

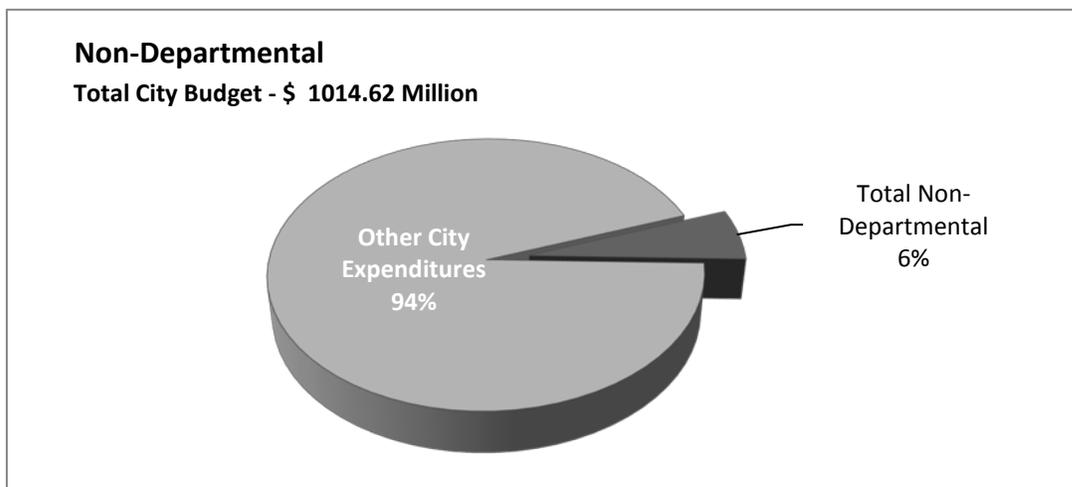
Non-Departmental

Summary

Non-Departmental expenditures include the City's four internal service funds (Garage/Central Fleet, Risk Management, Health Insurance, 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 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Debt Services	\$ 39,459,983	\$ 42,301,521	\$ 41,937,225	-0.9%
Garage/Central Fleet	13,481,731	15,102,009	17,080,653	13.1%
Risk Management	6,440,593	9,166,478	9,386,694	2.4%
Health Insurance Fund	18,375,853	34,926,100	40,570,000	N/A
Information Technology	11,636,946	11,371,057	12,914,908	13.6%
Non-Departmental	9,853,731	15,359,633	12,252,894	-20.2%
Total Expenditures	\$ 99,248,837	\$ 128,226,798	\$ 134,142,374	4.6%
Less Billings to Other Departments				
Garage/Central Fleet	(13,008,104)	(13,668,978)	(14,617,723)	6.9%
Risk Management	(6,252,715)	(9,166,167)	(9,386,694)	2.4%
Health Insurance Fund	(16,691,107)	(30,546,051)	(35,129,000)	N/A
Information Technology	(9,176,457)	(9,078,285)	(10,798,497)	18.9%
Total Non-Departmental	\$ 54,120,454	\$ 65,767,317	\$ 64,210,460	-2.4%



Non-Departmental

Summary

Operating Revenues	FY 15-16	FY 16-17	FY 17-18	Change from
Resource	Actual	Budget	Budget	prior year
Other Local Taxes	\$ 2,114,440	\$ 1,377,886	\$ 1,372,020	-0.4%
Use of Money and Property	854,079	264,889	91,204	-65.6%
Miscellaneous Revenue	47,100,922	69,038,355	77,145,202	11.7%
Recovered Costs	610,973	-	-	0.0%
Federal Aid	892,605	890,011	890,649	0.1%
Total Revenues	\$ 51,573,019	\$ 71,571,141	\$ 79,499,075	11.1%
General Fund Support	39,913,910	49,433,066	46,316,825	-6.3%
Transfers from other funds	4,093,890	3,163,862	4,326,474	36.7%
Total Resources	\$ 95,580,819	\$ 124,168,069	\$ 130,142,374	4.8%

- 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.

Reconcile Resources to Expenditures	FY 15-16	FY 16-17	FY 17-18	Change from
	Actual	Budget	Budget	prior year
Total Resources	\$ 95,580,819	\$ 124,168,069	\$ 130,142,374	0.0%
Transfers to the General Fund	(40,240)	0	0	-100.0%
Transfers to Capital Projects Fund	(1,274,043)	(211,000)	(140,000)	-83.4%
Net (Decrease) Increase in Fund Balances	(4,982,301)	(4,269,729)	(4,140,000)	-14.3%
Operating Expenditures	\$ 99,248,837	\$ 128,226,798	\$ 134,142,374	29.2%

Increase (Decrease) in Fund Balances

Debt Fund	\$ (4,768,024)	\$ (4,076,268)	\$ (4,000,000)
Central Fleet	1,196,926	(24,466)	-
Risk Management	280,757	-	-
Health Care Fund	(1,684,746)	-	-
Information Technology	(669,277)	(210,999)	(140,000)
E-911 Fund	662,063	42,004	-
Total Increases (Decreases)	\$ (4,982,301)	\$ (4,269,729)	\$ (4,140,000)

