

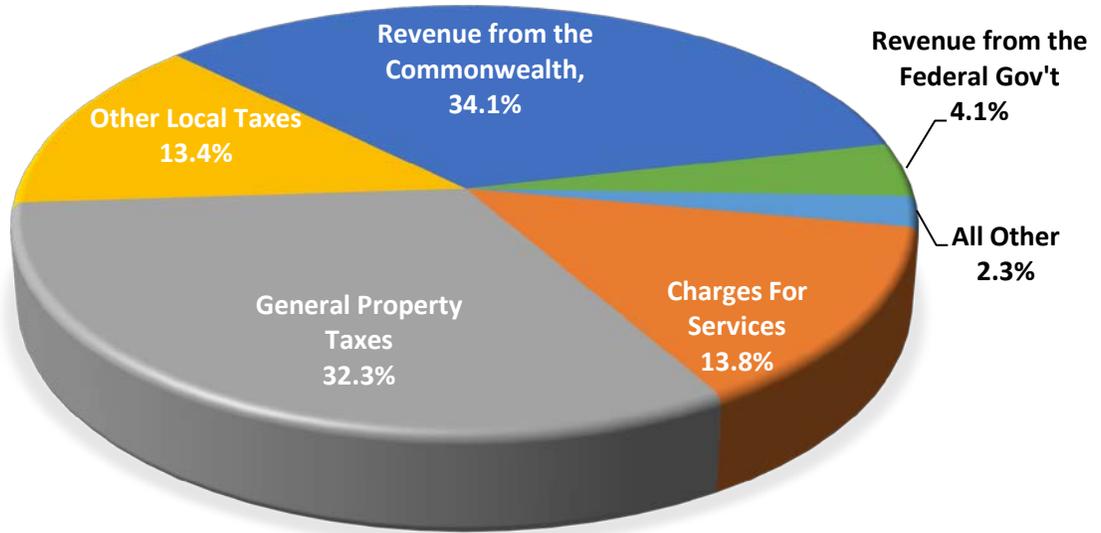
Operating Appropriation

	FY 2017-18 As Amended
<i>Listed below is the annual appropriation, including sources used to finance the operating budget.</i>	
BEGINNING FUND BALANCES ⁽¹⁾	\$ 399,689,148
REVENUES	
General Property Taxes	\$ 336,067,100
Other Local Taxes	139,105,400
Charges for Services	143,766,464
Other Local Revenues	23,490,007
Revenue from the Commonwealth	354,021,586
Revenue from the Federal Government	43,024,358
Categorical Grant Awards	9,205,605
Total Revenue	1,048,680,520
Transfers from other funds	-
TOTAL FUNDS AVAILABLE	\$ 1,448,369,668
APPROPRIATIONS	
General Fund	\$ 296,260,087
Special Revenue Funds	
Virginia Public Assistance	21,904,308
Interagency Consortium	3,959,826
Fee Supported Activities	1,064,693
Integrated Behavioral Healthcare	27,268,697
Conference Center & Tourism	4,305,626
E-911 Operations	6,812,529
Chesapeake Juvenile Services	7,205,353
Tax Increment Financing-Greenbrier	3,000
Tax Increment Financing-South Norfolk	25,000
Open Space and Agricultural Preservation	-
City Wide Debt Fund	41,937,225
Enterprise Funds	
Public Utilities	65,829,862
Stormwater Management	11,094,647
Chesapeake Transportation System	25,390,770
Internal Service Funds (net of department billings)	
Central Fleet / City Garage	2,462,930
Information Technology	484,900
Risk Management	-
Health Insurance	5,441,000
Mosquito Control	4,481,888
Education	488,688,890
Categorical Grant Awards ⁽²⁾	9,205,605
Total Appropriations	\$ 1,023,826,836
TRANSFERS to Other Funds	59,020,231
Estimated Budgetary Savings	(8,708,145)
ENDING FUND BALANCE	\$ 374,230,745

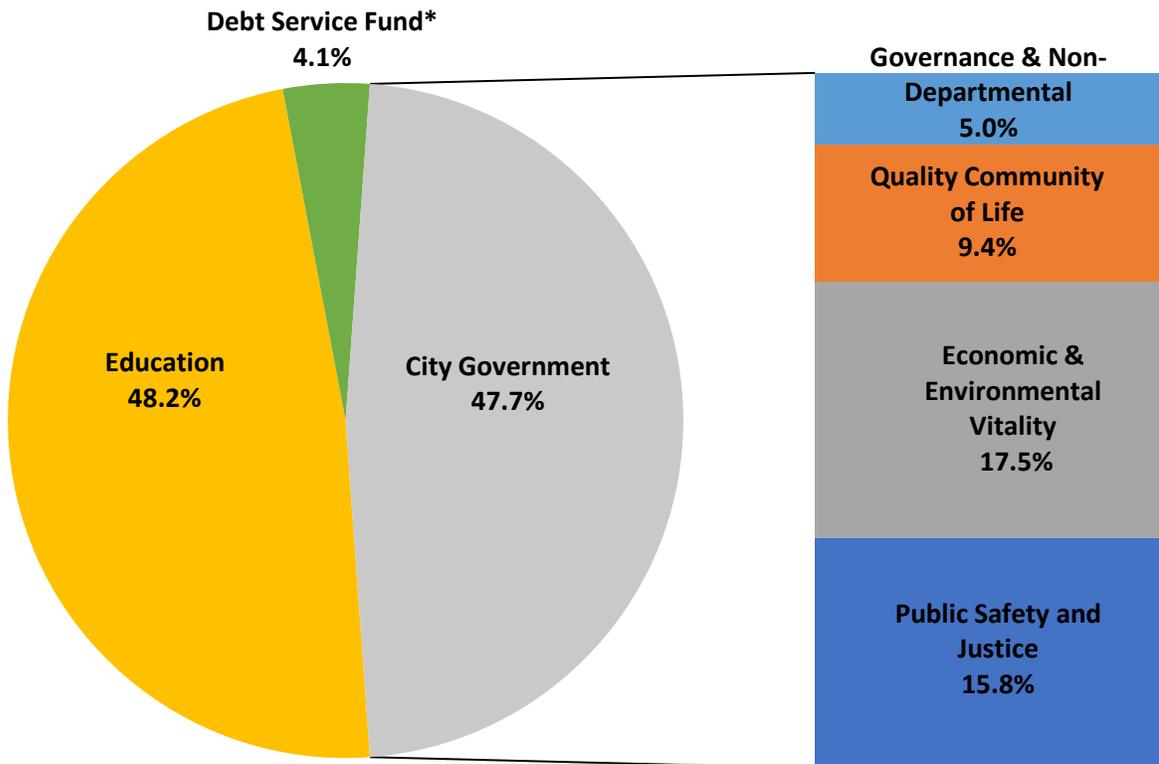
(1) Note that the Budgetary Fund balance presented here differs from the Comprehensive Annual Report, as it is adjusted for encumbrances, treatment of assets, payments of debt, and related transactions.

(2) Recurring categorical grants are included in the operating budget appropriation and are detailed later in this section. However, categorical grants are not included in spending estimates for the annual operating budget, since grants typically span several years.

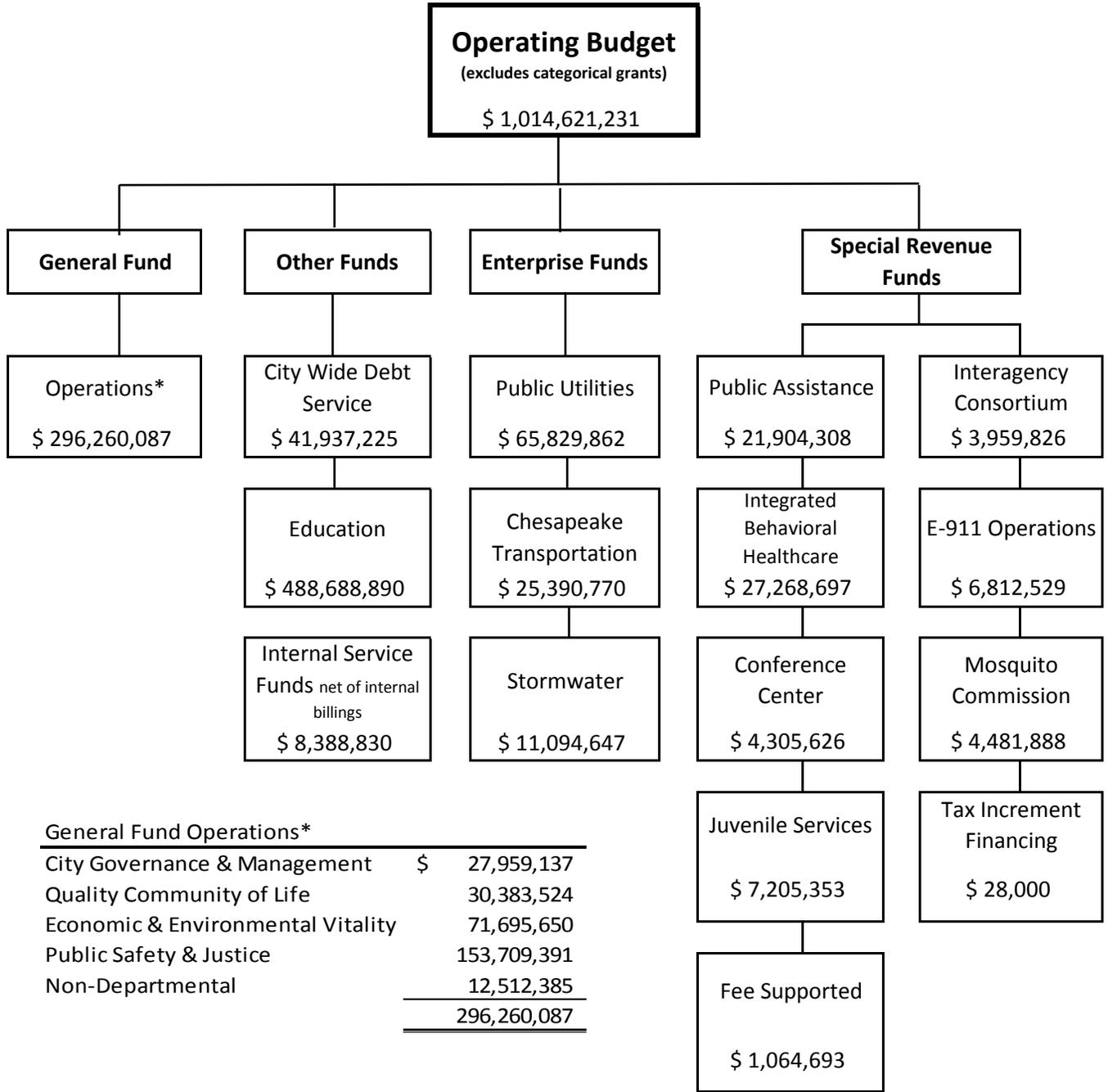
WHERE IS IT COMING FROM



WHERE IS IT GOING



*Excludes Enterprise debt listed under Economic & Environmental Vitality



RESOURCES AND REQUIREMENTS (Operating Funds excluding City Categorical Grants)

