	102,014,635
Information Technology	522,590	1,501,225	1,078,160	660,000	220,000	3,981,975
Parks, Recreation & Tourism	3,748,791	3,565,000	2,335,000	2,810,000	2,185,000	14,643,791
Public Safety	3,206,541	8,405,374	3,237,500	7,520,836	2,110,000	24,480,251
Transportation	23,580,000	48,945,000	4,350,000	4,450,000	4,500,000	85,825,000
Subtotal - General Government	\$51,573,557	\$ 86,624,099	\$47,759,660	\$42,315,836	\$59,795,000	\$ 288,068,152
Enterprise Funds						
Chesapeake Expressway (CTS) - Capital	\$ 883,000	\$ 1,407,850	\$ 90,000	\$ 53,700	\$ -	\$ 2,434,550
Public Utilities - Capital	12,362,167	13,775,200	22,069,117	13,875,000	17,550,000	79,631,484
Storm Water - Capital	8,158,000	6,200,000	6,210,000	6,255,000	6,270,000	33,093,000
Subtotal - Enterprise Funds	\$21,403,167	\$ 21,383,050	\$28,369,117	\$20,183,700	\$23,820,000	\$ 115,159,034
Total Requirements	\$72,976,724	\$ 108,007,149	\$76,128,777	\$62,499,536	\$83,615,000	\$ 403,227,186

Reconciliation:						
CIP Approved May 10, 2016	\$67,815,084	\$ 108,107,149	\$75,778,777	\$62,049,536	\$83,115,000	\$ 396,865,546
Amendments:						
Water treatment plant control system	(416,595)					(416,595)
Stormwater improvements	1,908,000	-	-	-	-	1,908,000
CPS - Facility Condition Study	(160,000)					(160,000)
CPS - Full-Day Kindergarten	2,530,235					2,530,235
CIBH - parking lot addition	300,000	(350,000)				(50,000)
Rural road improvements (pilot)	1,000,000	250,000	350,000	450,000	500,000	2,550,000
Revised CIP Recommendation	\$72,976,724	\$ 108,007,149	\$76,128,777	\$62,499,536	\$83,615,000	\$ 403,227,186