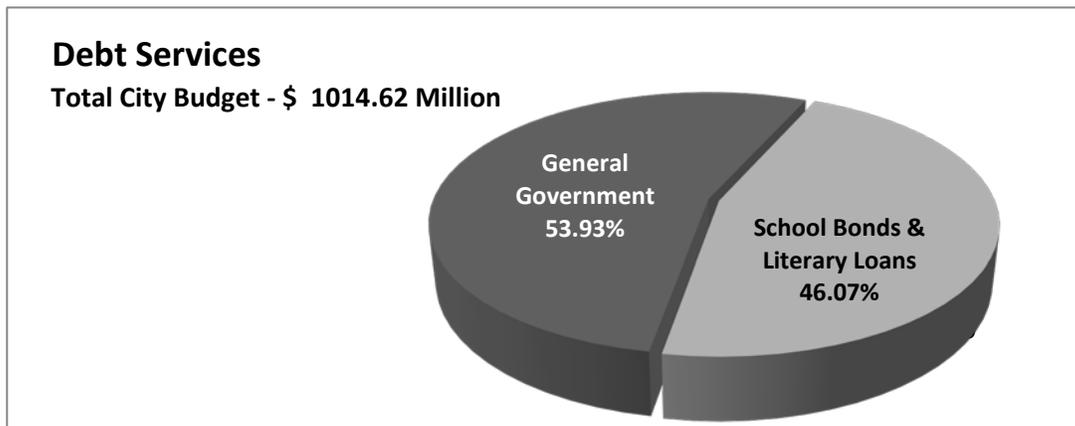
Debt Services

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 15-16 Actual	FY 16-17 Budget	FY 17-18 Estimate	Change from prior year
General Government	\$ 17,500,824	\$ 12,978,102	\$ 20,169,163	55.4%
School Bonds & Literary Loans	21,959,159	21,220,821	21,713,062	2.3%
Provision for upcoming debt issues	-	8,102,598	-	N/A
Total Debt Service Fund	\$ 39,459,983	\$ 42,301,521	\$ 41,937,225	-0.9%

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 Transportation System), 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).

Budget by Program	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Principal	\$ 27,214,445	\$ 31,321,072	\$ 28,687,784	-8.4%
Interest	12,133,394	10,925,449	13,194,441	20.8%
Other Debt Expenses	112,144	55,000	55,000	0.0%
Total General Government and School Debt Service	\$ 39,459,983	\$ 42,301,521	\$ 41,937,225	-0.9%

Debt Services

Summary

Budgeted Resources:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Estimate	Change from prior year
Use of Money and Property	\$ 54,889	\$ 54,889	\$ 54,889	0.0%
Miscellaneous Revenue	377,786	257,051	360,770	40.3%
Revenue from the Commonwealth		-		N/A
Revenue from Federal Government	892,605	890,011	890,649	0.1%
Transfer from:				
General Fund -- pre-lockbox debt	10,738,095	6,634,737	6,148,145	-7.3%
General Fund City Lock Box	6,022,018	5,302,002	12,808,636	141.6%
General Fund School Lock Box	13,112,676	13,838,927	14,847,659	7.3%
General Fund Lock Boxes to be determined	-	8,102,598	-	-100.0%
Proffers	387,000	717,697	-	-100.0%
Conference Center	249,776	-	-	N/A
Open Space	64,430	64,430	64,430	0.0%
Integrated Behavioral Healthcare	290,650	291,150	287,150	-1.4%
Greenbrier TIF	1,470,928	1,471,738	1,465,613	-0.4%
South Norfolk TIF	606,123	600,023	1,009,281	68.2%
Other Transfers	424,983	-	-	N/A
Use of (Contribution to) Fund Balance	4,768,024	4,076,268	4,000,000	-1.9%
	\$ 39,459,983	\$ 42,301,521	\$ 41,937,225	-0.9%

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 (3.5%) 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

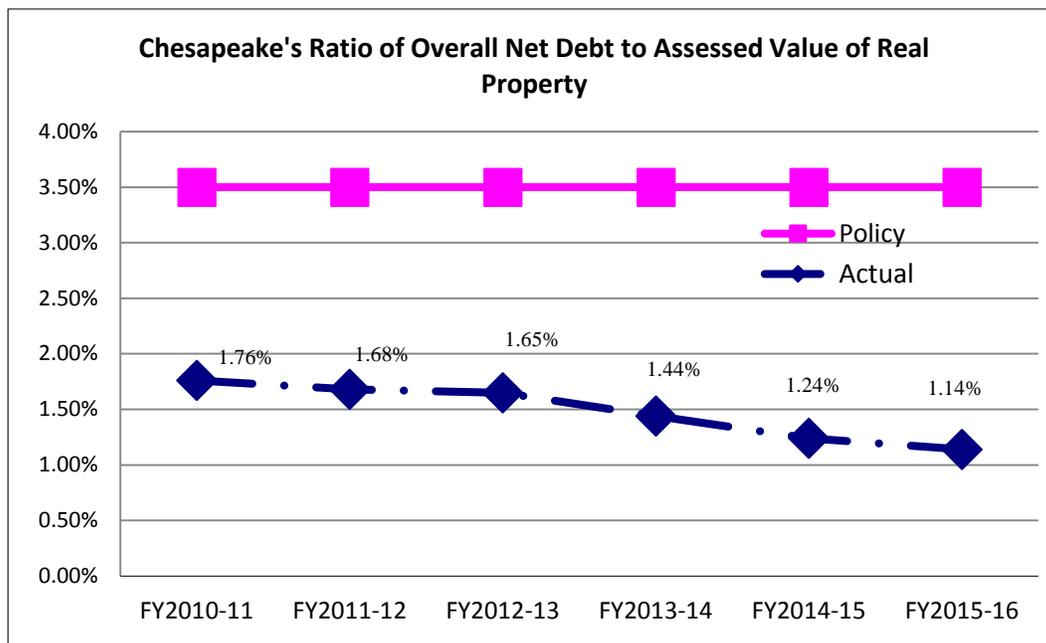
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Debt Management Policies continued

- 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, 2016. 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, 2016, the City may incur an additional \$2,150,931,697 in debt without exceeding its legal debt limit.

Assessed Value of taxable real estate: as of June 30, 2016		\$24,370,701,634
Legal debt limit of 10% of assessed value:		\$ 2,437,070,163
Amount of debt applicable to legal debt limit:		
Total Bonded Debt	\$636,774,348	
Less: Self-Supporting Debt not chargeable to debt limit	(331,625,236)	
Less: Amounts available for debt service	(19,010,646)	
Total Debt Applicable to Legal Debt Limit		\$ 286,138,466
Legal Debt Margin for Creation of Additional Indebtedness:		\$2,150,931,697
Notes:		
*Self-Supporting Debt includes Revenue Bonds		

Source: Data in this table are from the City's Comprehensive Annual Financial Report-June 30, 2016

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 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.