	General Fund	Special Revenue	Enterprise Funds	Debt Fund	School Fund	Internal Service	Interfund Transactions	FY 2017-18 Budget
Budgetary Beginning Fund Balance July 1, 2017	185,880,289	56,257,239	119,889,189	15,264,067	21,118,545	1,279,819		399,689,148
REVENUE								
Property taxes	319,448,316	16,618,784						336,067,100
Other Local Taxes	130,215,802	8,889,598	-					139,105,400
Permits and Fees	2,889,900	165,100	244,416		-			3,299,416
Fines and Forfeitures	2,408,000	432,216	-		-			2,840,216
Interest and Rents	1,620,700	233,741	1,737,320	54,889	1,309,000	36,315		4,991,965
Charges for Services	12,674,900	10,546,403	115,704,363		4,840,798	954,954	(954,954)	143,766,464
Miscellaneous	551,100	1,723,970	99,000	360,770	1,097,135	76,984,429	(70,131,914)	10,684,490
Recoveries & Rebates	110,300	1,543,620	20,000		-	-	-	1,673,920
State Noncategorical Assist.	31,123,200	-	-		-	-		31,123,200
State Assistance-Shared Costs	14,467,562	-	-		-	-		14,467,562
State Categorical Assistance	43,551,000	19,425,150	-		245,454,674			308,430,824
Federal Assistance	46,200	10,576,163	589,252	890,649	30,922,094			43,024,358
Total Revenue	559,106,980	70,154,745	118,394,351	1,306,308	283,623,701	77,975,698	(71,086,868)	1,039,474,915
Interfund Transfers In	3,845,060	16,343,459	-	36,630,914	199,716,509	1,500,000	(258,035,942)	-
AVAILABLE RESOURCES	748,832,329	142,755,443	238,283,540	53,201,289	504,458,755	80,755,517	(329,122,810)	1,439,164,063
BUDGET REQUIREMENTS EXPENDITURES								
City Governance and Management								
Elected or Appointed Officials:								
City Council, Office of Mayor	391,203							391,203
City Manager	1,843,524							1,843,524
City Attorney	2,525,475					200,000	(200,000)	2,525,475
City Auditor	838,085							838,085
City Clerk	579,373							579,373
City Treasurer	5,299,824							5,299,824
Board of Elections	1,231,961							1,231,961
Commissioner of Revenue	3,745,992							3,745,992
Real Estate Assessor	2,553,371							2,553,371
Other City Departments:								
Budget	695,834							695,834
Customer Contact Center	888,209							888,209
Finance	2,750,746							2,750,746
Human Resources	2,353,324							2,353,324
Public Communications	1,304,653							1,304,653
Purchasing Department	957,563							957,563
Subtotal	27,959,137	-	-	-	-	200,000	(200,000)	27,959,137

RESOURCES AND REQUIREMENTS (Operating Funds excluding City Categorical Grants)

	General Fund	Special Revenue	Enterprise Funds	Debt Fund	School Fund	Internal Service	Interfund Transactions	FY 2017-18 Budget
Quality Community of Life								
Integrated Behavioral Health	-	27,268,697						27,268,697
Health Department	2,641,400							2,641,400
Human Services								-
Community Programs	1,143,561							1,143,561
Interagency Consortium		3,959,826						3,959,826
Juvenile Services		7,205,353						7,205,353
Social Services		21,904,308						21,904,308
Libraries	9,569,125							9,569,125
Mosquito Control Commissn		4,481,888						4,481,888
Parks, Recreation & Tourism	17,029,438	-						17,029,438
Subtotal	30,383,524	64,820,072	-	-	-	-	-	95,203,596
Economic and Environmental Vitality								
Agriculture	419,968							419,968
Conference Center & Tourism	-	4,305,626						4,305,626
Development and Permits	6,939,964	263,300						7,203,264
Economic Development	1,811,244							1,811,244
Planning & Plan Commission	2,638,225							2,638,225
Public Utilities			65,829,862					65,829,862
Public Works	59,886,249		36,485,417					96,371,666
Tax Increment Financing		28,000						28,000
Subtotal	71,695,650	4,596,926	102,315,279	-	-	-	-	178,607,855
Chesapeake Public Schools					488,688,890		-	488,688,890
Public Safety and Justice								
Fire	47,642,143	369,177						48,011,320
Police	50,059,447	5,872,725						55,932,172
Sheriff	47,263,491					954,954	(954,954)	47,263,491
Courts	1,541,337							1,541,337
Circuit Court Clerk	2,499,689							2,499,689
Commonwealth's Attorney	4,703,284							4,703,284
Subtotal	153,709,391	6,241,902	-	-	-	954,954	(954,954)	159,951,293
Other Expenditures:								
Debt Services				41,937,225				41,937,225
Central Fleet/City Garage	-					17,080,653	(14,617,723)	2,462,930
Information Technology	259,491	1,372,020				11,283,397	(10,798,497)	2,116,411
Risk Management						9,386,694	(9,386,694)	-
Health Care						40,570,000	(35,129,000)	5,441,000
Non Departmental Items	12,252,894							12,252,894
Subtotal	12,512,385	1,372,020	-	41,937,225	-	78,320,744	(69,931,914)	64,210,460
Total Expenditures	296,260,087	77,030,920	102,315,279	41,937,225	488,688,890	79,475,698	(71,086,868)	1,014,621,231
Transfers to Other Funds								
Interfund Transfers Out	51,647,899	6,671,534		-	-		(58,319,433)	-
Transfer to Schools	199,716,509						(199,716,509)	-
Transfer to Capital & Grant Fur	26,783,436	13,730,200	18,366,595			140,000		59,020,231
Total Expenses and Transfers	574,407,931	97,432,654	120,681,874	41,937,225	488,688,890	79,615,698	(329,122,810)	1,073,641,462
Expected Budgetary Savings	(8,740,000)	31,855						(8,708,145)
Estimated Ending Fund Balance June 30, 2018	183,164,398	45,290,934	117,601,666	11,264,064	15,769,865	1,139,819		374,230,746

adjustment for the Open Space & Agricultural Preservation Fund

Summary Statement of Revenue & Expenditures (all funds)

	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year	
Revenue:					
General Property Taxes	\$ 313,608,860	\$ 321,660,080	\$ 336,067,100	\$ 14,407,020	4.5%
Other Local Taxes	135,516,647	138,814,100	139,105,400	291,300	0.2%
Permits, Privilege & License Fees	3,173,819	2,902,040	3,299,416	397,376	13.7%
Fines and Forfeitures	3,028,797	2,746,400	2,840,216	93,816	3.4%
Interest and Rent	6,108,415	4,678,879	4,991,965	313,086	6.7%
Charges for Services	122,163,907	134,742,653	143,766,464	9,023,811	6.7%
Miscellaneous Revenue	5,479,463	9,684,959	10,684,490	999,531	10.3%
Recovered Costs	2,960,286	1,715,485	1,673,920	(41,565)	-2.4%
State Noncategorical Aid	31,095,784	30,859,000	31,123,200	264,200	0.9%
State Shared Expenses	13,674,140	13,415,070	14,467,562	1,052,492	7.8%
Other State Categorical Aid	277,635,530	300,143,717	308,430,824	8,287,107	2.8%
Federal Aid	39,837,950	41,984,686	43,024,358	1,039,672	2.5%
Total Revenues	\$ 954,283,598	\$ 1,003,347,069	\$ 1,039,474,915	\$ 36,127,846	3.6%
Expenditures:					
Governance and Management	\$ 23,703,188	\$ 26,566,786	\$ 27,959,137	\$ 1,392,351	5.2%
Quality Community of Life	80,748,890	89,872,550	95,203,596	5,331,046	5.9%
Economic/Environmental Vitality	145,105,509	171,916,636	178,607,855	6,691,219	3.9%
Public Safety and Justice	139,472,616	150,982,410	159,951,293	8,968,883	5.9%
Education	430,734,910	469,733,337	488,688,890	18,955,553	4.0%
Debt Service Fund	39,459,983	42,301,521	41,937,225	(364,296)	-0.9%
Non-Departmental	14,660,471	23,465,796	22,273,235	(1,192,561)	-5.1%
Total Expenditures	\$ 873,885,567	\$ 974,839,036	\$ 1,014,621,231	\$ 39,782,195	4.1%
Transfer to Capital & Grant Funds	29,758,923	46,592,335	59,020,231	12,427,896	26.7%
Total Expenditures & Transfers	\$ 903,644,490	\$ 1,021,431,371	\$ 1,073,641,462	\$ 52,210,091	5.1%

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Statement of Revenue and Expenditures by Fund

