

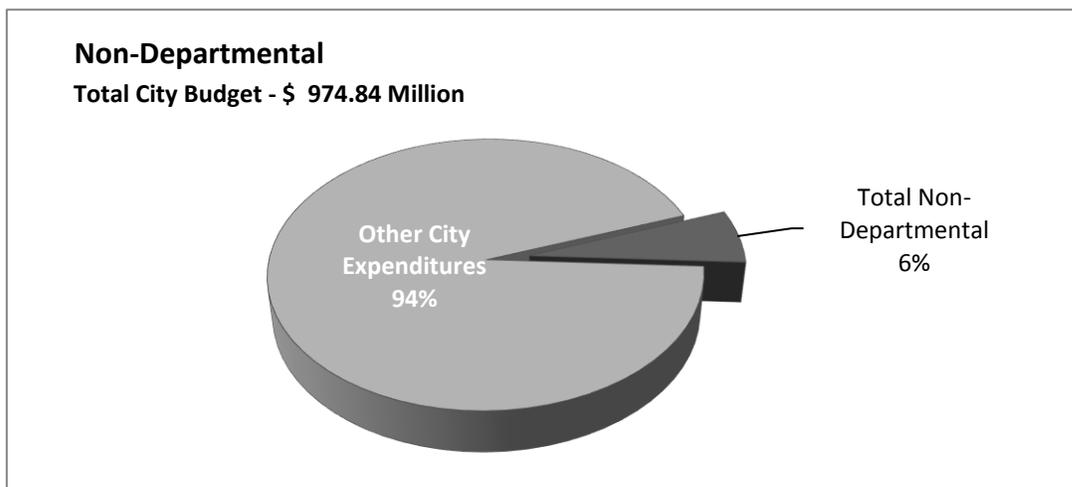
**Non-Departmental**

**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.

<b>Budget by Service</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
Debt Services	\$ 52,931,139	\$ 39,402,840	\$ 42,301,521	7.4%
Garage/Central Fleet	13,523,757	14,578,611	15,053,885	3.3%
Risk Management	8,479,637	8,301,899	9,166,478	10.4%
Health Insurance Fund	-	-	34,926,100	N/A
Information Technology	11,021,433	11,580,546	11,371,058	-1.8%
Non-Departmental	10,475,336	16,157,153	15,359,633	-4.9%
<b>Total Expenditures</b>	<b>\$ 96,431,302</b>	<b>\$ 90,021,049</b>	<b>\$ 128,178,675</b>	<b>42.4%</b>
Less Billings to Other Departments				
Garage/Central Fleet	(12,629,783)	(12,981,111)	(13,620,854)	4.9%
Risk Management	(7,915,854)	(8,301,899)	(9,166,167)	10.4%
Health Insurance Fund	-	-	(30,546,051)	N/A
Information Technology	(9,045,062)	(9,176,407)	(9,078,285)	-1.1%
<b>Total Non-Departmental</b>	<b>\$ 66,840,603</b>	<b>\$ 59,561,632</b>	<b>\$ 65,767,318</b>	<b>10.4%</b>



**Non-Departmental**

**Summary**

<b>Operating Revenues</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>Change from</b>
<b>Resource</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
General Property Taxes	0	0	0	0.0%
Other Local Taxes	\$ 1,847,180	\$ 1,517,862	\$ 1,377,866	-9.2%
Use of Money and Property	777,269	254,889	264,889	3.9%
Miscellaneous Revenue	28,415,959	28,408,237	64,128,282	125.7%
Recovered Costs (Risk Mangmt)	4,751,276	4,241,675	4,861,949	14.6%
Federal Aid	888,431	888,431	890,011	0.2%
<b>Total Revenues</b>	<b>\$ 36,680,116</b>	<b>\$ 35,311,094</b>	<b>\$ 71,522,997</b>	<b>102.6%</b>
General Fund Support	55,125,562	46,449,123	49,433,066	6.4%
Transfers from other funds	3,588,418	3,817,383	3,161,478	-17.2%
<b>Total Resources</b>	<b>\$ 95,394,096</b>	<b>\$ 85,577,600</b>	<b>\$ 124,117,541</b>	<b>45.0%</b>

- 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 the Debt fund.
- Miscellaneous Revenue includes internal service fund (ISF) charges for Garage/Central Fleet, Information Technology, the Health Insurance Fund, 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.

<b>Reconcile Resources to Expenditures</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>Change from</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
Total Resources	\$ 95,394,096	\$ 85,577,600	\$ 124,117,541	0.0%
Transfers to the General Fund	(1,547,794)	0	0	-100.0%
Transfers to Capital Projects Fund	(672,025)	(1,274,043)	(211,000)	89.6%
Net Increase (Decrease) in Fund Balances	(3,257,026)	(5,717,492)	(4,272,134)	75.5%
<b>Operating Expenditures</b>	<b>\$ 96,431,302</b>	<b>\$ 90,021,049</b>	<b>\$ 128,178,675</b>	<b>-6.6%</b>

**Increase (Decrease) in Fund Balances**

Debt Fund	\$ (5,182,093)	\$ (4,500,000)	\$ (4,076,268)
Central Fleet	1,177,319	2,500	(26,850)
Risk Management	484,369	-	-
E-911 Fund	583,575	56,901	41,984
Information Technology	(320,196)	(1,276,893)	(211,000)
<b>Total Increases (Decreases)</b>	<b>\$ (3,257,026)</b>	<b>\$ (5,717,492)</b>	<b>\$ (4,272,134)</b>

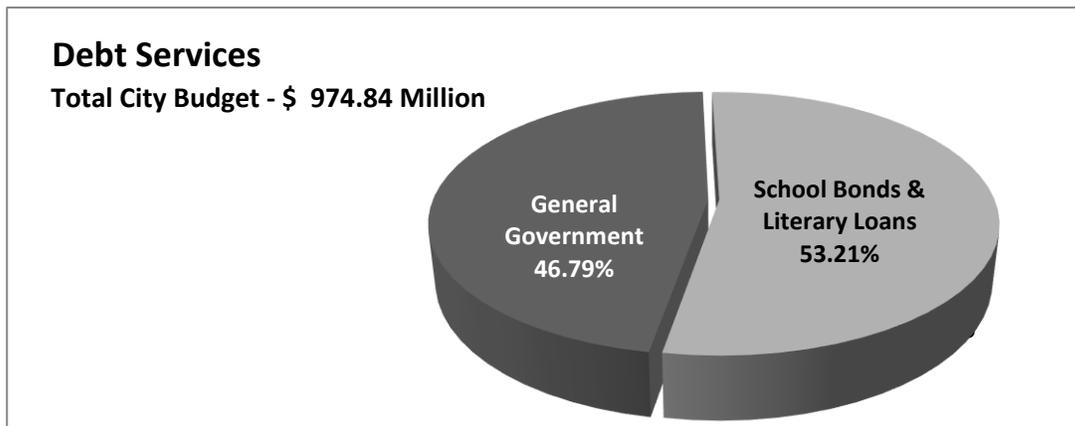
**Debt Services**

**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.

<b>Budget by Department</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Estimate</b>	<b>Change from prior year</b>
General Government	\$ 17,710,089	\$ 17,416,999	\$ 12,978,102	-25.5%
School Bonds & Literary Loans	35,221,050	21,985,841	21,220,821	-3.5%
Provision for upcoming debt issues	-	-	8,102,598	N/A
<b>Total Debt Service Fund</b>	<b>\$ 52,931,139</b>	<b>\$ 39,402,840</b>	<b>\$ 42,301,521</b>	<b>7.4%</b>

General Government includes Tax Increment Financing Districts



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 later in this section).