Budget by Program	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
12520 Fleet Operations	\$ 9,968,627	\$ 10,799,034	\$ 10,959,242	1.5%
12521 Fleet Capital/Replacement Vehicles and Equipment	3,513,104	4,302,975	6,121,411	42.3%
Total By Program	\$ 13,481,731	\$ 15,102,009	\$ 17,080,653	13.1%

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

Performance Measures	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Average age of vehicles (Years)	7.27	7.25	7.00	-3.4%
Annual Miles Driven	11,603,941	11,500,000	11,650,000	1.3%
Fleet Availability (Goal 95%)	97.00%	98.00%	98.00%	0.0%
Repair Turnaround Time (days)	6.32	4.00	4.00	0.0%
Fleet Size				
Light Duty	986	975	975	0.0%
Heavy Duty	432	450	450	0.0%
Fire	132	135	135	0.0%
Small Equipment	1,254	1,300	1,300	0.0%
# of scheduled repairs	12,947	13,000	13,000	0.0%
# of unscheduled repairs	926	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 other reason for the salary increase is due to changes to the department's personnel complement which consists of the reclassification of one full-time Automotive Technician III to an Automotive Technician IV, the addition of one full-time Automotive Technician III to perform complex repairs to fire equipment, and the addition of one full-time Automotive Technician I to perform maintenance on stormwater equipment. The FY18 personnel count reflects the inclusion of one Automotive Technician I that was reclassified and transferred to the department from Public Works Waste Management Program during the FY17 budget year. The increase in benefits is largely due to an increase in the allotment for health insurance.
- The decrease in purchased services is due to the decreased allocation of funding for vehicle repairs.
- The increase in other expenditures is mostly due to the increased allowance for travel related items, training, subscriptions, and utilities.
- The amount allotted for fuel (diesel and gasoline) is less for FY17-18 due to the increased usage of alternative fuels such as compressed natural gas (CNG), propane, and lower fuel costs.
- The capital outlay account includes an additional one-time funding amount of \$1.5 million to cover the purchase of two ambulances, two garbage trucks, and 18 police cars. Funding has also been included for the purchase of vehicles and equipment for the Parks and Recreation Department and for the purchase of an oil analysis machine for the City Garage to allow for on the spot oil analysis to determine if the fluid change interval is correct or not.

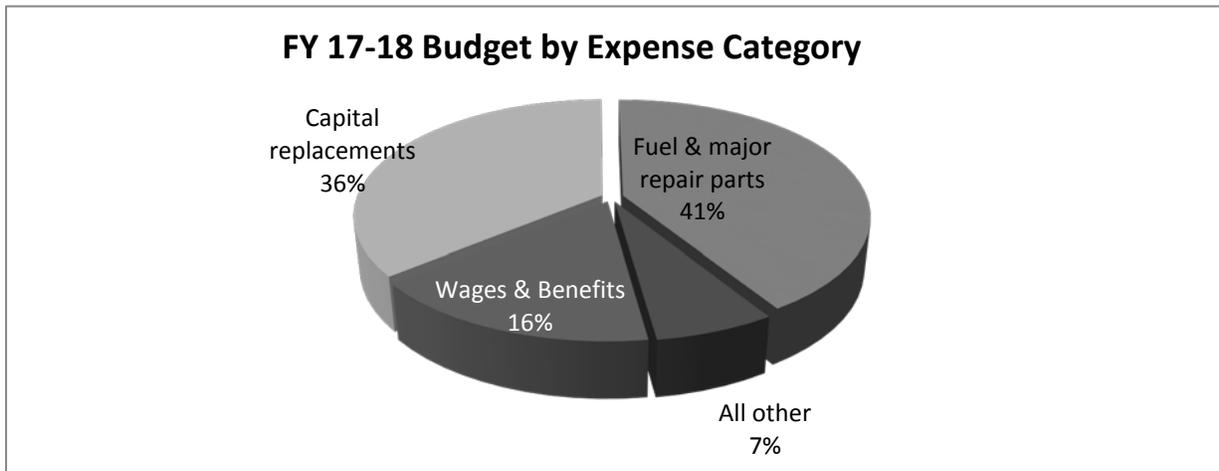
Central Fleet

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.

Requirements:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Salaries and wages	\$ 1,710,137	\$ 1,819,782	\$ 1,935,976	6.4%
Employee benefits	640,307	722,443	833,367	15.4%
Purchased services	1,509,294	1,382,000	1,006,000	-27.2%
Other expenditures	105,981	123,826	131,825	6.5%
Materials and supplies	1,745,610	1,856,273	3,369,093	81.5%
Fuel (diesel and gasoline)	4,257,298	4,867,860	3,682,981	-24.3%
Capital Outlay	3,513,104	4,329,825	6,121,411	41.4%
Total Expenses/Requirements:	\$ 13,481,731	\$ 15,102,009	\$ 17,080,653	13.1%



Central Fleet

112012

Personnel:		FY 15-16	FY 16-17	FY 17-18	Change from
Grade	Positions	Budget	Budget	Budget	prior year
108	Motor Equipment Operator I	0.00	1.25	1.25	0.00
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	30.50	3.00
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	0.00	0.00	0.00
123	Accountant I	0.00	1.00	1.00	0.00
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
Total Department Personnel		36.50	37.75	40.75	3.00

		FY 15-16	FY 16-17	FY 17-18	Change from
Operating Revenues by Fund		Actual	Budget	Budget	prior year
601	<u>Fleet Management</u>				
	Use of Money and Property	\$ 400,841	\$ -	\$ -	0.00%
	Billings to City departments				
	and Schools	14,023,636	15,068,978	15,580,653	3.40%
	Recovered Costs	275,194	-	-	0.00%
	Total Revenues	\$ 14,699,670	\$ 15,068,978	\$ 15,580,653	3.40%
	Transfers from other funds	-	8,565	1,500,000	17413.13%
	Use of Fund Balance	-	24,466	-	0.0%
	Total Resources	\$ 14,699,670	\$ 15,102,009	\$ 17,080,653	13.10%
	Use of Resources				
	Operations	\$ 13,481,731	\$ 15,102,009	\$ 17,080,653	13.1%
	Transfers to the General Fund	21,013	-	-	N/A
	Contribution to Fund Balance	1,196,926	-	-	N/A
		\$ 14,699,670	\$ 15,102,009	\$ 17,080,653	13.10%

Budget by Fund:

601 Central Fleet	\$ 13,481,731	\$ 15,102,009	\$ 17,080,653	13.1%
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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 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
12550 Risk Management	\$ 6,440,593	\$ 9,166,478	\$ 9,386,694	2.4%

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. This includes direct contacts by Risk Management staff with employees when needed to constantly improve customer relations with employees while effectively managing claims.
- 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. In addition, safety inspections will continue to be conducted to identify and limit exposures to employees, the public, and City property.
- Continue to work with departments to limit liability exposures to include not only recommendations based on claim exposure but by being proactive making recommendations for new activities, contracts or current practices, where issues may become apparent.