Revenue:	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year	
General Fund	\$ 534,054,818	\$ 543,680,988	\$ 559,106,980	\$ 15,425,992	2.8%
Special Revenue Funds					
Virginia Public Assistance	13,688,863	13,889,669	14,136,371	246,702	1.8%
Interagency Consortium	2,351,599	2,002,132	2,249,815	247,683	12.4%
Fee Supported Activities	976,680	836,300	1,064,116	227,816	27.2%
Integrated Behav. Healthcare	17,610,809	17,167,739	19,021,980	1,854,241	10.8%
Conference Center & Tourism	5,500,234	5,771,935	6,088,293	316,358	5.5%
E-911 Operations	6,315,256	6,272,998	6,272,998	-	0.0%
Chesapeake Juvenile Services	4,765,722	4,590,119	4,702,388	112,269	2.4%
TIF-Greenbrier	5,565,746	6,172,600	7,282,400	1,109,800	18.0%
TIF-South Norfolk	4,100,322	4,323,000	4,683,700	360,700	8.3%
City Wide Debt Fund	1,325,280	1,201,952	1,306,308	104,356	8.7%
Enterprise Funds					
Public Utilities	73,048,141	76,504,511	78,916,555	2,412,044	3.2%
Stormwater Management	15,868,005	16,096,000	16,129,416	33,416	0.2%
Chesapeake Transportation	12,015,210	19,289,000	23,348,380	4,059,380	21.0%
Internal Service Funds					
Central Fleet/City Garage	15,554,355	15,977,890	16,535,607	557,717	3.5%
Information Technology	10,021,172	9,830,059	11,283,397	1,453,338	14.8%
Risk Management	6,846,790	9,366,167	9,586,694	220,527	2.4%
Health Insurance Fund	16,691,107	34,926,100	40,570,000	5,643,900	100.0%
Less Internal Service Fund billings to City Departments	(46,108,496)	(63,568,393)	(71,086,868)	(7,518,475)	11.8%
Other Funds					
Open Space/Agric. Preservation	271,284	271,284	271,284	-	0.0%
Mosquito Control	4,169,468	4,176,400	4,381,400	205,000	4.9%
Education	249,651,232	274,568,619	283,623,701	9,055,082	3.3%
Total Revenue	\$ 954,283,597	\$ 1,003,347,069	\$ 1,039,474,915	\$ 36,127,846	3.6%

Statement of Revenue and Expenditures by Fund

Expenditures:	FY 15-16	FY 16-17	FY 17-18	Change from	
	Actual	Budget	Budget	prior year	
General Fund	\$ 261,882,595	\$ 287,800,709	\$ 296,260,087	\$ 8,459,378	2.9%
Special Revenue Funds					
Virginia Public Assistance	18,963,145	21,408,286	21,904,308	496,022	2.3%
Interagency Consortium	4,103,046	3,704,710	3,959,826	255,116	6.9%
Fee Supported Activies	1,042,841	941,055	1,064,693	123,638	13.1%
Integrated Behavioral Healthcare	21,765,675	24,698,701	27,268,697	2,569,996	10.4%
Conference Center & Tourism	3,622,132	3,956,453	4,305,626	349,173	8.8%
E-911 Operations	5,642,057	6,231,014	6,812,529	581,515	9.3%
Chesapeake Juvenile Services	6,206,659	6,805,492	7,205,353	399,861	5.9%
TIF-Greenbrier	7,025	6,000	3,000	(3,000)	-50.0%
Open Space & Agricult. Preservat	6,650	-	-		
TIF-South Norfolk	1,394	50,000	25,000	(25,000)	-50.0%
City Wide Debt Fund	39,459,983	42,301,521	41,937,225	(364,296)	-0.9%
Enterprise Funds					
Public Utilities	56,179,880	65,731,058	65,829,862	98,804	0.2%
Stormwater Management	10,606,239	10,638,688	11,094,647	455,959	4.3%
Ches. Transportation System	6,734,653	19,838,591	25,390,770	5,552,179	28.0%
Internal Service Funds					
Central Fleet/City Garage	14,266,357	16,013,305	18,035,607	2,022,302	12.6%
Information Technology	9,997,179	9,840,006	11,283,397	1,443,391	14.7%
Risk Management	6,566,033	9,366,478	9,586,694	220,216	2.4%
Health Insurance Fund	18,375,853	34,926,100	40,570,000	5,643,900	16.2%
Less Internal Service fund					
billings to City departments	(46,108,496)	(63,568,393)	(71,086,868)	(7,518,475)	11.8%
Mosquito Control	3,829,769	4,415,925	4,481,888	65,963	1.5%
Education	430,734,910	469,733,337	488,688,890	18,955,553	4.0%
Total Expenditures	\$ 873,885,567	\$ 974,839,036	\$ 1,014,621,231	\$ 39,782,195	4.1%
Transfers to Capital & Grant funds	29,758,923	46,592,335	59,020,231	12,427,896	26.7%
Total Expenditures & Transfers	\$ 903,644,490	\$ 1,021,431,371	\$ 1,073,641,462	\$ 52,210,091	5.1%

Summary Statement of Expenditures by Type (all funds)

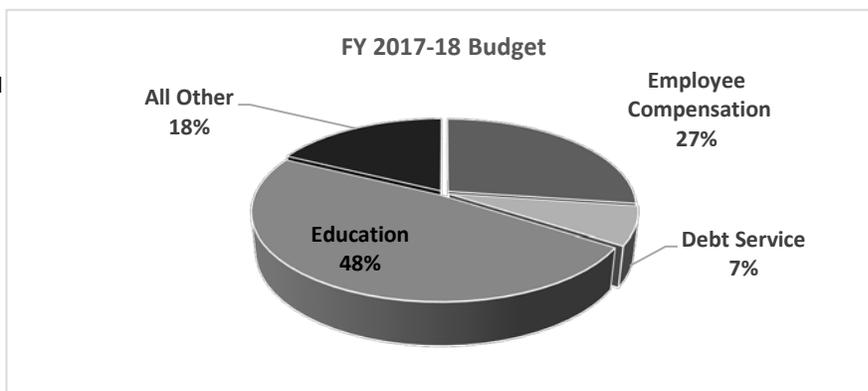
	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year	
Expenditures:					
Wages and Salaries	\$ 163,452,758	\$ 188,336,607	\$ 192,234,421	\$ 3,897,814	2.1%
Employee Benefits	62,055,412	73,189,617	80,645,663	7,456,046	10.2%
Other Post Employment Benefits	6,667,359	2,890,340	3,051,932	161,592	5.6%
Utilities-Electricity, Heating, Water and Telephone	12,085,521	13,361,380	13,650,914	289,534	2.2%
Purchased Services	49,948,288	56,329,077	60,094,788	3,765,711	6.7%
Other costs	3,618,559	4,563,005	5,237,086	674,081	14.8%
Waste Management/SPSA fees	14,056,883	15,261,867	12,449,450	(2,812,417)	-18.4%
Regional Jail Payments	4,338,430	5,964,870	6,056,961	92,091	1.5%
Water Purchase for resale	17,593,252	20,327,641	19,416,400	(911,241)	-4.5%
Casualty losses and Insurance	5,463,501	5,307,643	8,139,089	2,831,446	53.3%
Consumable Goods	20,638,836	23,592,234	25,427,372	1,835,138	7.8%
Debt Service	55,094,970	66,690,344	69,922,804	3,232,460	4.8%
Non-Departmental includes payments to outside agencies	8,602,588	9,435,277	9,896,011	460,734	4.9%
Public Assistance payments	5,189,354	6,186,112	5,996,591	(189,521)	-3.1%
Capital outlay	14,344,946	13,669,685	13,712,859	43,174	0.3%
Education (K-12)	430,734,910	469,733,337	488,688,890	18,955,553	4.0%
Total Expenditures	\$ 873,885,567	\$ 974,839,036	\$ 1,014,621,231	\$ 39,782,195	4.1%

Explanation of significant changes between FY 2017 and FY 2018

- The FY17-18 budget includes a 2.5% general wage increase effective in July, along with new positions. For a list of new positions for the FY 2018 budget, please see page B-29. Also, a performance pay raise for superior performing employees is continued in the FY 2018 budget.

- Employee benefits include an estimated increase in health and dental insurance premiums of approximately 21% to be paid by the City. Other benefits remained stable.

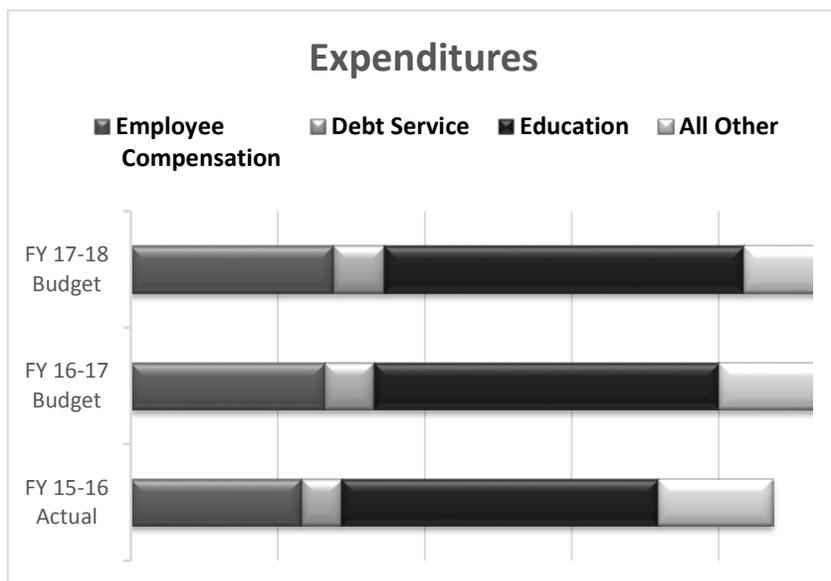
- Other Post-Employment Benefits (OPEB) are stated at the expected Annual Required Contribution (ARC) for FY 2018. Starting in FY 2017 retiree health benefits are paid from the OPEB Trust Fund. The OPEB ARC declined because of changes in eligibility. Future contributions to the trust may rise if investment earnings and/or medical inflation is worse than actuarial assumptions.