<b>Budget by Program</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
Principal	\$ 39,627,392	\$ 27,214,445	\$ 30,923,670	13.6%
Interest	13,266,556	12,133,395	11,322,851	-6.7%
Other Debt Expenses	37,190	55,000	55,000	0.0%
<b>Total General Government and School Debt Service</b>	<b>\$ 52,931,139</b>	<b>\$ 39,402,840</b>	<b>\$ 42,301,521</b>	<b>7.4%</b>

**Debt Services**

**Summary**

<b>Budgeted Resources:</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Estimate</b>	<b>Change from prior year</b>
Use of Money and Property	\$ 54,889	\$ 54,889	\$ 54,889	0.0%
Miscellaneous Revenue	258,774	62,171	257,051	313.5%
Revenue from Federal Government	888,431	888,431	890,011	0.2%
Transfer from:				
General Fund -- pre-lockbox debt	25,947,127	10,738,095	6,634,737	-38.2%
General Fund City Lock Box	4,851,665	6,022,018	5,302,002	-12.0%
General Fund School Lock Box	13,675,808	13,319,853	13,838,927	3.9%
VPSA bond refunding returned to School Lock Box	(1,516,065)			
General Fund Lock Boxes to be determined	-	-	8,102,598	N/A
Proffers	-	387,000	717,697	85.5%
Conference Center	1,000,000	1,000,000	-	-100.0%
Open Space	64,430	64,430	64,430	0.0%
Integrated Behavioral Healthcare	-	290,650	291,150	0.2%
Greenbrier TIF	1,469,578	1,471,088	1,471,738	0.0%
South Norfolk TIF	608,977	604,215	600,023	-0.7%
Other Transfers	445,432	-	-	N/A
Use of (Contribution to) Fund Balance	5,182,093	4,500,000	4,076,268	-9.4%
	<b>\$ 52,931,139</b>	<b>\$ 39,402,840</b>	<b>\$ 42,301,521</b>	<b>7.4%</b>

## Debt Service

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### 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.
- Tax -supported debt will not exceed 10% of General Government revenue. (General Fund and Tax Increment Financing Funds)
- 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.

**Debt Service**

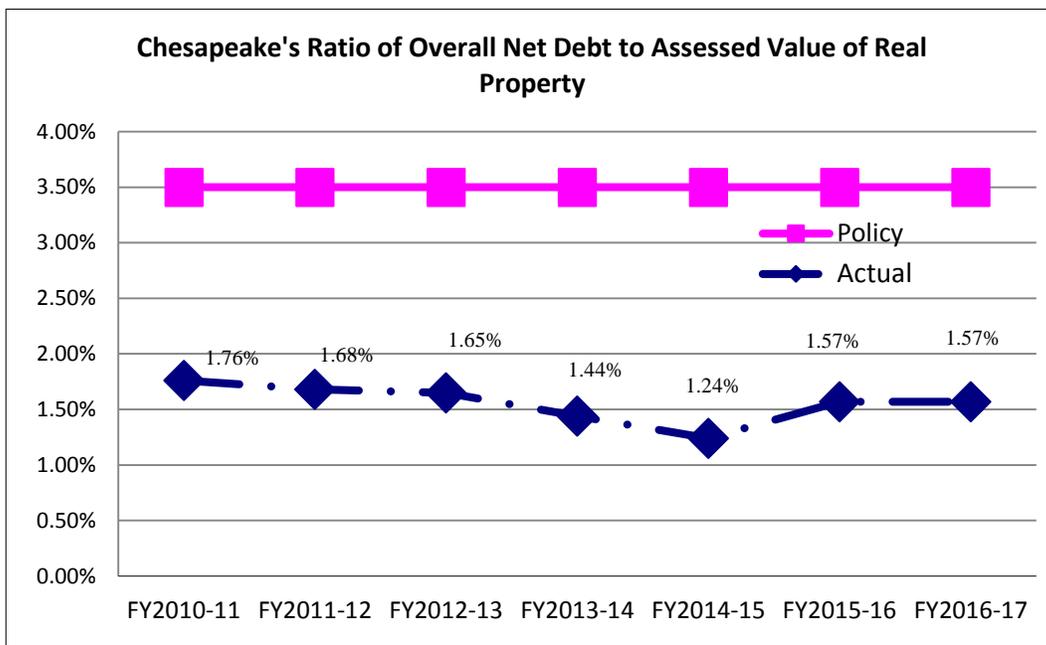
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**Debt Management Policies continued**

- 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, 2015. 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, 2015, the City may incur an additional \$2,091,142,364 in debt without exceeding its legal debt limit.

Assessed Value of taxable real estate: as of June 30, 2015		\$23,905,386,600
Legal debt limit of 10% of assessed value:		\$ 2,390,538,660
Amount of debt applicable to legal debt limit:		
Total Bonded Debt	\$605,777,829	
Less: Self-Supporting Debt not chargeable to debt limit	(282,754,272)	
Less: Amounts available for debt service	(23,627,261)	
Total Debt Applicable to Legal Debt Limit		\$ 299,396,296
Legal Debt Margin for Creation of Additional Indebtedness:		\$2,091,142,364
Notes:		
*Self-Supporting Debt includes Revenue Bonds		

Source: Data in this table are from the City's Comprehensive Annual Financial Report-June 30, 2015

**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 located throughout the City for fueling City vehicles. It also operates one compressed natural gas (CNG) station. 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 operation, 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 capital lease purchases.