Performance Measures	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
# worker's comp. cases assigned	402	421	425	1.0%
# all other insurance cases assigned	516	412	450	9.2%
# of worker's comp. open cases	325	350	350	0.0%
# all other insurance open cases	72	77	85	10.4%
# of safety site inspections w/ follow-up	30	26	30	15.4%
# of safety disability & wellness committee meetings	3	4	4	0.0%

Risk Management (Self Insurance)

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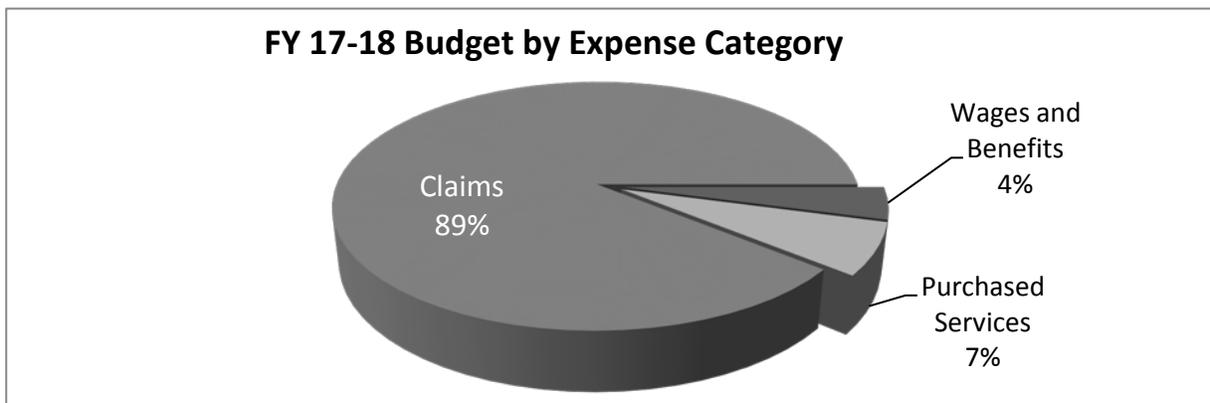
Budget Highlights:

- The increase in salaries is due to the inclusion of funding for a 2.5% pay increase. Half of the funding for one full-time Accountant II position, which is located in the Finance Department's main program (12420), is included in the Risk Management budget (12550). Benefits increased due to an increase in the allotment for health insurance.
- The primary factor in the change in purchased services is the allowance for professional services management and utilities.
- The increase in materials is due to an increase in the amount requested for computer software.

Emerging Budget Issues

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

Requirements:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Administrative Costs				
Salaries and wages	\$ 246,869	\$ 271,431	\$ 281,815	3.8%
Employee benefits	121,589	94,791	107,252	13.1%
Purchased services	104,900	564,645	564,546	0.0%
Materials	52,710	59,251	61,577	3.9%
Subtotal Expenses/Requirements:	\$ 526,068	\$ 990,118	\$ 1,015,190	2.5%
Risk Management Claims	5,914,525	8,176,360	8,371,504	2.4%
Total Expenses/Requirements:	\$ 6,440,593	\$ 9,166,478	\$ 9,386,694	2.4%



Risk Management (Self Insurance)

111020

Personnel:		FY 15-16	FY 16-17	FY 17-18	Change from
Grade	Positions	Budget	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	1.00	1.00	1.00	0.00
Total Department Personnel		4.00	4.00	4.00	0.00

		FY 15-16	FY 16-17	FY 17-18	Change from
Operating Revenues by Fund		Actual	Budget	Budget	prior year
606	<u>Risk Management</u>				
	Use of Money and Property	\$ 145,580	\$ -	\$ -	0.00%
	Miscellaneous Revenue	6,252,718	9,166,167	9,386,694	2.41%
	Recovered Costs	323,053	-	-	0.00%
	Total Revenues	\$ 6,721,350	\$ 9,166,167	\$ 9,386,694	2.4%
	Transfers from other funds	-	311	-	-100.00%
	Total Resources	\$ 6,721,350	\$ 9,166,478	\$ 9,386,694	2.40%
Use of Resources					
	Operations	\$ 6,440,593	\$ 9,166,478	\$ 9,386,694	2.4%
	Contribution to Fund Balance	280,757	-	-	N/A
		\$ 6,721,350	\$ 9,166,478	\$ 9,386,694	2.40%

Budget by Fund:

606 Risk Management	\$ 6,440,593	\$ 9,166,478	\$ 9,386,694	2.4%
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Notes:

The Risk Management department is a subset of the Finance Department, which is presented in the Governance and Management section of this document. An Accountant position is partially shared by the Risk Management fund, however is shown in the complement of the Finance Department. Also, a program within the City Attorney Department is part of the Risk Management fund. The City Attorney Department can also be found in the Governance and Management section of this document.

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 four plans through Optima Health: Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Point of Service (POS), and a High Deductible Health Plan (HDHP). The HMO is more economical than the POS and PPO 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 \$325,000 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.