Summary Statement of Expenditures by Type (all funds)

Explanation of significant changes between FY 2017 and FY 2018 continued:

- Estimates for utilities have remained stable with general inflationary values, except for an estimated increase for the opening of the Emergency Operations Center during FY 2018.
- Purchased Services is a broad category of expenses that includes repairs, maintenance contracts, and professional services. Some of the specific increases include: the jail inmate medical service contract; stormwater cave-in repairs, mowing services, the Venu-Works contract for operations of the Chesapeake Conference Center, estimated repaving costs for 41 lane miles of streets, but the main reason for the increase is the full operation of the Dominion Blvd. Bridge.
- Participation in the Regional Jail Authority continues for FY 2017-18 with a transfer of up to 250 inmates to the regional correctional facility. We anticipate costs to increase by \$1 per prisoner per day.
- Under the City's agreement with Southeastern Public Service Authority (SPSA), tipping fees will drop to \$65 per ton in January 2018. We anticipate delivering over 100,000 tons of solid waste to SPSA in FY 2018 with about a 1% increase in tonnage annually. Payments to private contractors for curbside recycling and yard waste are expected to slightly increase between FY 2018 and FY 2019.
- Beginning in FY2017 Casulty losses and insurance includes the appropriation associated with the self funded health care plan the City implemented in December 2016. The expenses include medical, pharmacy, and other administrative expenses that are not excluded through internal service charges to other departments, mainly COBRA and retiree payments.
- Consumable Goods includes the purchase of small tools, office and computer supplies, materials such as nuts and bolts, chemicals, uniforms, and fuel. It also includes small equipment that does not meet the City's capitalization policy. The category includes replacement parts and fuel purchased by the Central Fleet, books and DVDs for the Public Libraries, resale items at various Parks, custodial supplies, food supplies for jail inmates, and public safety non-lethal weapons and ammunition. Computer supplies are the biggest contributing factor towards the FY 18 increase.



- Debt service payments are expected to rise due to the issuances on bonds for capital projects. The funds are already earmarked through the City and School lockboxes for future capital improvements.

- Capital outlay includes the acquisition of equipment and property costing at least \$5,000 and with a useful life of more than one year. Most capital outlays are planned in Public Works-Drainage, Public Utilities, and the Central Fleet. Some of these expenses are in lieu of repairs, because the equipment need is deemed an extremely high priority and the repair work can not be completed without the proper equipment.

Summary Statement of Revenue & Expenditures - *General Fund*

	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year	
Budgetary Fund Balance	\$ 154,928,466	\$ 183,442,836	\$ 185,880,289	\$ 2,437,453	1.3%
Revenue:					
General Property Taxes	\$ 299,630,774	\$ 306,716,796	\$ 319,448,316	\$ 12,731,520	4.2%
Other Local Taxes	126,764,936	129,974,902	130,215,802	240,900	0.2%
Permits, Privilege & License Fee:	2,754,913	2,520,840	2,889,900	369,060	14.6%
Fines and Forfeitures	2,497,583	2,446,400	2,408,000	(38,400)	-1.6%
Interest & Rents	1,788,182	1,243,070	1,620,700	377,630	30.4%
Charges for Services	11,584,682	12,749,661	12,674,900	(74,761)	-0.6%
Miscellaneous Revenue	842,462	517,900	551,100	33,200	6.4%
Recovered Costs	542,955	110,300	110,300	-	0.0%
State Noncategorical Aid	31,095,784	30,859,000	31,123,200	264,200	0.9%
State Shared Expenses	13,674,140	13,415,070	14,467,562	1,052,492	7.8%
Other State Categorical Aid	42,744,480	43,071,849	43,551,000	479,151	1.1%
Federal Noncategorical Aid	133,929	55,200	46,200	(9,000)	-16.3%
Total Revenue	\$ 534,054,820	\$ 543,680,988	\$ 559,106,980	\$ 15,425,992	2.8%
Transfers from other funds	4,443,250	3,772,760	3,845,060	72,300	1.9%
Total Funds Available	\$ 693,426,536	\$ 730,896,584	\$ 748,832,329	17,935,745	2.5%

Expenditures:

Governance & Management

Elected or Appointed Officials:

City Council and Mayor	\$ 349,769	\$ 372,962	\$ 391,203	\$ 18,241	4.9%
City Manager	1,540,494	1,781,970	1,843,524	61,554	3.5%
City Attorney	1,820,738	2,370,698	2,525,475	154,777	6.5%
City Auditor	729,830	801,398	838,085	36,687	4.6%
City Clerk	502,983	588,603	579,373	(9,230)	-1.6%
City Treasurer	4,228,604	5,155,466	5,299,824	144,358	2.8%
Registrar/Elections	1,304,787	1,189,908	1,231,961	42,053	3.5%
Commission of the Revenue	3,407,370	3,600,698	3,745,992	145,294	4.0%
Real Estate Assessor	2,006,189	2,324,714	2,553,371	228,657	9.8%

Other City Departments:

Budget	647,385	674,287	695,834	21,547	3.2%
Customer Contact Center	721,932	739,804	888,209	148,405	20.1%
Finance	2,342,771	2,586,465	2,750,746	164,281	6.4%
Human Resources	2,095,919	2,144,382	2,353,324	208,942	9.7%
Public Communications	1,198,341	1,291,937	1,304,653	12,716	1.0%
Purchasing	806,076	943,494	957,563	14,069	1.5%
	\$ 23,703,188	\$ 26,566,786	\$ 27,959,137	\$ 1,392,351	5.2%

Summary Statement of Revenue & Expenditures - General Fund

	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year	
Quality Community of Life					
Community Programs	\$ 1,048,710	\$ 1,072,100	\$ 1,143,561	\$ 71,461	6.7%
Health Department	2,821,091	2,897,849	2,641,400	(256,449)	-8.8%
Libraries	8,208,191	8,859,591	9,569,125	709,534	8.0%
Parks & Recreation	13,802,604	16,009,896	17,029,438	1,019,542	6.4%
	<u>\$ 25,880,596</u>	<u>\$ 28,839,436</u>	<u>\$ 30,383,524</u>	<u>\$ 1,544,088</u>	<u>5.4%</u>
Economic & Environmental Vitality					
Agriculture	\$ 391,662	\$ 416,845	\$ 419,968	\$ 3,123	0.7%
Development & Permits	5,822,640	6,534,834	6,939,964	405,130	6.2%
Economic Development	1,615,723	1,743,442	1,811,244	67,802	3.9%
Planning	1,927,283	2,121,200	2,390,997	269,797	12.7%
Planning Commission	57,963	236,824	247,228	10,404	4.4%
Public Works	57,916,390	60,402,701	59,886,250	(516,451)	-0.9%
	<u>\$ 67,731,661</u>	<u>\$ 71,455,846</u>	<u>\$ 71,695,651</u>	<u>\$ 239,805</u>	<u>0.3%</u>
Public Safety & Justice					
Police	\$ 43,401,209	\$ 47,797,925	\$ 50,059,447	\$ 2,261,522	4.7%
Fire	42,906,964	44,805,055	47,642,143	2,837,088	6.3%
Sheriff	40,662,582	44,490,908	47,263,491	2,772,583	6.2%
Circuit Court	610,987	664,843	682,499	17,656	2.7%
Circuit Court Clerk	2,055,703	2,372,088	2,499,689	127,601	5.4%
General District Court	265,812	313,622	330,437	16,815	5.4%
Magistrate	54,593	70,224	73,301	3,077	4.4%
Juvenile & Domestic Relations Court	103,135	128,173	113,627	(14,546)	-11.3%
Commonwealth's Attorney	4,210,795	4,411,036	4,703,284	292,248	6.6%
Court Services Unit	254,249	329,965	341,473	11,508	3.5%
	<u>\$ 134,526,029</u>	<u>\$ 145,383,839</u>	<u>\$ 153,709,391</u>	<u>\$ 8,325,552</u>	<u>5.7%</u>
Non-Departmental					
Information Technology Non-Departmental (incl Emergency contingency)	\$ 187,390	\$ 195,169	\$ 259,491	\$ 64,322	33.0%
	<u>9,853,731</u>	<u>15,359,633</u>	<u>12,252,894</u>	<u>(3,106,739)</u>	<u>-20.2%</u>
	<u>\$ 10,041,121</u>	<u>\$ 15,554,802</u>	<u>\$ 12,512,385</u>	<u>\$ (3,042,417)</u>	<u>-19.6%</u>

Summary Statement of Revenue & Expenditures - General Fund

	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	Change from prior year	
Total Operating Expenses	\$ 261,882,595	\$ 287,800,709	\$ 296,260,087	\$ 8,459,379	2.9%
Transfer to Other Funds					
Education	\$ 181,910,491	\$ 190,326,834	\$ 199,716,509	\$ 9,389,675	4.9%
Virginia Public Assistance	7,358,682	5,787,808	5,858,549	70,741	1.2%
Interagency Consortium	1,450,979	1,414,767	1,460,011	45,244	3.2%
E-911 Fund	-	12,791	6,458	(6,333)	100.0%
Integrated Behav.Healthcare	7,805,913	7,850,631	7,533,867	(316,764)	-4.0%
Chesapeake Juvenile Services	2,412,027	1,481,637	1,484,574	2,937	0.2%
Debt Service Fund	29,872,789	33,878,264	33,804,440	(73,824)	-0.2%
Central Fleet	-	8,565	1,500,000	1,491,435	0.0%
Information Technology	600,000	9,948	-	(9,948)	0.0%
Risk Management	-	311	-	(311)	0.0%
Grants Fund	60,510	15,264	15,300	36	N/A
Transfer to Capital Projects	12,196,376	16,052,631	20,187,636	4,135,005	25.8%
Transfer to Schools Capital	4,750,000	8,946,135	6,580,500	(2,365,635)	-26.4%
Subtotal Transfers	\$ 248,417,767	\$ 265,785,586	\$ 278,147,844	\$ 12,362,258	4.7%
Total Expenditures & Transfers	\$ 510,300,362	\$ 553,586,295	\$ 574,407,930	\$ 20,821,637	3.8%
Prior period adjustments	316,661	-	-	-	N/A
Expected Budgetary Savings	-	8,570,000	8,740,000	170,000	2.0%
Projected Ending Fund Balance	\$ 183,442,836	\$ 185,880,289	\$ 183,164,398	\$ (2,715,890)	-1.5%
Transfers to Education					
Revenue sharing formula	\$ 180,237,000	\$ 187,623,000	\$ 194,522,000	\$ 6,899,000	3.7%
Revenue sharing true-up	598,000	12,000	2,883,000	2,871,000	N/A
Current year reversion	(1,311,509)	1,691,834	1,311,509	(380,325)	N/A
Greenbrier TIF	1,000,000	1,000,000	1,000,000	-	0.0%
From School Lockbox	1,387,000	-	-	-	0.0%
Total	\$ 181,910,491	\$ 190,326,834	\$ 199,716,509	\$ 9,389,675	4.9%

Budget Projections FY 2018 - 2020 (all City funds except Education)