<b>Budget by Program</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
12520 Fleet Operations	\$ 10,049,341	\$ 11,075,211	\$ 10,750,910	-2.9%
12521 Fleet Capital/Replacement Vehicles and Equipment	3,474,417	3,503,400	4,302,975	22.8%
<b>Total By Program</b>	<b>\$ 13,523,757</b>	<b>\$ 14,578,611</b>	<b>\$ 15,053,885</b>	<b>3.3%</b>

**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.

**Central Fleet**

**112012**

<b>Performance Measures</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
Average age of vehicles (Years)	7.22	7.25	7.25	0.0%
Annual Miles Driven	11,608,475	11,500,000	11,500,000	0.0%
Fleet Availability	97.09%	98.00%	98.00%	0.0%
Repair Turnaround Time (days)	6.30	3.00	4.00	33.3%
Fleet Size				
Light Duty	972	909	975	7.3%
Heavy Duty	459	350	450	28.6%
Fire	132	105	135	28.6%
Small Equipment	1,289	1,300	1,300	0.0%
# of scheduled repairs	12,803	13,000	13,000	0.0%
# of unscheduled repairs	830	750	750	0.0%

**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.
- The increase in salaries is partially due to the inclusion of funding for a 2.5% pay increase. The decrease in benefits is largely due to a decrease in the allotment for Other Post Employment Benefits (OPEB).
- Two part-time Motor Equipment Operator I (MEO) positions were added to the department's personnel complement. The positions will mainly be utilized to transport vehicles and equipment to dealers and other repair shops when necessary. The addition of the MEO positions will alleviate the need for Mechanics to be pulled from their duties to transport
- The increase in purchased services is due to the increased allocation of funding for vehicle repairs. There are some necessary repairs that need to be done on fire trucks, garbage truck packer arms, and some fuel system repairs.
- The decrease in other expenditures is mostly due to the decreased allowance for utilities.
- The amount allotted for fuel (diesel and gasoline) is less for FY16-17 due to the increased usage of CNG vehicles and lower fuel costs.
- The increase in capital outlay is due to the inclusion of additional funding for the purchase of new City vehicles, as well as replacing the motor pool vehicle software system (\$26,850). Savings generated from lower fuel costs were diverted from the department's operating program to its capital program to help with the purchase of the new City vehicles. Fuel savings were also used to fund the two new part-time MEO positions.

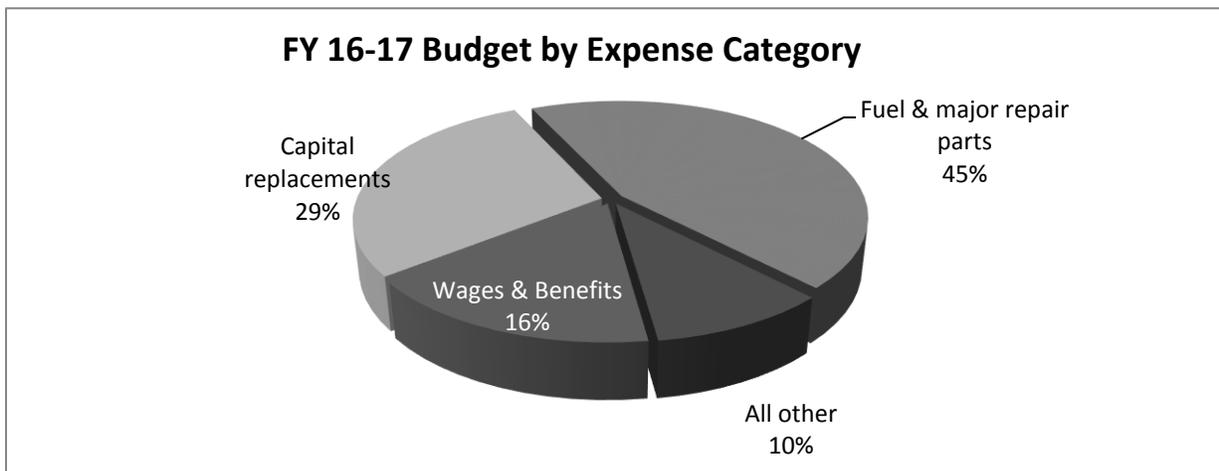
**Central Fleet**

112012

**Emerging Budget Issues**

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

<b>Requirements:</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
Salaries and wages	\$ 1,679,816	\$ 1,729,228	\$ 1,787,740	3.4%
Employee benefits	717,626	823,023	706,361	-14.2%
Purchased services	737,722	599,000	1,382,000	130.7%
Other expenditures	106,616	130,854	123,826	-5.4%
Materials and supplies	2,550,263	2,925,246	3,208,726	9.7%
Fuel (diesel and gasoline)	4,257,298	4,867,860	3,515,407	-27.8%
Capital Outlay	3,474,417	3,503,400	4,329,825	23.6%
<b>Total Expenses/Requirements:</b>	<b>\$ 13,523,757</b>	<b>\$ 14,578,611</b>	<b>\$ 15,053,885</b>	<b>3.3%</b>



<b>Personnel:</b>		<b>FY 14-15 Budget</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
<b>Grade</b>	<b>Positions</b>				
108	Motor Equipment Operator I	0.00	0.00	1.25	1.25
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	*Automotive Technician	27.50	27.50	27.50	0.00
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	0.00	(1.00)
123	Accountant I	0.00	0.00	1.00	1.00
125	Fleet Safety Specialist	1.00	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
<b>Total Department Personnel</b>		<b>36.50</b>	<b>36.50</b>	<b>37.75</b>	<b>1.25</b>

\*Title changed from Mechanic to Automotive Technician

**Central Fleet**

112012

<b>Operating Revenues by Fund</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
<b>601 Fleet Management</b>				
Use of Money and Property	\$ 361,947	\$ -	\$ -	0.00%
Billings to City departments and Schools	14,183,671	14,581,111	15,020,854	3.02%
Recovered Costs	168,619	0	0	0.00%
<b>Total Revenues</b>	<b>\$ 14,714,238</b>	<b>\$ 14,581,111</b>	<b>\$ 15,020,854</b>	<b>3.02%</b>
Transfers from other funds	-	-	6,181	100.00%
Use of Fund Balance	-	-	26,850	0.0%
<b>Total Resources</b>	<b>\$ 14,714,238</b>	<b>\$ 14,581,111</b>	<b>\$ 15,053,885</b>	<b>3.24%</b>
 <b>Use of Resources</b>				
Operations	\$ 13,523,757	\$ 14,578,611	\$ 15,053,885	3.3%
Transfers to the General Fund	13,161	-	-	N/A
Contribution to Fund Balance	1,177,319	2,500	-	-100.0%
	<b>\$ 14,714,238</b>	<b>\$ 14,581,111</b>	<b>\$ 15,053,885</b>	<b>3.24%</b>

**Budget by Fund:**

601 Central Fleet	\$ 13,523,757	\$ 14,578,611	\$ 15,053,885	3.3%
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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.