Health Insurance Fund

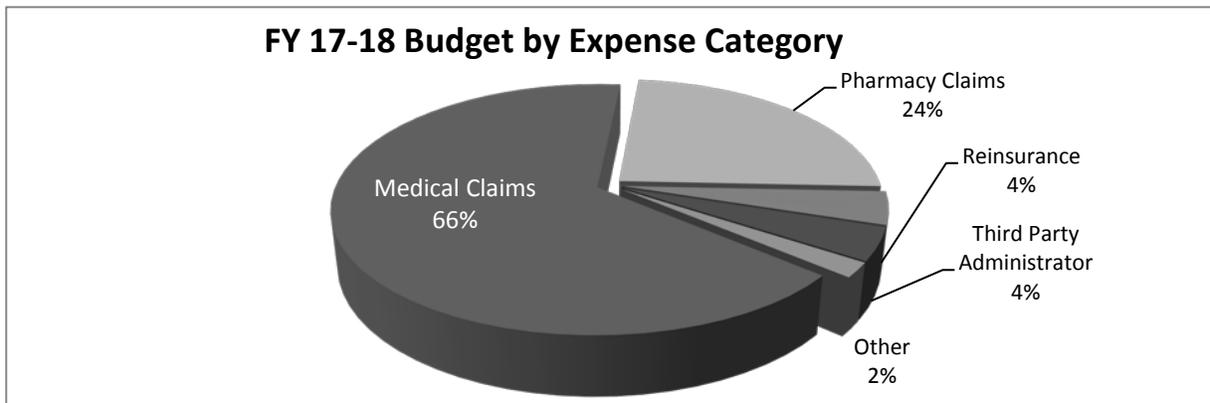
111020

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, and FY 15-16 only shows 1/2 year of expenses.
- Starting in January, 2017, the City began offering a high deductible health plan with lower premiums. The HDHP also permits participation in a Health Savings Account (HSA). In calendar year 2017, the City will pay \$1,000 to the HSA of each employee enrolled in the HDHP. Lower contributions will be considered in future years.

Requirements:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Medical Claims	\$ 12,100,528	\$ 23,062,900	\$ 26,536,000	15.1%
Pharmacy Claims	4,585,205	8,050,100	9,800,000	21.7%
Reinsurance	743,688	1,691,900	1,729,890	2.2%
Third Party Administrator*	868,006	921,400	1,730,020	87.8%
Wellness Program	75,926	382,800	600,000	56.7%
Rare Disease Management	2,500	-	42,840	N/A
Related Services	-	817,000	-	N/A
Health Spending Account	-	-	131,250	N/A
Total Expenses/Requirements:	\$ 18,375,853	\$ 34,926,100	\$ 40,570,000	16.2%

* includes disease management, behavioral health care, and administration services



Personnel:		FY 15-16 Budget	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Grade	Positions				
None					

Health Insurance Fund

111020

Operating Revenues by Fund	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
605 Health Insurance Fund				
Employee Contributions	\$ -	\$ 4,205,447	\$ 5,913,000	40.60%
Retiree contributions	-	1,036,959	991,000	-4.43%
COBRA participants	-	-	109,000	0.00%
Employer contributions	-	29,650,044	29,216,000	-1.46%
OPEB Trust payment	-	-	4,341,000	0.00%
Premiums	16,691,107	-	-	0.00%
Recovered Costs	-	33,650	-	0.00%
Total Revenues	\$ 16,691,107	\$ 34,926,100	\$ 40,570,000	16.2%
Use of Fund Balance	1,684,746	-	-	0.0%
Total Resources	\$ 18,375,853	\$ 34,926,100	\$ 40,570,000	16.16%
Use of Resources				
Operations	\$ 18,375,853	\$ 34,926,100	\$ 40,570,000	16.2%
	\$ 18,375,853	\$ 34,926,100	\$ 40,570,000	16.16%
Budget by Fund:				
605 Health Insurance Fund	\$ 18,375,853	\$ 34,926,100	\$ 40,570,000	16.2%

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

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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 15-16	FY 16-17	FY 17-18	Change from
		Actual	Budget	Budget	prior year
12509	Enterprise Application Service:	\$ 1,663,764	\$ 1,811,627	\$ 1,990,839	9.9%
12510	Administration	567,485	817,527	984,880	20.5%
12511	Enterprise Software Develop.	669,219	1,598,126	1,648,478	3.2%
12512	Computer Operations	378,116	417,926	531,625	27.2%
12513	Technical Support	2,548,939	1,857,129	2,454,550	32.2%
12514	Desktop Support	497,531	611,095	643,984	5.4%
12515	Mainframe Operations	1,486,432	249,013	-	-100.0%
12517	PC Replacement Plan	729,323	932,297	1,155,534	23.9%
12516	Geographic Information Systems (GIS)	551,770	531,628	739,531	39.1%
12518	Enterprise Financial System	600,924	659,408	691,856	4.9%
12519	E-Gov Operations	303,676	354,230	442,120	24.8%
31404	800 MHz Maint/Replacement	1,452,377	1,335,882	1,372,020	2.7%
12221	Data Security Administration	187,390	195,169	259,491	33.0%
Total By Program		\$ 11,636,946	\$ 11,371,057	\$ 12,914,908	13.6%

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 hardware; eliminates single points of failure and provides continuous operations during times of upgrades.
- 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, newly acquired Everbridge Mass Notification System.
- 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 to timely report on same for Citizens and investors, state and federal agencies alike thus maintaining compliance.
- 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, and present various types of spatial or geographical data.
- Protect data and systems vital to the operation of the City from loss or damage due to security threats.

Performance Measures	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
IT expenses per employee	\$3,224	\$3,165	\$3,150	-0.5%
<i>Enterprise Software Development:</i>				
Request for service completed	22	24	24	0.0%
Help desk requests resolved	268	294	294	0.0%
in 24 hours or less (%)	29.0%	29.0%	29.0%	0.0%
in 4 hours or less (%)	26.0%	26.0%	26.0%	0.0%
Software maint. / supp. # of applic.	87	87	87	0.0%
<i>Enterprise Application Support:</i>				
Help requests completed	2,250	2,636	2,300	-12.7%
Systems Supported	23	27	15	-44.4%
Updates and Patches applied	25	23	25	8.7%
Major upgrades and implementations	22	22	20	-9.1%