<i>amounts in thousands</i>	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	FY 18-19 Projection	FY 19-20 Projection	Trend
Recap of Revenues, Expenditures, and Fund Balances:						
Beginning Budgetary Fund Balance	\$330,786	\$382,583	\$378,571	\$358,461	\$344,534	
Revenues	704,632	728,778	755,851	768,377	782,765	
Transfers from other funds	1,674	664	00	00	00	
Financial items excluded from the budget	311	00	-32	-32	-32	
Funds available	1,037,403	1,112,025	1,134,390	1,126,806	1,127,266	
Expenditures	625,061	695,433	725,649	751,480	780,859	
Anticipated Budget Savings	00	-8,570	-8,740	-8,882	-9,060	
Transfers to Capital & Grants	29,759	46,592	59,020	39,674	41,216	
Total expenditures and transfers	654,820	733,455	775,929	782,272	813,015	
Projected Ending Budgetary Fund Balance	\$382,583	\$378,571	\$358,461	\$344,534	\$314,252	
Revenue:						
General Property Taxes	\$313,609	\$321,660	\$336,067	\$344,083	\$353,458	
Other Local Taxes	135,517	138,814	139,105	141,717	144,370	
Permits, Privilege & License Fees	3,174	2,902	3,299	3,378	3,456	
Fines and Forfeitures	3,029	2,746	2,840	2,850	2,860	
Interest & Rents	5,093	3,382	3,683	3,696	3,710	
Charges for Services	118,095	130,739	138,926	139,030	139,132	
Miscellaneous Revenue	4,092	8,659	9,587	11,159	11,159	
Recovered Costs	2,960	1,715	1,674	1,676	1,676	
State Noncategorical Aid	31,096	30,859	31,123	31,123	31,123	
State Shared Expenses	13,674	13,415	14,468	14,468	14,468	
Other State Categorical Aid	61,967	62,995	62,976	63,114	64,944	
Federal Aid	12,327	10,891	12,102	12,082	12,408	
Total Revenues	\$704,632	\$728,778	\$755,851	\$768,377	\$782,765	

Budget Projections FY 2018 - 2020 (all City funds except Education)

<i>amounts in thousands</i>	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	FY 18-19 Projection	FY 19-20 Projection	Trend
Expenditures:						
City Governance and Management						
Elected or Appointed Officials:						
City Council, Office of Mayor	\$350	\$373	\$391	\$394	\$408	
City Manager	1,540	1,782	1,844	1,897	1,944	
City Attorney (less Internal Service charge)	1,946	2,571	2,725	2,775	2,811	
Less Internal Service Charges	-125	-200	-200	-200	-200	
City Auditor	730	801	838	848	875	
City Clerk	503	589	579	597	616	
City Treasurer	4,229	5,155	5,300	5,446	5,594	
Board of Elections	1,305	1,190	1,232	1,160	1,313	
Commissioner of Revenue	3,407	3,601	3,746	3,870	3,979	
Real Estate Assessor	2,006	2,325	2,553	2,636	2,716	
Other City Departments:						
Budget	647	674	696	718	740	
Customer Contact Center	722	740	888	916	929	
Finance	2,343	2,586	2,751	2,861	3,060	
Human Resources	2,096	2,144	2,353	2,447	2,563	
Public Communications	1,198	1,292	1,305	1,345	1,384	
Purchasing Department	806	943	958	993	1,026	
Subtotal	\$23,703	\$26,567	\$27,959	\$28,704	\$29,760	
Quality Community of Life						
Integrated Behavioral Healthcare	\$21,766	\$24,699	\$27,269	\$28,106	\$28,866	
Health Department	2,821	2,898	2,641	2,743	2,772	
Human Services						
Community Programs	1,049	1,072	1,144	1,178	1,209	
Interagency Consortium	4,103	3,705	3,960	3,970	3,979	
Juvenile Services	6,207	6,805	7,205	7,455	7,714	
Social Services	18,963	21,408	21,904	22,442	23,051	
Libraries	8,208	8,860	9,569	9,813	10,099	
Mosquito Control Commissn	3,830	4,416	4,482	4,492	4,496	
Parks, Recreation & Tourism	13,803	16,010	17,029	17,614	18,127	
Subtotal	\$80,749	\$89,873	\$95,204	\$97,812	\$100,312	

Budget Projections FY 2018 - 2020 (all City funds except Education)

	FY 15-16 Actual	FY 16-17 Budget	FY 17-18 Budget	FY 18-19 Projection	FY 19-20 Projection	Trend
<i>amounts in thousands</i>						
Economic and Environmental Vitality						
Agriculture	\$392	\$417	\$420	\$428	\$434	
Conference Center & Tourism	3,622	3,956	4,306	4,241	4,292	
Development and Permits	6,039	6,775	7,203	7,435	7,653	
Economic Development	1,624	1,799	1,839	1,898	1,942	
Planning & Plan Commission	1,992	2,358	2,638	2,798	2,885	
Public Utilities	56,180	65,731	65,830	67,651	72,015	
Public Works	75,257	90,880	96,372	95,788	98,350	
Subtotal	\$145,106	\$171,917	\$178,608	\$180,239	\$187,571	
City funding of Schools	\$181,910	\$190,327	\$199,717	\$200,982	\$206,534	
Public Safety and Justice						
Fire	\$43,239	\$45,205	\$48,011	\$49,638	\$51,315	
Police	48,086	52,994	55,932	57,361	57,970	
Sheriff (less Internal Service charges)	40,593	44,493	47,263	49,168	50,710	
Courts	1,289	1,507	1,541	1,553	1,579	
Circuit Court Clerk	2,056	2,372	2,500	2,585	2,661	
Commonwealth's Attorney	4,211	4,411	4,703	4,880	5,018	
Subtotal	\$139,473	\$150,982	\$159,951	\$165,185	\$169,253	
Other Expenditures:						
Debt Services	\$39,460	\$42,302	\$41,937	\$54,813	\$61,367	
Internal Service Funds						
Central Fleet/City Garage	13,482	15,102	17,081	15,469	15,606	
Health Insurance Fund	18,376	34,926	40,570	43,004	45,584	
Information Technology	11,637	11,371	12,915	13,874	14,785	
Risk Management	6,441	9,166	9,387	10,384	11,282	
Less Internal Service Fund Charges	(\$45,128)	(\$62,459)	(\$69,932)	(\$71,656)	(\$73,124)	
Non Departmental Items	9,854	15,360	12,253	12,672	11,929	
Subtotal	\$54,120	\$65,767	\$64,210	\$78,559	\$87,430	
Total Expenditures	\$625,061	\$695,433	\$725,649	\$751,480	\$780,859	

Budget Projections FY 2019 - 2020 (all funds)

Summary of Significant Assumptions Underlying Projections

REVENUE

1. The City budget is based on a plan of revenue collections that assumes current trends will continue, modified by the known events such as changes in fees or tax rates and in real estate assessments. Economic prognostications inform the evaluation of revenue trends, but do not drive the values. Recognizing the uncertainties and blind risks of forecasts about future economic conditions, estimated revenues constitute a baseline planning scenario rather than a prediction of the future with known probabilities. The budget process addresses risk and uncertainty by setting aside contingency appropriations and financial reserves for unexpected variances and events, and allows for modifications through amendment based on monitoring and periodic management reviews.
2. Continued steady but modest revenue growth is assumed in General Fund Revenues for FY 2018 through FY 2020. We have projected growth in TIF and Mosquito Control funds based on underlying improvements in the real estate market. For most other funds, we have projected that revenue will remain at FY 2018 levels. This reflects the gradual pace of Virginia's and Hampton Roads' economic recovery from the recession of 2007-2009, which remains constrained by the Federal government's policies of fiscal austerity that have a particularly significant effect in our state and region with their high concentration of defense activities and industries. These conditions affect not only local revenue, but also revenues collected by the State of Virginia, approximately half of which are distributed localities for schools and local services.
3. Revenue growth in FY 2018 across all funds, excluding internal billings, is projected at \$36.1M (3.9%) over FY 2017 budget, reflecting stronger than expected growth in FY 2016 and FY 2017 revenues as compared to the budget. FY 2018 growth over FY 2017 budget is as follows:
 - General Fund increases \$15.4M - 42.7% of total growth,
 - Enterprise and Mosquito Control Funds increase \$6.7M - 18.6% of total growth,
 - Special Revenue Funds increase \$4.6M - 12.7% of total growth,
 - Internal Service Funds - external billings increase \$0.4M - 1.0% of total growth, and
 - School Funds increase \$9.1 million or 25.1% of total growth.Included with enterprise funds are the effects of a toll increase on the Expressway (May 2016) and full year operation of the Dominion Boulevard Toll Road. Projected growth across all funds for FY 2019 is \$15.2M (1.47%) and for FY 2020 is \$16.1M (1.53%), including growth assumptions for General Fund, Tax Incentive Funds, Mosquito Control Fund, Tax Subsidies for Chesapeake Conference Center Fund, and rate increases for Enterprise Funds.
4. Real estate taxes are a major part of local taxes and are projected to grow moderately over the three year projection period. Recovery in the local real estate market is evident by rising volume of construction permits, declining volume of foreclosures, and a rise in both commercial activity and in sales prices of residential property. The January 2017 reassessment showed an improvement in property values of 2.14%. Combined with new building activity, real estate taxes are projected to increase 4.6% over budget in FY 2017. We anticipate growth in real estate values from a combination of new construction and increasing values of about 2.8% each year for FY 2019 and 2020.

Budget Projections FY 2019 - 2020 (all funds)

Summary of Significant Assumptions Underlying Projections

REVENUE continued:

5. Personal property taxes are cyclical in pattern, with considerable volatility. The FY 2017 budget reflects 1% growth over FY 2016 actual for Total Personal Property Tax (including Personal Property Tax Relief). FY 2018 revenues are estimated to rise 2.1% over FY 2017 budget. Growth for FY 2019 is projected as 1% and for FY 2020 as 2%. Public service corporation property tax revenues declined in FY 2016 due to the shutdown of coal-fired units at the Deep Creek generating in calendar year 2015. Some further decline was expected in the FY 2017 budget. However, current estimates are expected to contain a modest increase in FY 2017, reflected in the 11.7% increase over FY 2017 budget in FY 2018. Growth in FY 2019 and FY2020 are projected as 2% and 5%, respectively. Delinquent personal property tax collections are expected to rise as assessment values also rise .
6. Other local taxes comprise 23% of the City General Fund revenues and 28% of its local revenues; they are primarily taxes on business and consumer transactions, including retail sales, food service, lodging, utility services, and business gross receipts. Growth in this revenue source is strongly dependent on employment and income. Softness in current trends for retail sales and communication sales tax is expected to carry through to year end, so that projected other local tax revenues for FY 2018 are just slightly above FY 2017 budget, but reflecting average growth of 3.4% per year over FY 2016 actual. Modest growth of 2% is projected for FY 2019 and FY 2020, allowing for uncertainty about the economic environment.
7. Most remaining local revenues are projected to remain stable during the projection period (growing by less than one percent annually). State aid to localities reflects increases for Sheriff operations and street maintenance. Budgeted Federal funds are assumed to remain flat.