<b>Budget by Program</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
12550 Risk Management	\$ 8,479,637	\$ 8,301,899	\$ 9,166,478	10.4%

**Goals:**

- Support the third party administrator for Worker's Compensation claims by focusing on 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.
- Monitor and enhance the 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.

<b>Performance Measures</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
# worker's comp. cases assigned	387	421	421	0.0%
# All other insurance cases assigned	339	412	412	0.0%
# of worker's comp. open cases	372	350	350	0.0%
# All other insurance open cases	78	77	77	0.0%
# Of safety site inspections w/ follow-up	-	26	26	0.0%
# Of safety Disability & Wellness Committee meetings	2	4	4	0.0%

**Risk Management (Self Insurance)**

111020

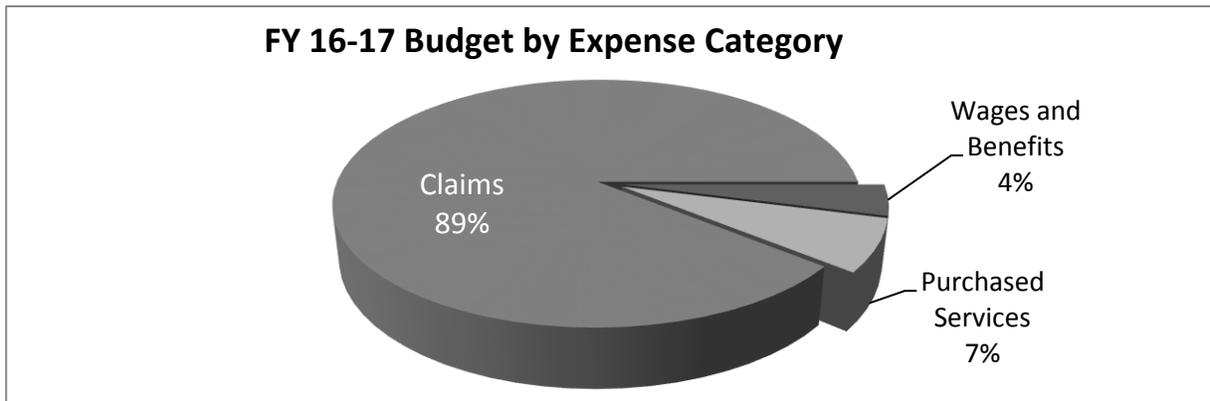
**Budget Highlights:**

- The increase in salaries is due to the inclusion of funding for a 2.5% pay increase. Benefits decreased due to a decrease in the allotment for Other Post Employment Benefits (OPEB).
- The primary factor in the increase in purchased services is the increased allowance for the third party administrator contract renewal, actuarial services, and insurance broker/policy renewals.
- The increase in materials is due to an increase in the amount requested for computer and office supplies.

**Emerging Budget Issues**

- Risk management claims are projected to increase due to rising insurance premiums, software maintenance, and Third Party Administrator fees.

<b>Requirements:</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
Administrative Costs				
Salaries and wages	\$ 232,200	\$ 265,051	\$ 271,431	2.4%
Employee benefits	77,405	106,180	94,791	-10.7%
Purchased services	107,892	525,841	564,645	7.4%
Materials	20,844	56,507	59,251	4.9%
Subtotal Expenses/Requirements:	\$ 438,341	\$ 953,579	\$ 990,118	3.8%
Risk Management Claims	8,041,295	7,347,570	8,176,360	11.3%
<b>Total Expenses/Requirements:</b>	<b>\$ 8,479,637</b>	<b>\$ 8,301,149</b>	<b>\$ 9,166,478</b>	<b>10.4%</b>



**Risk Management (Self Insurance)**

111020

<b>Personnel:</b>		<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>Change from</b>
<b>Grade</b>	<b>Positions</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
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	1.00	1.00	1.00	0.00
<b>Total Department Personnel</b>		<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>

		<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>Change from</b>
<b>Operating Revenues by Fund</b>		<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
<b>606</b>	<b>Risk Management</b>				
	Use of Money and Property	\$ 122,583	\$ -	\$ -	0.00%
	Miscellaneous Revenue	4,268,579	4,060,224	4,337,868	6.84%
	Recovered Costs	4,572,844	4,241,675	4,828,299	13.83%
	<b>Total Resources</b>	<b>\$ 8,964,006</b>	<b>\$ 8,301,899</b>	<b>\$ 9,166,478</b>	<b>10.41%</b>
<b>Use of Resources</b>					
	Operations	\$ 8,479,637	\$ 8,301,899	\$ 9,166,478	10.4%
	Contribution to Fund Balance	484,369	-	-	N/A
		<b>\$ 8,964,006</b>	<b>\$ 8,301,899</b>	<b>\$ 9,166,478</b>	<b>10.41%</b>

**Budget by Fund:**

606 Risk Management	\$ 8,479,637	\$ 8,301,899	\$ 9,166,478	10.4%
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**Health Insurance Fund**

**111020**

**Description:**

The Health Insurance Fund was established to provide healthcare benefits to eligible employees, retirees, and their families. The fund was established in December 2015 in advance of the city’s switch from a fully-insured plan to one that is self-insured. Rather than paying insurance premiums, the city now pays the medical and pharmacy claims of all participants through a third-party administrator (TPA). In addition to medical and pharmacy claims, the Fund also pays administrative services, medical care management, and rare disease management.

The Fund is financed by employee and retiree premiums and by subsidies transferred from the city’s operating fund. Currently the city offers three plans through Optima Health: Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), and Point of Service (POS). The HMO is the most economical of the three plans but offers a more limited network of providers. The other plans have broader networks and offer out-of-network benefits at a greater cost. In order to limit its exposure, the city purchases reinsurance to cover catastrophic claims (those exceeding \$300,000 for a single individual in one year).

**Goals:**

- Address health needs of employees and eligible retirees in a cost effective manner.
- Improve employee wellness in order to avoid more expensive health care.
- Meet all Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations for group health plans.
- Maintain an acceptable level of risk by purchasing excess insurance policies for protection from large claims and large numbers of catastrophic claims.

<b>Performance Measures</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
To be Determined				

**Budget Highlights:**

- The City transitioned to a self-funded health insurance model during FY 2015-16. Therefore, FY 2016-17 is the first year for its budget.