Information Technology

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Performance Measures continued:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Computer Operations:				
Avg. on-line trans. per day	90,500	Mainframe dissolution		-100.0%
# of man hrs. per Help Desk call	0.35	0.35	0.35	0.0%
Help Desk calls resolved in 4 hours or less	62.0%	50.0%	50.0%	0.0%
Help Desk calls resolved in > 4 and <24 hours	15.0%	20.0%	20.0%	0.0%
Help Desk calls resolved over 24 hour:	30.0%	30.0%	30.0%	0.0%
Tickets assigned to Help Desk staff	6,650	8,200	8,200	0.0%
Tickets Created by Help Desk	27,000	28,700	28,700	0.0%
# Phone calls answered by Help Desk	17,000	17,000	17,000	0.0%
Network Support:				
Incoming E-mail from the Outside	12,663,004	13,850,502	15,474,339	11.7%
Outgoing E-mail to the Outside	1,709,505	1,986,000	2,079,528	4.7%
Blocked E-mail	4,520,861	11,527,982	5,408,593	-53.1%
Desktop Support:				
# of man hours per call	0.85	0.75	0.75	0.0%
% of calls resolved in 4 hours or less	50.0%	50.0%	50.0%	0.0%
% of calls resolved in >4 and <24 hours	30.0%	30.0%	30.0%	0.0%
% of calls resolved over 24 hours	20.0%	20.0%	20.0%	0.0%
Calls to Client Technology	10,623	11,685	11,685	0.0%
GIS:				
# of GIS software apps. supported	20	21	21	0.0%
Public facing web app page views (annually)	82,837	81,000	83,000	2.5%
Geospatial Open Data site page	13,756	10,000	12,000	20.0%
E-Gov:				
Pages viewed on City website	5,137,490	5,253,683	5,253,683	0.0%
Unique visitors on City website	1,054,799	956,386	956,386	0.0%
Search of City website	120,291	190,186	190,186	0.0%
Facebook Likes	11,119	11,200	11,200	0.0%
Twitter Followers	2,760	2,800	2,800	0.0%
Everbridge (Mass Notification) messages sent	425	447	447	0.0%
Everbridge notifications received	612,606	505,241	675,398	33.7%
Granicus Service (City Council Meeting Viewing)				
Media Stream Views	37,068	24,262	24,262	0.0%

Information Technology

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Performance Measures continued:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
<i>Radio System Maintenance & Admin:</i>				
*Radio system call events	11,044,364	11,050,000	13,990,348	26.6%
*Radio system maintenance events	487	387	268	-30.7%
Number of public safety radios supported	2,708	2,708	2,708	0.0%
Number of non-public safety radios supported	1,000	950	1,000	5.3%
*Radios replaced	121	175	175	0.0%
*Under service agreement				

Budget Highlights:

- The increase in salaries is partially due to the inclusion of funding for a 2.5% pay increase. One full-time Computer Support Technician position will be added to the department's personnel complement in the Computer Operations Program (12512). The Strategic Technology Manager will be moved from the Enterprise Software Development Program (12511) to the Administration Program (12510) to better align the position with the functions of the department. The Data Base Administrator II and the Development/Operations Engineer have been moved from the Mainframe Program (12515), which is currently transitioning to a server environment, to the Network Support Program (12513). The increase in benefits is largely due to the increase in the allotment for health insurance. The GIS Analyst position title was changed to GIS Analyst I, the GIS Senior Analyst position title was changed to GIS Analyst II and the Chief Information Officer position title was changed to Director of Information Technology as a result of the Department of Human Resources' review of the city's General Employee Classification List which lead to a new naming convention.

Information Technology

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Budget Highlights continued:

- The purchased services category had the largest increase for the department due to the increased allowance for such purchases as repairs, maintenance contracts, and professional services. The largest increase was the inclusion of an additional \$298,150 in the Network Support Program (12513) for PRTG Traffic Grapher Maintenance for the network and server monitoring system. An additional \$29,057 was included for network hardware licensing. Licensing costs are expected to continue to increase in future years due to the need for additional hardware. An additional \$47,276 was included in the professional services account of the Network Support Program to address the backlog of projects with the required skillsets to augment staff that are busy completing routine tasks. An additional \$142,777 was included in the Enterprise Application Services Program (12509) to cover expenses for repairs and software maintenance. An additional \$20,071 was included in this program for professional services related to such items as Accela services, CSR hosting, PeopleAdmin, and Tyler services database administration/support and disaster recovery. The Enterprise Software Development Program (12511) includes an additional \$125,968 to cover software support, consulting, and outsourcing for emergency medical services billing. The Geographic Information System Program (12516) includes an additional \$150,000 for the Environmental Systems Research Institute (ESRI) Enterprise Agreement which replaces individual software annual maintenance on all ESRI software.

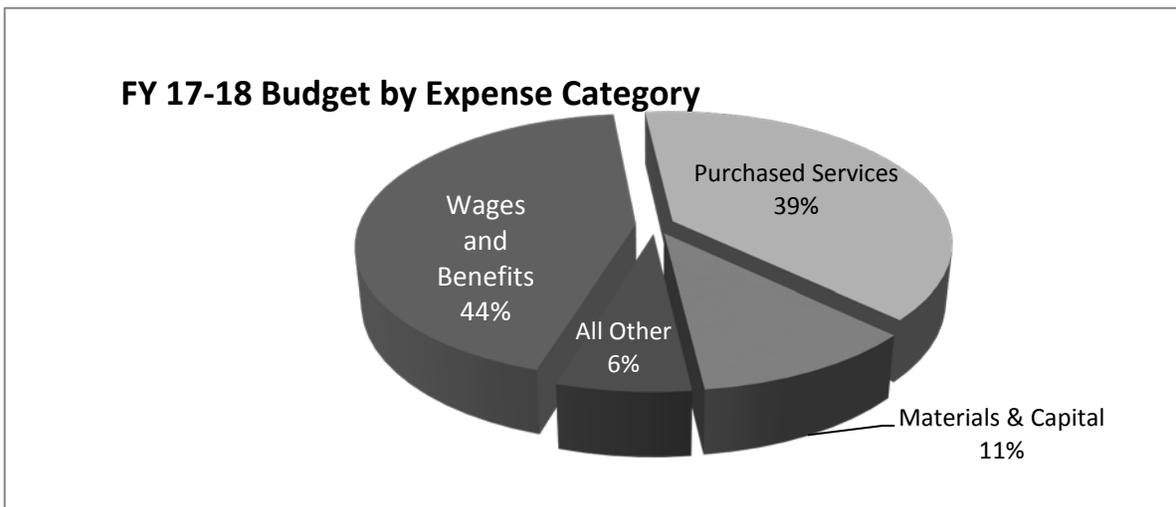
A new item included for FY18 is \$29,600 for Pictometry change detection of building outlines. Current building outlines are compared to new imagery and identifies changes like demolished houses, new structures, additions, etc. The process is completed every other year. The E-Gov Operations Program (12519) contains an additional \$66,330 for citizen engagement on the City's website, website development, and for Everbridge Mass Notification which allows users to send notifications using lists, locations, and visual intelligence. The IT Data/Security Administration Program (12221) includes \$54,251 of additional funding for security log and event monitoring and an annual vulnerability assessment. The E-911 Radio Systems Maintenance and Administration Program (31404) includes an additional \$27,517 for equipment shelter maintenance and for the Motorola Radio System and Subscriber Maintenance and support Contract.