EXPENDITURES

1. Several City departments included new positions in their three-year plans. While the future position requests will be reviewed in future years, it is helpful to for policymakers to be aware of future requirements. The following position requests for FYs 2019 and 2020 are included in the three-year projection (inclusion in the projection does not commit the city to future funding):
 - Community Programs - one Community Program Specialist for 55 and Better, one Senior Specialist and a Case Manager to address homelessness
 - Central Fleet - Automotive Technician to perform roadside repairs
 - Chesapeake Integrated Behavioral Healthcare - Six (6) Clinicians, one direct support technician and two van drivers to expand the Psycho-Social Rehabilitation program
 - Development & Permits - add one Code Compliance Inspector to keep up with demand
 - Finance - will need two positions to assist in payroll and benefits processing, if weekly pay is adopted for all staff
 - Information Technology - one Security Analyst in the Data Security program
 - Parks, Recreation & Tourism - increase Seasonal Ranger Technicians for splash pad operations
 - Police Department – Add (2) Police Officers, Sergeant for the Emergency Communications Center, and Sergeant for the Warrant Unit. Add an Office Specialist for the Animal Services unit.
 - Planning - requests a PUD Administrator (Principal Planner) to manage developments.
 - Public Utilities - Laborer positions to assist with sanitary sewer inspections and repairs
 - Public Works - requests to add three (3) motor equipment operators to increase the pothole patching throughout the City
 - Sheriff's Department - requests four (4) Deputies for Court security, four (4) Deputies for inmate transportation, two (2) Deputies for the civil enforcement unit, and two (2) Deputies for the criminal apprehension unit.

Budget Projections FY 2019 - 2020 (all funds)

Summary of Significant Assumptions Underlying Projections

EXPENDITURES continued:

2. Employee wages - we have projected annual pay raises of 2.5% for all years. We also anticipate that several public safety professionals will qualify each year for career progression wage increases. The performance pay awards for the top 10% of employees are included on an ongoing basis.
3. Health care inflation – we expect that health care costs will continue to exceed the general inflation rate and estimate rising employee health costs of eight percent (8%) annually. Similarly, Chesapeake Integrated Behavioral Healthcare projects rising costs to treat eligible residents, and the Sheriff will incur additional health care and food service costs for jail inmates.
4. Risk Management and Workers Compensation charges are anticipated to increase each fiscal year.
5. New jail annex – we anticipate opening a 192-bed community corrections facility in March 2018. The new annex will house low risk inmates who participate in work-release and weekend programs. We are anticipating a \$1 per day/per inmate increase fee in the Regional Jail each year.
6. Parks, Recreation, and Tourism anticipates additional revenue and spending related to the City-School facility use agreement and the Battlefield Visitor Center maintenance, but otherwise small equipment replacements and minor additional expenses related to expanded programs including splash pad operations.
7. Police Department – is predicting increased expenses with the new Public Safety Operations Building.
8. Board of Elections varies based on the number and type of election. Presidential elections require additional manpower and supplies as there is typically greater voter turnout.
9. Capital Outlays are projected to decline slightly over the three years.
10. Waste Management disposal costs are projected to drop from \$125 to \$65 per ton starting January 2018. This will reduce annual disposal costs by approximately \$6.0 million after the initial decline. We are projecting an increase of tonnage of about 1% per year.
11. The Finance department is projected to purchase debt management software in FY 2020.
12. The Central Fleet budget reflects the following commodity prices:
 - Compressed Natural Gas \$1.63 per diesel gallon equivalent (DGE),
 - Diesel fuel at \$2.263 per gallon, and
 - Gasoline at \$1.833 per gallon.
13. Debt service is expected to rise based on the need to issue bonds for upcoming Capital Improvement projects including Greenbrier TIF and School modernization and renovation projects.
14. Non-Departmental items include payments for fire hydrant maintenance, the Hampton Roads Transit operating expenses, Real Estate tax relief, and Economic Development Authority payments anticipated under the Economic Development Incentive Program. The Dollar Tree Inc. expansion agreement provides \$750,000 per year for each of six years following the certificate of occupancy.

City Charter Reserves and Council Policy on Undesignated Fund Balance

The City Charter requires the maintenance of cash reserves equivalent to six percent (6%) of annual General Fund revenue. The City Council also adopted a budget policy to project an undesignated fund balance of at least twelve percent (12%). This schedule includes the Charter and policy reserve requirements. At the start of each year, 18% of the projected revenue growth in the Greenbrier and South Norfolk TIF districts is transferred to the General Fund.

FY 2018 Revenue Projection

General Fund	\$ 559,106,980
South Norfolk TIF	4,683,700
Greenbrier TIF	7,282,400
Total Applicable Revenue	<u>\$ 571,073,080</u>

	<i>Charter Reserve</i>	<i>Undesignated Fund Balance</i>	<i>Total Reserves</i>
<u>Charter reserve requirement</u> - must retain reserve equal to 6% of general fund revenue	\$ 34,264,400		
<u>Policy reserve target</u> - unassigned fund balance will be at least 10% of General Fund Revenue; recommended budgeting at 12%		\$ 68,528,800	
Total reserve requirements	\$ 34,264,400	\$ 68,528,800	\$ 102,793,200
Funds available to meet reserve requirements:			
Reserves at June 30, 2016 (CAFR)	\$ 32,623,282	\$ 65,246,428	\$ 97,869,710
FY 2017 increased reserve requirements:			
From Current GF revenue	1,055,100	2,110,300	3,165,400
From South Norfolk TIF	21,900	43,800	65,700
From Greenbrier TIF	40,900	81,700	122,600
Totals at June 30, 2017	33,741,182	67,482,228	101,223,410
FY 2018 Increased reserve requirements			
From Current GF revenue	436,518	872,572	1,309,090
From South Norfolk TIF	20,100	40,800	60,900
From Greenbrier TIF	66,600	133,200	199,800
Totals at June 30, 2018	\$ 34,264,400	\$ 68,528,800	\$ 102,793,200

Fund Balance Schedules

100 General Fund	FY 2015-16	FY 2016-17	FY 2017-18
Beginning Fund Balance	\$ 154,928,466	\$ 183,442,836	\$ 185,880,289
Revenue collections	534,054,818	543,680,988	559,106,980
Other revenue transactions-Public Schools	168,153	-	-
Transfers from other funds	4,443,250	3,772,760	3,845,060
Total funds available	<u>\$ 693,594,687</u>	<u>\$ 730,896,584</u>	<u>\$ 748,832,329</u>
Expenditures	(261,882,595)	(287,800,709)	(296,260,087)
Encumbrance adjustments close of year	148,511	-	-
Transfers to Chesapeake Public Schools	(181,910,491)	(190,326,834)	(199,716,509)
Transfers to Capital and Grant funds	(16,946,376)	(24,998,766)	(26,783,436)
Transfers to other operating funds	(49,560,900)	(50,459,986)	(51,647,899)
Estimated vacancy savings	-	8,570,000	8,740,000
Ending Fund Balance	<u><u>\$ 183,442,836</u></u>	<u><u>\$ 185,880,289</u></u>	<u><u>\$ 183,164,398</u></u>

Special Revenue Funds

201 <u>Virginia Public Assistance</u>	FY 2015-16	FY 2016-17	FY 2017-18
Beginning Fund Balance	\$ 3,954,094	\$ 6,008,040	\$ 4,256,040
Revenue collections	13,688,863	13,889,669	14,136,371
Transfers from other funds	7,363,268	5,787,808	5,858,549
Total funds available	<u>\$ 25,006,225</u>	<u>\$ 25,685,517</u>	<u>\$ 24,250,960</u>
Expenditures	(18,963,145)	(21,408,286)	(21,904,308)
Transfers to other funds	(35,040)	(21,191)	(21,200)
Ending Fund Balance	<u><u>\$ 6,008,040</u></u>	<u><u>\$ 4,256,040</u></u>	<u><u>\$ 2,325,452</u></u>

203 <u>Interagency Consortium</u>	FY 2015-16	FY 2016-17	FY 2017-18
Beginning Fund Balance	\$ 1,254,014	\$ 950,860	\$ 663,049
Revenue collections	2,351,599	2,002,132	2,249,815
Transfers from other funds	1,450,979	1,414,767	1,460,011
Total funds available	<u>\$ 5,056,592</u>	<u>\$ 4,367,759</u>	<u>\$ 4,372,875</u>
Expenditures	(4,103,046)	(3,704,710)	(3,959,826)
Transfers to other funds	(2,686)	-	-
Ending Fund Balance	<u><u>\$ 950,860</u></u>	<u><u>\$ 663,049</u></u>	<u><u>\$ 413,049</u></u>