**Health Insurance Fund**

111020

	FY 14-15 Actual	FY 15-16 Budget	FY 16-17 Budget	Change from prior year
<b>Requirements:</b>				
Medical Claims	\$ -	\$ -	\$ 23,062,900	100%
Pharmacy Claims	-	-	8,050,100	100%
Reinsurance	-	-	1,691,900	100%
Administrative Services	-	-	921,400	100%
Wellness Program	-	-	382,800	100%
Related Services	-	-	817,000	100%
<b>Total Expenses/Requirements:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,926,100</b>	<b>N/A</b>

	FY 14-15 Actual	FY 15-16 Budget	FY 16-17 Budget	Change from prior year
<b>Operating Revenues by Fund</b>				
<b>605 Health Insurance Fund</b>				
Employee Premiums	\$ -	\$ -	\$ 4,205,447	100.00%
City Subsidies	-	-	29,650,044	100.00%
Retiree Payments	-	-	1,036,959	100.00%
Recovered Costs	-	-	33,650	100.00%
<b>Total Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,926,100</b>	<b>100.00%</b>
<b>Use of Resources</b>				
Operations	\$ -	\$ -	\$ 34,926,100	N/A
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,926,100</b>	<b>100.00%</b>

<b>Budget by Fund:</b>				
605 Health Insurance Fund	\$ -	\$ -	\$ 34,926,100	N/A

**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"> <li>● Processes production batch applications</li> <li>● Monitors the day-to-day activities of the City's network</li> <li>● Monitors systems availability, integrity and performance</li> <li>● Provides online data communications and job scheduling</li> <li>● Provides Help Desk support</li> <li>● Serves as the main point of contact for problem resolution and escalation</li> </ul>
12513	Network Support	Manages the hardware and software infrastructure which includes: <ul style="list-style-type: none"> <li>● Network connectivity</li> <li>● Voice, data, and internet access</li> <li>● Security</li> <li>● Backups and disaster recovery</li> <li>● Database support</li> <li>● Operating system maintenance.</li> </ul>
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"> <li>● Provides high speed computing and reliability to perform large computing jobs</li> <li>● Performs daily and nightly batch job processing and enterprise backup of critical applications</li> </ul>

**Information Technology**

**111040**

Code	Program Title	Program Description
12516	Geographic Information System (GIS)	<ul style="list-style-type: none"> <li>• Provides mapping and geospatial technology support</li> <li>• Administers the central repository for all geospatial data</li> <li>• Maintains applications and software integrations that utilize this data</li> </ul>
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"> <li>• Manages the City's internet website, <a href="http://CityofChesapeake.net">CityofChesapeake.net</a>.</li> <li>• Manages the City's primary social media sites</li> <li>• Oversees the Social Media Steering Committee, which sets policy for social media use within the City.</li> </ul>
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"> <li>• 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.</li> <li>• 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).</li> </ul>

<b>Budget by Program</b>		<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>Change from</b>
		<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
12509	Enterprise Application Services	\$ 1,386,746	\$ 2,051,986	\$ 1,811,627	-11.7%
12510	Administration	831,552	822,132	817,527	-0.6%
12511	Enterprise Software Develop.	1,295,423	1,502,314	1,598,126	6.4%
12512	Computer Operations	380,932	417,119	417,926	0.2%
12513	Technical Support	1,614,919	1,741,726	1,857,129	6.6%
12514	Desktop Support	472,646	635,049	611,095	-3.8%
12515	Mainframe Operations	852,272	242,216	249,013	2.8%
12517	PC Replacement Plan	1,544,534	932,297	932,297	0.0%
12516	Geographic Information Systems (GIS)	487,747	552,436	531,628	-3.8%
12518	Enterprise Financial System	429,627	664,726	659,408	-0.8%
12519	E-Gov Operations	285,805	345,580	354,230	2.5%
31404	800 MHz Maint/Replacement	1,263,605	1,460,961	1,335,882	-8.6%
12221	Data Security Administration	175,626	212,004	195,169	-7.9%
<b>Total By Program</b>		<b>\$ 11,021,433</b>	<b>\$ 11,580,546</b>	<b>\$ 11,371,057</b>	<b>-1.8%</b>

**Information Technology**

**111040**

**Goals**

- Improve Business Continuity for critical systems including Disaster Recovery such as recent addition of the second data center site at Animal Shelter. The new solution contains redundant
- Maintenance and upgrade of IT infrastructure including recent increases in bandwidth for entire City (including Fire , Police) via enhanced services from Cox Communications such as the upgrade of circuits from T-1 to T-3 and T-5.
- To provide enhanced online citizen engagement and business owner tools including but not limited to the new Electronic Plan and Permit System, Bulk Trash Removal Mobile Application,
- Utilize the most efficient systems to provide citizen's access to Police, Fire and Sheriff services including the recent initiative to replace the outdated Tiburon CAD (Computer Assisted Dispatch) with the New World CAD for more efficient operations and better citizen response.
- Provide a platform for City government to capture relevant financial information and the ability
- Continuously revisit all computer applications to reflect changing business needs using "agile" development techniques.
- Provide training and technical assistance to City departments with quality, responsive, and professional Client Technology Services to resolve client desktop issues.
- Provide a high availability radio systems to Public Safety and other departmental users to promote a safe community.
- Enable citizens and City departments including Police, Fire, Public Utilities and Public Works a geographic information system (GIS) designed to capture, store, manipulate, analyze, manage,
- Protect data and systems vital to the operation of the City from loss or damage due to security threats.

<b>Performance Measures</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
<b>Administration:</b>				
IT expenses per employee	\$3,292	\$2,858	\$3,165	10.7%
<b>Enterprise Software Development:</b>				
Request for service completed	42	22	24	9.1%
Help desk requests resolved	535	268	294	9.7%
in 24 hours or less (%)	29.0%	55.0%	29.0%	-47.3%
in 4 hours or less (%)	26.0%	26.0%	26.0%	0.0%
Software maint. / supp. # of applic.	87	87	87	0.0%
<b>Enterprise Application Support:</b>				
Help requests completed	2,564	2,463	2,636	7.0%
Systems Supported	23	25	27	8.0%
Updates and Patches applied	17	17	23	35.3%
Major upgrades and implementations	18	18	22	22.2%