- The department will have a presence in the new Public Safety Operations Building. Additional funding has been added to their budget for utilities, hence the increase in the other expenditures category.
- An increase in the allotment for computer related supplies is attributable to the increase in the materials category.
- The increase 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

Requirements:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Salaries and wages	\$ 3,010,700	\$ 3,880,330	\$ 4,063,092	4.7%
Employee benefits	1,014,053	1,430,789	1,567,155	9.5%
Purchased services	4,942,002	4,039,397	5,004,816	23.9%
Other expenditures	592,174	818,612	851,033	4.0%
Materials	1,313,081	1,087,166	1,298,812	19.5%
Capital outlay	764,936	114,763	130,000	13.3%
Total Expenses/Requirements:	\$ 11,636,946	\$ 11,371,057	\$ 12,914,908	13.6%



Information Technology

111040

Personnel:		FY 15-16	FY 16-17	FY 17-18	Change from
Grade	Positions	Budget	Budget	Budget	prior year
115	Office Coordinator	1.00	1.00	1.00	0.00
117	Computer Operator II	2.00	0.00	0.00	0.00
118	Computer Support Technician	0.00	2.00	3.00	1.00
120	Online Content Coordinator	1.00	1.00	1.00	0.00
122	Client Technologies Analyst I	1.00	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	0.00	0.00	0.00
126	Client Technologies Analyst II	6.00	6.00	6.00	0.00
126	Public Comm. Coordinator	1.00	1.00	1.00	0.00
127	GIS Analyst I	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	6.00	6.00	0.00
130	Fiscal Administrator	1.00	1.00	1.00	0.00
130	GIS Analyst II	1.00	1.00	1.00	0.00
130	Software Engineer I	0.00	7.00	7.00	0.00
130	Software Quality Engineer I	1.00	1.00	1.00	0.00
131	Data Architect	0.50	0.00	0.00	0.00
131	Network Engineer II	3.00	3.00	3.00	0.00
132	Development/Ops Engineer	0.00	1.00	1.00	0.00
132	Systems Analyst II	4.00	2.00	2.00	0.00
132	Systems Software Programmer	2.00	0.00	0.00	0.00
133	Software Engineer II	0.00	1.00	1.00	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	Systems Security Analyst	1.00	1.00	1.00	0.00
133	Business Analyst	0.50	1.00	1.00	0.00
134	Database Administrator II	0.00	1.00	1.00	0.00
134	Software Engineer III	0.00	1.00	1.00	0.00
134	GIS Administrator	1.00	1.00	1.00	0.00
134	Systems Analyst III	2.00	1.00	1.00	0.00
135	Strategic Technology Manager	0.00	1.00	1.00	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	Director of Information Technology	1.00	1.00	1.00	0.00
Unclass.	PT Interns	1.50	0.00	0.00	0.00
Unclass.	Software Engineer (Special Proj)	1.00	0.00	0.00	0.00
Total Department Personnel		56.50	54.00	55.00	1.00

Information Technology

111040

Operating Revenues by Fund	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
100 General Fund Operations				
General Fund Support	\$ 187,390	\$ 195,169	\$ 259,491	33.0%
Total Fund 100 Resources	\$ 187,390	\$ 195,169	\$ 259,491	33.0%
207 E-911 Operations				
Other Local Taxes	\$ 2,114,440	\$ 1,377,886	\$ 1,372,020	-0.4%
State Other Categorical Aid	0	0	0	0.0%
Total Revenues	\$ 2,114,440	\$ 1,377,886	\$ 1,372,020	-0.4%
Transfers from other funds	-	-	-	0.00%
Use of Fund Balance	-	-	-	0.0%
Total Resources	\$ 2,114,440	\$ 1,377,886	\$ 1,372,020	-0.43%
Use of Resources				
Operations	\$ 1,452,377	\$ 1,335,882	\$ 1,372,020	2.7%
Contribution to Fund Balance	662,063	42,004	-	-100.0%
Total Resources	\$ 2,114,440	\$ 1,377,886	\$ 1,372,020	-0.43%
603 Information Technology				
Use of Money and Property	\$ 252,769	\$ 210,000	\$ 36,315	-82.7%
Miscellaneous Revenue	9,755,676	9,620,059	11,247,082	16.9%
Recovered Costs	12,726	-	-	0.0%
Total Revenues	\$ 10,021,172	\$ 9,830,059	\$ 11,283,397	14.8%
Transfers from other funds	600,000	9,948	-	-100.00%
Use of Fund Balance	669,277	210,999	140,000	0.0%
Total Resources	\$ 11,290,449	\$ 10,051,006	\$ 11,423,397	13.65%
Use of Resources				
Operations	\$ 9,997,179	\$ 9,840,006	\$ 11,283,397	14.7%
Transfers to the General Fund	19,227	-	-	N/A
Transfers to Capital Projects	1,274,043	211,000	140,000	-33.6%
Total Resources	\$ 11,290,449	\$ 10,051,006	\$ 11,423,397	13.65%
Budget by Fund:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
100 General Fund	\$ 187,390	\$ 195,169	\$ 259,491	33.0%
207 E-911 Operations	1,452,377	1,335,882	1,372,020	2.7%
603 Information Technology	9,997,179	9,840,006	11,283,397	14.7%
Total by Fund	\$ 11,636,946	\$ 11,371,057	\$ 12,914,908	13.6%

Non - Departmental

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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.