Fund Balance Schedules

	FY 2015-16	FY 2016-17	FY 2017-18
204 <u>Fee Supported Activities</u>			
Beginning Fund Balance	\$ 1,067,084	\$ 997,581	\$ 892,826
Revenue collections	976,680	836,300	1,064,116
Transfers from other funds			
Total funds available	\$ 2,043,764	\$ 1,833,881	\$ 1,956,942
Expenditures	(1,042,841)	(941,055)	(1,064,693)
Transfers to other funds	(3,342)	-	(50,000)
Ending Fund Balance	\$ 997,581	\$ 892,826	\$ 842,249
205 <u>Integrated Behavioral Healthcare</u>			
Beginning Fund Balance	\$ 6,371,375	\$ 9,700,464	\$ 9,378,983
Revenue collections	17,610,809	17,167,739	19,021,980
Transfers from other funds	7,805,913	7,850,631	7,533,867
Total funds available	\$ 31,788,097	\$ 34,718,834	\$ 35,934,830
Expenditures	(21,765,675)	(24,698,701)	(27,268,697)
Other Transactions	2,326	-	-
Transfers to Capital Fund	-	(350,000)	(1,579,000)
Transfers to other funds	(324,284)	(291,150)	(287,150)
Ending Fund Balance	\$ 9,700,464	\$ 9,378,983	\$ 6,799,983
206 <u>Conference Center Fund</u>			
Beginning Fund Balance	\$ 3,319,451	\$ 3,826,994	\$ 4,882,476
Revenue collections	5,500,234	5,771,935	6,088,293
Total funds available	\$ 8,819,685	\$ 9,598,929	\$ 10,970,769
Expenditures	(3,622,132)	(3,956,453)	(4,305,626)
Transfers to Capital Fund	(1,108,000)	(760,000)	(880,000)
Transfers to other funds	(262,559)	-	-
Ending Fund Balance	\$ 3,826,994	\$ 4,882,476	\$ 5,785,143
207 <u>E-911 Operations Fund</u>			
Beginning Fund Balance	\$ 2,569,526	\$ 3,231,589	\$ 3,273,573
Revenue collections	6,315,256	6,272,998	6,272,998
Transfers from other funds	-	12,791	6,458
Total funds available	\$ 8,884,782	\$ 9,504,587	\$ 9,553,029
Expenditures	(5,642,057)	(6,231,014)	(6,812,529)
Transfers to other funds	(11,136)	-	-
Ending Fund Balance	\$ 3,231,589	\$ 3,273,573	\$ 2,740,500

Fund Balance Schedules

	FY 2015-16	FY 2016-17	FY 2017-18
208 <u>Juvenile Services</u>			
Beginning Fund Balance	\$ 1,679,105	\$ 2,627,687	\$ 1,893,951
Revenue collections	4,765,722	4,590,119	4,702,388
Transfers from other funds	2,412,027	1,481,637	1,484,574
Total funds available	\$ 8,856,854	\$ 8,699,443	\$ 8,080,913
Expenditures	(6,206,659)	(6,805,492)	(7,205,353)
Transfers to other funds	(22,508)	-	-
Ending Fund Balance	\$ 2,627,687	\$ 1,893,951	\$ 875,560
209 <u>Tax Increment Financing - Greenbrier</u>			
Beginning Fund Balance	\$ 14,792,749	\$ 16,516,415	\$ 18,795,017
Revenue collections	5,565,746	6,172,600	7,282,400
Total funds available	\$ 20,358,495	\$ 22,689,015	\$ 26,077,417
Expenditures	(7,025)	(6,000)	(3,000)
Transfers to Capital Fund	-	-	(10,200,000)
Transfers to Debt Service Fund	(1,470,928)	(1,471,738)	(1,465,613)
Transfers to other funds	(2,364,127)	(2,416,260)	(2,493,460)
Ending Fund Balance	\$ 16,516,415	\$ 18,795,017	\$ 11,915,344
212 <u>Tax Increment Financing - South Norfolk</u>			
Beginning Fund Balance	\$ 6,596,269	\$ 8,701,610	\$ 8,876,840
Revenue collections	4,100,322	4,323,000	4,683,700
Total funds available	\$ 10,696,591	\$ 13,024,610	\$ 13,560,540
Expenditures	(1,394)	(50,000)	(25,000)
Transfers to Capital Fund	(175,000)	(2,316,247)	(1,000,000)
Transfers to Debt Service Fund	(606,123)	(600,023)	(1,009,281)
Transfers to other funds	(1,212,464)	(1,181,500)	(1,176,600)
Ending Fund Balance	\$ 8,701,610	\$ 8,876,840	\$ 10,349,659
800 <u>Mosquito Control Commission</u>			
Beginning Fund Balance	\$ 4,683,791	\$ 3,584,009	\$ 3,344,484
Revenue collections	4,169,468	4,176,400	4,381,400
Total funds available	\$ 8,853,259	\$ 7,760,409	\$ 7,725,884
Expenditures	(3,829,769)	(4,415,925)	(4,481,888)
Pension Expense	(189,481)	-	-
Transfers to Capital Fund	(1,250,000)	-	-
Ending Fund Balance	\$ 3,584,009	\$ 3,344,484	\$ 3,243,996

Fund Balance Schedules

401	<u>Debt Service Fund</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ 24,023,098	\$ 19,340,334	\$ 15,264,067
	Revenue collections	1,325,280	1,201,952	1,306,308
	Tranfers from General Fund	29,872,789	33,878,264	33,804,440
	Transfers from other funds	3,490,706	3,145,038	2,826,474
	Total funds available	\$ 58,711,873	\$ 57,565,588	\$ 53,201,289
	Expenditures	(39,459,983)	(42,301,521)	(41,937,225)
	Other transactions bond issue and premium	88,444	-	-
	Ending Fund Balance	\$ 19,340,334	\$ 15,264,067	\$ 11,264,064

Internal Service Funds

601	<u>City Garage/Central Fleet</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ 3,597,865	\$ 4,087,652	\$ 4,052,237
	Revenue collections	15,554,355	15,977,890	16,535,607
	Transfers from other funds	-	-	1,500,000
	Total funds available	\$ 19,152,220	\$ 20,065,542	\$ 22,087,844
	Expenditures	(14,266,357)	(16,013,305)	(18,035,607)
	Other Financial reporting transactions	(777,198)	-	-
	Transfers to other operating funds	(21,013)	-	-
	Ending Fund Balance	\$ 4,087,652	\$ 4,052,237	\$ 4,052,237

603	<u>Information Technology</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ 2,376,124	\$ 1,678,562	\$ 1,467,563
	Revenue collections	10,021,172	9,830,059	11,283,397
	Transfers from other funds	600,000	9,948	-
	Total funds available	\$ 12,997,296	\$ 11,518,569	\$ 12,750,960
	Expenditures	(9,997,179)	(9,840,006)	(11,283,397)
	Financial reporting transactions	(28,285)	-	-
	Transfers to other operating funds	(19,227)	-	-
	Transfers to Capital Funds	(1,274,043)	(211,000)	(140,000)
	Ending Fund Balance	\$ 1,678,562	\$ 1,467,563	\$ 1,327,563

605	<u>Health Insurance Fund</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ -	\$ (1,684,746)	\$ (1,684,746)
	Revenue collections	16,691,107	34,926,100	40,570,000
	Total funds available	\$ 16,691,107	\$ 33,241,354	\$ 38,885,254
	Expenditures	(18,375,853)	(34,926,100)	(40,570,000)
	Ending Fund Balance	\$ (1,684,746)	\$ (1,684,746)	\$ (1,684,746)

Fund Balance Schedules

606	<u>Risk Management</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ (2,803,071)	\$ (2,555,235)	\$ (2,555,235)
	Revenue collections	6,846,790	9,366,167	9,586,694
	Transfers from other funds	-	311	-
	Total funds available	\$ 4,043,719	\$ 6,811,243	\$ 7,031,459
	Expenditures	(6,566,033)	(9,366,478)	(9,586,694)
	Financial Reporting Transactions	(16,460)		
	Transfers to other funds	(16,461)	-	-
	Ending Fund Balance	\$ (2,555,235)	\$ (2,555,235)	\$ (2,555,235)

Enterprise Funds

501	<u>Public Utilities - Operating Funds</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ 76,892,158	\$ 90,282,631	\$ 92,177,217
	Revenue collections	73,048,141	76,504,511	78,916,555
	Total funds available	\$ 149,940,299	\$ 166,787,142	\$ 171,093,772
	Expenditures - Operations	(56,179,880)	(65,731,058)	(65,829,862)
	Financial reporting transactions-capital	(169,128)	-	-
	Transfers to Capital Fund	(3,308,660)	(8,878,867)	(11,258,745)
	Ending Fund Balance	\$ 90,282,631	\$ 92,177,217	\$ 94,005,165

520	<u>Stormwater - Operating Fund</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ 8,424,631	\$ 9,129,386	\$ 6,428,698
	Revenue collections	15,868,005	16,096,000	16,129,416
	Total funds available	\$ 24,292,636	\$ 25,225,386	\$ 22,558,114
	Expenditures	(10,606,239)	(10,638,688)	(11,094,647)
	Transfers to Capital Fund	(5,066,000)	(8,158,000)	(5,700,000)
	Financial reporting transactions	508,989	-	-
	Ending Fund Balance	\$ 9,129,386	\$ 6,428,698	\$ 5,763,467

525	<u>Chesapeake Transportation System</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Beginning Fund Balance	\$ 17,058,914	\$ 22,715,866	\$ 21,283,275
	Revenue collections	12,015,210	19,289,000	23,348,380
	Total funds available	\$ 29,074,124	\$ 42,004,866	\$ 44,631,655
	Expenditures	(6,734,653)	(19,838,591)	(25,390,770)
	Transfers to Capital Funds	(539,468)	(883,000)	(1,407,850)
	Financial Reporting transactions	915,863		
	Ending Fund Balance	\$ 22,715,866	\$ 21,283,275	\$ 17,833,035

Fund Balance Schedules

900 Chesapeake Public Schools	FY 2015-16	FY 2016-17	FY 2017-18
Beginning Fund Balance	\$ 24,722,732	\$ 25,956,429	\$ 21,118,545
Revenue collections (adjusted for self insurance transfers)	249,651,232	274,568,619	283,623,701
Transfers from other funds	181,910,491	190,326,834	199,716,509
Total funds available	<u>\$ 456,284,455</u>	<u>\$ 490,851,882</u>	<u>\$ 504,458,755</u>
Expenditures	(430,734,910)	(469,733,337)	(488,688,890)
Inventory adjustment net of reversion	257,115	-	-
Financial Reporting Transactions	149,769		
Ending Fund Balance	<u><u>\$ 25,956,429</u></u>	<u><u>\$ 21,118,545</u></u>	<u><u>\$ 15,769,865</u></u>