**Information Technology**

**111040**

<b>Performance Measures contintued:</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
<b>Computer Operations:</b>				
Avg. on-line trans. per day	86,111	90,500	Mainframe dissolution	-100.0%
# of man hrs. per Help Desk call	0.52	0.35	0.35	0.0%
Help Desk calls resolved in 4 hours or less	55.0%	55.0%	50.0%	-9.1%
Help Desk calls resolved in between 4 and 24 hours	14.5%	15.0%	20.0%	33.3%
Help Desk calls resolved over 24 hours	30.5%	30.0%	30.0%	0.0%
Tickets assigned to Help Desk staff	5,095	8,200	8,200	0.0%
Tickets Created by Help Desk	22,978	28,700	28,700	0.0%
# Phone calls answered by Help Desk	15,161	17,000	17,000	0.0%
<b>Network Support:</b>				
Incoming E-mail from the Outside	12,663,004	17,500,000	13,850,502	-20.9%
Outgoing E-mail to the Outside	2,004,000	2,100,000	1,986,000	-5.4%
Blocked E-mail	8,142,143	11,788,212	11,527,982	-2.2%
<b>Desktop Support:</b>				
# of man hours per call	1.06	1.12	0.75	-33.0%
% of calls resolved in 4 hours or less	42.0%	50.0%	50.0%	0.0%
% of calls resolved between 4 and 24 hours	26.0%	20.0%	30.0%	50.0%
% of calls resolved over 24 hours	32.0%	27.0%	20.0%	-25.9%
Calls to Client Technology	9,570	7,080	11,685	65.0%
<b>GIS:</b>				
# of GIS software apps. supported	19	17	21	23.5%
Public facing web app page views (annually)	78,946	81,000	81,000	0.0%
Geospatial Open Data site page views	10,876	10,000	10,000	0.0%
<b>E-Gov:</b>				
Pages viewed on City website	4,765,245	4,725,000	5,253,683	11.2%
Unique visitors on City website	867,470	788,341	956,386	21.3%
Search of City website	172,504	196,143	190,186	-3.0%
Everbridge (Mass Notification) messages sent	405	425	447	5.2%
Everbridge employee notifications	330	347	364	4.9%
<b>Granicus Service ( City Council Meeting Viewing)</b>				
Views on demand videos	24,262	27,671	24,262	-12.3%
Views of live stream	5,986	9,835	5,986	-39.1%

**Information Technology**

**111040**

<b>Performance Measures contintued:</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
<b><i>Radio System Maintenance &amp; Admin:</i></b>				
*Radio system call events	10,685,987	10,873,375	11,050,000	1.6%
*Radio system maintenance events	588	387	387	0.0%
Number of public safety radios	2,500	2,708	2,708	0.0%
Number of non-public safety radios supported	950	950	950	0.0%
*Radios replaced	222	121	175	44.6%
*Under service agreement				

**Budget Highlights:**

- The increase in salaries is partially due to the inclusion of funding for a 2.5% pay increase. The decrease in benefits is largely due to a decrease in the allotment for Other Post Employment Benefits (OPEB).
- The FY16-17 budget includes several position changes due to the department's proposal to restructure and realign the personnel complement. Position changes for the department are as follows:
  - Addition of one (1) Database Administrator II and one (1) Strategic Technology Manager
  - Deletion of one (1) Software Systems Programmer and one (1) Systems Analyst II position
  - Reclassification of one (1) Systems Analyst III to a Software Engineer III
  - Reclassification of six (6) Systems Analyst I to Software Engineer I
  - Reclassification of one (1) Systems Analyst II to Software Engineer II
  - Reclassification of one (1) Application Development Analyst II to a Software Engineer I
  - Reclassification of two (2) Computer Operator II to Computer Support Technicians
  - Reclassification of one (1) Systems Software Programmer to a Development/Operations Engineer
- Purchased services decreased due to the decreased allowance for such purchases as repairs, maintenance contracts, and professional services.
- A decrease in the allowance for such items as travel, training, and lease/rent of equipment account for the decrease in other expenditures.
- A decrease in the allotment for office supplies is attributable to the decline in the materials category.
- The \$114,763 shown in the capital outlay category is for purchases of replacement equipment and firewalls for the department's PC Replacement Plan Program.

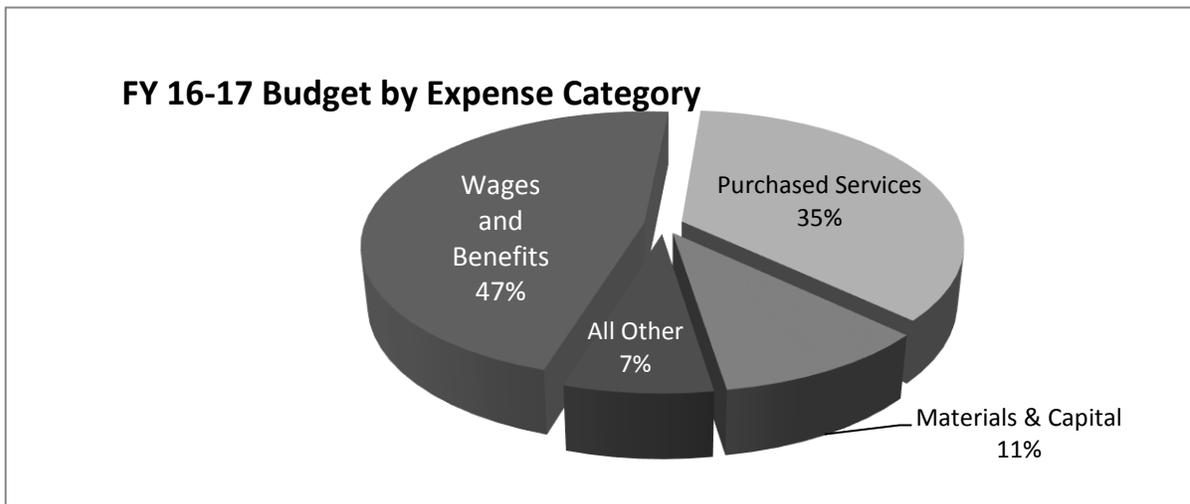
**Information Technology**

**111040**

**Emerging Budget Issues**

- Over the last several years the department has focused on improving the core infrastructure of the City's network. The next phase of the department's readiness will focus on the application portfolio and human capital to not only leverage the investments already implemented, but to grow the organization in order to meet the increasing demand of the digital economy by delivering accurate information in a timely manner with excellent customer service.