Budget by Program	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
91300 Outside Agencies	\$ 325,402	\$ 352,644	\$ 330,635	-6.2%
91311 Regional Cooperation & Support	5,683,577	6,723,566	6,749,857	0.4%
91304 City-Wide Operations	3,569,848	3,202,616	3,383,466	5.6%
91305 Airport Authority	273,000	273,000	278,506	2.0%
91400 Contingencies	-	4,482,807	1,110,430	-75.2%
91900 Emergency Event Contingency	1,904	325,000	400,000	23.1%
Total By Program	\$ 9,853,731	\$ 15,359,633	\$ 12,252,894	-20.2%

Non - Departmental

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Outside Agencies - 91300	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Boards and Commissions				
Commission on Health and Well Being	6,130	\$ 5,800	\$ 5,800	0.0%
Commission on Aging	-	2,250	2,250	0.0%
Mayor's Commission Veterans Affairs	396	360	360	0.0%
South Norfolk Revitalization	-	225	225	0.0%
Services and Grants				
Child Abuse Ctr of Hampton Roads	16,000	16,000	16,000	0.0%
Children's Harbor	3,750	4,009	4,000	-0.2%
CHIP (Ches. Health Investment Program)	9,084	10,000	5,000	-50.0%
Comprehensive Plan for Youth & 55+	15,000	42,000	35,500	-15.5%
Kin and Kids Consulting (Grandparents raising children)	-	-	5,000	0.0%
Endeppence Center (Tidewater)	28,000	20,000	20,000	0.0%
Foodbank -- Southeastern Virginia	11,250	10,000	10,000	0.0%
Free Clinic	142,500	142,500	142,500	0.0%
Help & Emergency Response	20,000	20,000	15,000	-25.0%
Legal Aid Society of Eastern Virginia	4,500	4,500	4,000	-11.1%
Senior Services of SE VA	-	-	15,000	N/A
For Kids / Our House Families	34,838	50,000	50,000	0.0%
PARC Place	4,554	-	-	N/A
Tidewater Builders Association/Homearama	29,400	25,000	-	-100.0%
	\$ 325,402	\$ 352,644	\$ 330,635	-6.2%

Non - Departmental

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Regional Cooperation and Support - 91311	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Real Estate Tax Relief	\$ 2,379,030	\$ 2,810,000	\$ 2,520,000	-10.3%
Transit Operating Agreement	2,390,809	2,646,500	2,700,000	2.0%
Dues & Memberships				
Chamber of Commerce	8,700	8,700	8,700	0.0%
Clean Community System	15,017	15,118	15,500	2.5%
Hampton Roads Planning Commission	232,977	256,712	262,087	2.1%
Local and Regional Community Development Funds				
Tidewater Community College	66,500	66,500	66,500	0.0%
Highway Safety Commission	682	1,500	1,500	0.0%
Hampton Roads Economic Dev. Alliance	219,042	221,702	226,150	2.0%
Eastern Virginia Medical School	83,303	84,969	85,200	0.3%
H. Rds. Military & Fed. Facilities Alliance	115,000	117,820	120,175	2.0%
Economic Develop Incentive Program	153,000	451,815	451,815	0.0%
Southeastern Virginia Health System	-	-	250,000	100.0%
Economic Development Authority	9,312	31,115	31,115	0.0%
Chesapeake Port Authority	10,205	11,115	11,115	0.0%
	\$ 5,683,577	\$ 6,723,566	\$ 6,749,857	0.4%

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 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 Southeastern Virginia Health System (SEVHS) funding replaces the community health center payment previously reported in the Health Department's budget (See Quality Community of Life section). In June 2012, the City agreed to transfer operations of the South Norfolk Helath Clinic to SEVHS. The agreement included City subsidies for the clinic starting in Fy 2014 and ending in FY 2017. At the time of the agreement, both parties anticipated funding through the Medicaid expansion program of the Affordable Care Act. Virginia did ot adopt Medicaid expansion, so many clients of the Chesapeake Clinic do not have health insurance. While SEVHS requested a multi-year agreement with City support of \$500,000 annually, we are recommending \$250,000 for FY 2018.

Non - Departmental

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City-Wide Operations - 91304	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Equipment Leases - Fire Hydrants	1,021,390	\$ 1,096,390	\$ 1,171,390	6.8%
Stormwater Management Fees	323,834	365,000	365,000	0.0%
Line of Duty Benefits	583,954	642,000	674,100	5.0%
Oak Grove Connector - Principal	1,585,000	1,665,000	1,560,000	-6.3%
Oak Grove Connector - Interest	475,375	358,000	430,750	20.3%
Risk Management Other	58,046	-	-	0.0%
Environmental Protection Initiatives	191,012	225,000	225,000	0.0%
Edinburgh Development Payments	600,011	575,000	762,000	32.5%
Retirement - Employee Benefits	1,226	1,226	1,226	0.0%
Overhead Allocation- Other Funds	(1,270,000)	(1,725,000)	(1,806,000)	4.7%
	\$ 3,569,848	\$ 3,202,616	\$ 3,383,466	5.6%
Chesapeake Airport Authority	273,000	273,000	278,506	2.0%
Total City-Wide Operations	\$ 3,842,848	\$ 3,475,616	\$ 3,661,972	5.4%

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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Contingencies	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
Council Contingency	\$ -	\$ 5,000	\$ 145,000	2800.0%
Salary Contingency	-	3,984,980	360,430	-91.0%
Long Term Disability Contingency	-	12,827	-	-100.0%
Emergency Event Contingency	1,904	325,000	400,000	23.1%
VRS/Group Life Contingency	-	-	-	0.0%
Health Insurance Contingency	-	230,000	230,000	0.0%
City Operating Contingency	-	250,000	375,000	50.0%
Small Grant Match Contingency	-	-	-	N/A
	\$ 1,904	\$ 4,807,807	\$ 1,510,430	-68.6%

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 16-17 includes \$3.6 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. 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 in June 2017 so that employees are held harmless. We estimate transitional payments will total \$3,641,500.
- The remaining salary contingency includes funding for general changes in personnel classifications during the fiscal year.

Operating Revenues	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year
General Fund Support	\$ 9,853,731	\$ 15,359,633	\$ 12,252,894	-20.2%
Total Resources	\$ 9,853,731	\$ 15,359,633	\$ 12,252,894	-20.2%

Non - Departmental

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