<b>Requirements:</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
Salaries and wages	\$ 3,391,029	\$ 3,748,310	\$ 3,880,330	3.5%
Employee benefits	1,217,480	1,581,238	1,430,789	-9.5%
Purchased services	5,341,324	4,173,510	4,039,397	-3.2%
Other expenditures	567,000	880,009	818,612	-7.0%
Materials	663,643	1,197,479	1,087,166	-9.2%
Capital outlay	(159,043)	-	114,763	N/A
<b>Total Expenses/Requirements:</b>	<b>\$ 11,021,433</b>	<b>\$ 11,580,546</b>	<b>\$ 11,371,057</b>	<b>-1.8%</b>



**Information Technology**

**111040**

Personnel:		FY 14-15	FY 15-16	FY 16-17	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	2.00	0.00	(2.00)
118	Computer Support Technician	0.00	0.00	2.00	2.00
120	Online Content Coordinator	1.00	1.00	1.00	0.00
122	Client Technologies Analyst I	0.00	1.00	1.00	0.00
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	0.00	(1.00)
126	Client Technologies Analyst II	7.00	6.00	6.00	0.00
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	12.50	12.00	6.00	(6.00)
130	Fiscal Administrator	1.00	1.00	1.00	0.00
130	GIS Senior Analyst	1.00	1.00	1.00	0.00
130	Software Engineer I	0.00	0.00	7.00	7.00
130	Software Quality Engineer I	0.00	1.00	1.00	0.00
131	Data Architect	1.00	0.50	0.00	(0.50)
131	Network Engineer II	2.00	3.00	3.00	0.00
132	Development/Ops Engineer	0.00	0.00	1.00	1.00
132	Systems Analyst II	4.00	4.00	2.00	(2.00)
132	Systems Software Programmer	2.00	2.00	0.00	(2.00)
133	Software Engineer II	0.00	0.00	1.00	1.00
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	Systems Security Analyst	1.00	1.00	1.00	0.00
133	Business Analyst	0.00	0.50	1.00	0.50
134	Database Administrator II	0.00	0.00	1.00	1.00
134	Software Engineer III	0.00	0.00	1.00	1.00
134	GIS Administrator	1.00	1.00	1.00	0.00
134	Systems Analyst III	2.00	2.00	1.00	(1.00)
135	Strategic Technology Manager	0.00	0.00	1.00	1.00
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	0.00	(1.50)
Unclass.	QA Testing Analyst (Special Proj.)	1.00	0.00	0.00	0.00
Unclass.	Software Engineer (Special Proj)	1.00	1.00	0.00	(1.00)
<b>Total Department Personnel</b>		<b>57.00</b>	<b>56.50</b>	<b>54.00</b>	<b>(2.50)</b>

**Information Technology**

**111040**

<b>Operating Revenues by Fund</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
<b>100 General Fund Operations</b>				
General Fund Support	\$ 175,626	\$ 212,004	\$ 195,169	-7.9%
<b>Total Fund 100 Resources</b>	<b>175,626</b>	<b>212,004</b>	<b>195,169</b>	<b>-7.9%</b>
<b>207 E-911 Operations</b>				
Other Local Taxes	\$ 1,847,180	\$ 1,517,862	\$ 1,377,866	-9.2%
<b>Total Resources</b>	<b>\$ 1,847,180</b>	<b>\$ 1,517,862</b>	<b>\$ 1,377,866</b>	<b>-9.22%</b>
<b>Use of Resources</b>				
Operations	\$ 1,263,605	\$ 1,460,961	\$ 1,335,882	-8.6%
Contribution to Fund Balance	583,575	56,901	41,984	-26.2%
	<b>\$ 1,847,180</b>	<b>\$ 1,517,862</b>	<b>\$ 1,377,866</b>	<b>-9.22%</b>
<b>603 Information Technology</b>				
Use of Money and Property	\$ 237,850	\$ 200,000	\$ 210,000	5.0%
Miscellaneous Revenue	9,704,935	9,704,731	9,620,059	-0.9%
Recovered Costs	9,813	0	0	0.0%
<b>Total Revenues</b>	<b>\$ 9,952,598</b>	<b>\$ 9,904,731</b>	<b>\$ 9,830,059</b>	<b>-0.8%</b>
Transfers from other funds	-	-	9,948	100.00%
Use of Fund Balance	320,196	1,276,893	210,999	0.0%
<b>Total Resources</b>	<b>\$ 10,272,795</b>	<b>\$ 11,181,624</b>	<b>\$ 10,051,006</b>	<b>-10.11%</b>
<b>Use of Resources</b>				
Operations	\$ 9,582,202	\$ 9,907,581	\$ 9,840,006	-0.7%
Transfers to the General Fund	18,568	-	-	N/A
Transfers to Capital Projects	672,025	1,274,043	211,000	-83.4%
	<b>\$ 10,272,795</b>	<b>\$ 11,181,624</b>	<b>\$ 10,051,006</b>	<b>-10.11%</b>
<b>Budget by Fund:</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
100 General Fund	\$ 175,626	\$ 212,004	\$ 195,169	-7.9%
207 E-911 Operations	1,263,605	1,460,961	1,335,882	-8.6%
603 Information Technology	9,582,202	9,907,581	9,840,006	-0.7%
<b>Total by Fund</b>	<b>\$ 11,021,433</b>	<b>\$ 11,580,546</b>	<b>\$ 11,371,057</b>	<b>-1.8%</b>

**Non - Departmental**

**111100**

**Description:**

The Non-departmental costs are focused 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.
- **Contingencies** are included in the budget to address unforeseen demands or specific costs that are not well-defined during budget development. For FY 15-16 contingencies included transitional costs related to conversion of employee wages from current pay to arrears pay. The transition is expected to be delayed to FY 16-17 and the provision is carried forward.
- **Emergency Event Contingency** provides immediate funding for materials, supplies, and overtime costs incurred during inclement weather or other declared emergencies.

<b>Budget by Program</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
91300 Outside Agencies	\$ 312,834	\$ 331,019	\$ 352,644	6.5%
91311 Regional Cooperation & Support	5,759,519	6,507,452	6,723,566	3.3%
91304 City-Wide Operations	4,149,296	3,654,916	3,202,616	-12.4%
91305 Airport Authority	253,688	273,000	273,000	0.0%
91400 Contingencies	-	5,065,766	4,482,807	-11.5%
91900 Emergency Event Contingency	-	325,000	325,000	0.0%
<b>Total By Program</b>	<b>\$ 10,475,336</b>	<b>\$ 16,157,153</b>	<b>\$ 15,359,633</b>	<b>-4.9%</b>

**Non - Departmental**

**111100**

	FY 14-15 Actual	FY 15-16 Budget	FY 16-17 Budget	Change from prior year
<b>Outside Agencies - 91300</b>				
<b>Boards and Commissions</b>				
Commission on Health and Well Being*	\$ 6,682	\$ 5,800	\$ 5,800	0.0%
Commission on Aging	-	2,250	2,250	0.0%
Mayor's Commission Veterans Affairs	343	360	360	0.0%
South Norfolk Revitalization	-	225	225	0.0%
<b>Other Agencies</b>				
Chesapeake Arboretum	-	4,050	-	-100.0%
<b>Services and Grants</b>				
Child Abuse Ctr of Hampton Roads	15,060	16,000	16,000	0.0%
Children's Harbor	-	3,750	4,009	6.9%
CHIPS (Ches. Health Investment Program)	13,945	9,084	10,000	10.1%
Comprehensive Plan for Children&Youth	7,000	-	21,000	0.0%
Comprehensive Plan for 55 & better	-	-	21,000	0.0%
Endependence Center (Tidewater)	13,945	28,000	20,000	-28.6%
Foodbank -- Southeastern Virginia	7,215	15,000	10,000	-33.3%
Free Clinic	128,250	142,500	142,500	0.0%
Help & Emergency Response	16,735	20,000	20,000	0.0%
Legal Aid Society of Eastern Virginia	4,180	4,500	4,500	0.0%
For Kids / Our House Families	36,000	45,000	50,000	11.1%
PARC Place	4,680	5,100	-	-100.0%
Tidewater Builders Association/Homearama	58,800	29,400	25,000	-15.0%
	<b>\$ 312,834</b>	<b>\$ 331,019</b>	<b>\$ 352,644</b>	<b>6.5%</b>

\* Formerly Commission on AIDS Prevention and Substance Abuse

**Budget Highlights:**

- Maintenance of the Chesapeake Arboretum has been assigned to the Parks, Recreation and Tourism department.

**Non - Departmental**

**111100**

<b>Regional Cooperation and Support - 91311</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
<b>Real Estate Tax Relief</b>	\$ 2,513,480	\$ 2,810,000	\$ 2,810,000	0.0%
<b>Transit Operating Agreement</b>	2,319,140	2,423,000	2,646,500	9.2%
<b>Dues &amp; Memberships</b>				
Chamber of Commerce	8,700	8,700	8,700	0.0%
Clean Community System	14,203	15,118	15,118	0.0%
Virginia Dept. of Historical Resources	7,612	-	-	
Hampton Roads Planning Commission	228,211	256,034	256,712	0.3%
Hampton Roads Partnership	-	15,210	-	-100.0%
<b>Local and Regional Community Development Funds</b>				
Tidewater Community College	66,500	66,500	66,500	0.0%
Highway Safety Commission	573	1,500	1,500	0.0%
Hampton Roads Economic Dev. Alliance	216,997	219,042	221,702	1.2%
Eastern Virginia Medical School	81,670	83,303	84,969	2.0%
H. Rds. Military & Fed. Facilities Alliance	115,000	115,000	117,820	2.5%
Economic Develop Incentive Program	152,500	451,815	451,815	0.0%
Economic Development Authority	24,980	31,115	31,115	0.0%
Chesapeake Port Authority	9,953	11,115	11,115	0.0%
	<b>\$ 5,759,519</b>	<b>\$ 6,507,452</b>	<b>\$ 6,723,566</b>	<b>3.3%</b>

**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 as these reduce the recognition of property tax revenue.
- 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.

**Non - Departmental**

**111100**

<b>City-Wide Operations - 91304</b>	<b>FY 14-15 Actual</b>	<b>FY 15-16 Budget</b>	<b>FY 16-17 Budget</b>	<b>Change from prior year</b>
Equipment Leases - Fire Hydrants	\$ 921,390	\$ 1,021,390	\$ 1,096,390	7.3%
Stormwater Management Fees	329,081	350,000	365,000	4.3%
Line of Duty Benefits	583,695	642,000	642,000	0.0%
Oak Grove Connector - Principal	1,505,000	1,585,000	1,665,000	5.0%
Oak Grove Connector - Interest	719,500	644,250	358,000	-44.4%
Oak Grove Connector - Debt Admin	-	2,000	-	-100.0%
Risk Management Fund contingency	218,517	-	-	0.0%
Environmental Protection Initiatives	518,444	229,050	225,000	-1.8%
Edinburgh Development Payments	372,442	450,000	575,000	27.8%
Retirement - Employee Benefits	1,226	1,226	1,226	N/A
Overhead Allocation- Other Funds	(1,020,000)	(1,270,000)	(1,725,000)	35.8%
	<b>\$ 4,149,296</b>	<b>\$ 3,654,916</b>	<b>\$ 3,202,616</b>	<b>-12.4%</b>
Chesapeake Airport Authority	253,688	273,000	273,000	0.0%
<b>Total City-Wide Operations</b>	<b>\$ 4,402,983</b>	<b>\$ 3,927,916</b>	<b>\$ 3,475,616</b>	<b>-11.5%</b>

**Budget Highlights:**

- Overhead allocations reflect the distribution of operating expenditures to other funds. Offsetting expenditures are included in some special revenue and enterprise funds.
- Edinburgh Development Payments are tax incentives per an agreement with the developer as an economic incentive. The payment is based on estimated annual growth of completed projects and a build-out projection of currently undeveloped parcels.

**Non - Departmental**

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	FY 14-15 Actual	FY 15-16 Budget	FY 16-17 Budget	Change from prior year
<b>Contingencies</b>				
Council Contingency	\$ -	\$ 5,000	\$ 5,000	0.0%
Salary Contingency	-	4,310,766	3,984,980	-7.6%
Long Term Disability Contingency	-	-	12,827	0.0%
Emergency Event Contingency	-	325,000	325,000	0.0%
VRS/Group Life Contingency	-	-	-	0.0%
Health Insurance Contingency	-	500,000	230,000	-54.0%
City Operating Contingency	-	250,000	250,000	0.0%
Small Grant Match Contingency	-	-	-	N/A
	<b>\$ -</b>	<b>\$ 5,390,766</b>	<b>\$ 4,807,807</b>	<b>-10.8%</b>

**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.
- The salary contingency for FY 15-16 includes \$3.5 million to transition employee payroll from current pay to arrears pay. Currently there are two payroll cycles: weekly and semi-monthly. Weekly employees are paid in arrears, generally five to seven days after the last day of their pay cycle. However, semi-monthly employees are paid current rather than in arrears (on the 15th and 30th day of the month). The absence of a lag period increases the risk of overpayments and payroll errors when the paycheck is issued prior to the completion of the pay period.  
 In order to remedy the inefficiencies and error-prone payroll process, we propose to change payment practices of semi-monthly employees so that they are also paid in arrears. The transition is scheduled for December 2016. We are considering semi-monthly, weekly, and biweekly pay, but have not recommended the appropriate course of action. The City will advance a transitional payment to affected employees when the change occurs so employees are held harmless. We estimate transitional payments will total approximately \$3.6 million.
- The remaining salary contingency for FY 16-17 includes funding for general changes in personnel classifications during the fiscal year.

Operating Revenues	FY 14-15 Actual	FY 15-16 Budget	FY 16-17 Budget	Change from prior year
<b>Fund Resource</b>				
General Fund Support	\$ 10,475,336	\$ 16,157,153	\$ 15,359,633	-4.9%
<b>Total Resources</b>	<b>\$ 10,475,336</b>	<b>\$ 16,157,153</b>	<b>\$ 15,359,633</b>	<b>-4.9%</b>

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