*FY 2015-16 data from the 2016 Comprehensive Annual Financial Report

Fund Recap

Beginning Fund Balances	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$ 154,928,466	\$ 183,442,836	\$ 185,880,289
Special Revenue Funds	46,287,458	56,145,249	56,257,239
Debt Service Fund	24,023,098	19,340,334	15,264,067
Internal Service Funds	3,170,918	1,526,233	1,279,819
Enterprise Funds	102,375,703	122,127,882	119,889,189
Chesapeake Public Schools Funds	24,722,732	25,956,429	21,118,545
Total Beginning Fund Balances	<u><u>\$ 355,508,375</u></u>	<u><u>\$ 408,538,963</u></u>	<u><u>\$ 399,689,148</u></u>

Ending Fund Balances	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$ 183,442,836	\$ 185,880,289	\$ 183,164,398
Special Revenue Funds	56,145,249	56,257,239	45,290,934
Debt Service Fund	19,340,334	15,264,067	11,264,064
Internal Service Funds	1,526,233	1,279,819	1,139,819
Enterprise Funds	122,127,882	119,889,189	117,601,666
Chesapeake Public Schools Funds	25,956,429	21,118,545	15,769,865
Total Ending Fund Balances	<u><u>\$ 408,538,963</u></u>	<u><u>\$ 399,689,148</u></u>	<u><u>\$ 374,230,745</u></u>

Report of New Positions

Department	Description of Department Request Listed below are department requests and recommended staffing changes for FY 2017-18	Annual Cost of Request	Included in Approved Budget	Change in FTE
Central Fleet	Automotive technician III - new position.	64,515	64,515	1.00
	Automotive technician I - transfer from Public Works (August 2016)	51,906	51,906	1.00
	Reclassify Automotive Tech III to Automotive Tech IV.	5,733	5,733	-
	Reclassify Account Tech I to Account Tech II - not supported.	2,514	-	-
	Reclassify Customer Service Clerk I to Customer Service Clerk II - not supported.	3,420	-	-
	Automotive Technician I for maintenance of sweepers and other stormwater equipment with funding from Stormwater Fund (Public Works).	51,906	51,906	1.00
	Automotive Technician I for roadside repairs with funding from Waste Management Division of Public Works. First year cost includes \$110,000 vehicle with lift. Not supported.	161,906	-	-
Chesapeake Integrated Behavioral Healthcare	Administrative support - Add one account clerk for scanning documents. Medicaid funding is adequate to fund.	40,833	40,833	1.00
	Expand Psycho-Social Rehabilitation - anticipate moving program to former church on Great Bridge Blvd; that will allow for expansion of participants from 38 to 53. Requires six (6) clinicians, one direct support technicians and two van drivers. Medicaid reimbursements would cover a part of the cost.	426,043	-	-
	Add four (4) Peer Recovery Specialists (new job class code) - Not supported by Budget Review Committee	193,245	-	-
	Expand Therapeutic Day Program to two additional public school students. Requires: 9 clinicians. Funding provided by Medicaid.	569,250	569,250	9.00

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Chesapeake Integrated Behavioral Healthcare continued	Redefine Behavioral Healthcare: * Integrate with primary healthcare * Assure assessable, competent, and client focused * Assure emergency assessment/intervention Requires: 1 - two clinicians for Adult Case Mgmt. 2 - one licensed out-patient therapist 3 - one clinician II for child/adolescent case mgmt. 4 - one licensed clinician for intake assessment 5 - one prevention specialist for substance use Funding provided by Medicaid.	384,518	384,518	6.00
City Manager's Office	Reclassify office assistant II to office specialist I and incr. hours	3,796	3,796	.13
	Reclassify assistant to city manager to administrative assistant III.	(36,150)	(36,150)	-
	Reclassify assistant to city manager to deputy city manager.	34,688	34,688	-
Commissioner of the Revenue	Upgrade business tax manager from grade 128 to 130.	8,960	8,700	-
	Upgrade deputy commissioner of revenue from grade 128 to 130 - not supported.	8,840	-	-
	Reclassify auditor to audit supervisor (supported at different grade).	8,700	4,350	-
	Reclassify administrative assistant II to administrative assistant III - not supported.	6,250	-	-
	Upgrade business tax specialist II from grade 119 to grade 120 - not supported.	5,400	-	-
	Reclassify customer service supervisor from grade 118 to grade 120 - not supported.	11,000	-	-
	Reclassify customer service clerk III to account technician III.	4,700	4,700	-
Commonwealth's Attorney	Convert 2 part-time positions (an attorney and one para-legal) to full-time status.	83,380	83,380	0.75
Development and Permits	Business Application Specialist I - needed to support eBuild/Accela online permitting system. Recommend: special projects position funded from Accela capital project.	68,750	-	-

Report of New Positions

Department	Description of Department Request Listed below are department requests and recommended staffing changes for FY 2017-18	Annual Cost of Request	Included in Approved Budget	Change in FTE
Finance	Weekly payroll - 2 staff positions to implement weekly payroll for all positions. Will revisit when and if weekly payroll is implemented.	135,000	-	-
	Converted Special Project Payroll Specialist position a regular full-time position	5,936	5,936	-
	Reclassify debt manager (upgraded in FY 2017)	4,625	4,625	-
	Reclassify three (3) accountant III positions to accountant IV (completed in FY 2017)	24,499	24,499	-
Fire	Lieutenant for Fire Prevention necessary to reduce span of control. Cost includes \$40,000 for equipment in first year.	121,916	121,916	1.00
	Systems Analyst II for Fire Suppression & Emergency Medical Services (32100)	111,373	111,373	1.00
Human Resources	Reclassify human resources coordinator from grade 115 to a human resources coordinator 2 grade 119.	5,409	5,409	-
	Convert human resources generalist to permanent status (wellness coordinator was previously provisional).	7,508	7,508	-
Human Services (Community Services)	Office assistant - convert part time position to full-time status to address increasing workload and support requirements.	24,690	24,690	0.38
Human Services (Juvenile Services)	Eliminate nursing positions - outsourced to improve services and address difficulty retaining nurses.	165,450	165,450	(3.00)
	Reclassify a detention specialist to transportation specialist - withdrawn by department per HR recommendation for a downgraded position	-	-	-
	Reclassify detention specialist to training specialist	6,000	6,000	-
Human Services (Social Services)	Reclassify two (2) office assistant I to two (2) Benefit program aide I			
	Reclassify two (2) data control tech I to two (2) benefits program aide II	10,076	10,076	-
Information Technology	Add one Computer Support Technician for the Computer Operations Program (12512)	63,109	63,109	1.00
Library	Information Specialist for library outreach services	51,906	51,906	1.00
	Reclassify Library Specialist II (grade 116) to Client Technology Analyst I (grade 122). Support reclassification to Library Data Coordinator (grade 119)	4,495	4,495	-

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Parks, Recreation and Tourism	Listed below are department requests and recommended staffing changes for FY 2017-18			
	Additional staffing to open all community centers at 8:30 every morning (reverse closing once weekly). Not supported.	39,552	-	-
	Add Seasonal Ranger Technicians for Splash Pad Operations	3,707	3,707	0.39
	Reclassify account tech III to accountant I - not supported.	8,927	-	-
Planning Department	Management Analyst and Fiscal positions - for HUD grants for functions formerly provided by Chesapeake Redevelopment and Housing Authority.	-	-	2.00
	Recommend adding positions to complement with funding from existing CDBG and Home programs (cost included with grant estimates from funds formerly provided to CRHA).			
	Reclassify principal planner to planning administrator		amendment June 27,	
	Reclassify office coordinator to administrative assistant I - not supported.	4,573	-	-
	Senior Planner needed for community design and responsible for Historic and Architectural Review Board (HARB). HARB considers numerous applications which are often contentious. Position also ensures compliance with HUD regulations related to CDBG and HOME.	95,943	95,943	1.00
Police	Dispatch positions (E911) - additional positions requested to enable division to meet benchmark standards for incoming EMS calls. Department requested 9 positions but indicated that 80% of time constraints would be resolved if more VCIN specialists were added. Recommended: add VCIN specialists instead.	452,304	-	-
	Reclassify business manager to fiscal administrator (title change, no change in grade) - supported	-	-	-
	Office Specialist for Animal Services to assist with adoptions. Not supported.	16,351	-	-
	Office Specialist for training academy	20,738	-	-
	Outreach Coordinator (Animal Services) - request to convert position to full-time status. Not supported.	23,700	-	-
	Payroll/HR technician I (25 hours/week)	52,746	28,080	0.63

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Police continued	Police information associate (part time). Not supported.	25,919	-	-
	Police Officers - second year of three year plan to add nine (9) police officers to the police complement. Estimated cost includes first year equipment. City council amended the budget to include two (2) additional police officers bringing the total additions for FY2018 to four (4) officers.	200,000	400,000	4.00
	Sergeant for Emergency Communications Center (E911)- the current FT sergeant works overtime. Uniformed personnel are not present at all times. Cost includes equipment for first year. Not supported.	91,626	-	-
	Sergeant Warrant Unit requested for supervision for warrant staff (6 officers and 1 clerk). Cost includes equipment for first year. Not supported.	91,626	-	-
	Video Technicians (part-time) - Not supported.	28,914	-	-
	Virginia Crime Information Network (VCIN) office specialists to maintain the VCIN database during evening shift, thus dispatch personnel can focus on incoming calls. Added six (6) VCIN office specialist I and two (2) VCIN office specialist II.	430,723	430,723	8.00
	Construction inspector III for department's capital projects previously provided by Development and Permits. Since development activity has increased, D&P can no longer provided inspection services.	64,520	64,520	1.00
Convert two (2) part-time water meter techs to full-time	49,340	49,340	0.75	
Crew supervisor required to conduct valve and fire hydrant maintenance as recommended by American Water Works Association.	58,200	58,200	1.00	
Crew leader for crew supervision in wastewater maintenance and operations section.	51,900	51,900	1.00	
Customer service clerks needed for Customer billing system (currently paid from CIS project implementation).	197,120	197,120	4.00	
Laboratory technician for Northwest River Water Treatment Plant	49,280	49,280	1.00	
Laborer/Operators required to assist with sanitary sewer inspections, washings, and repairs. Department amended request to defer until FY 2019.	81,760	-	-	

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Public Utilities continued	Pro-Rata Program - require engineer and accountant to property execute and account for developer provided improvements, related customer receipts, and re-payments to developers.	156,330	156,330	2.00
	Utilities Locator to address growing demands of location marking to avoid damage and service interruptions	51,900	51,900	1.00
	Water meter technicians to address the backlog of old, inaccurate water meter replacements (accuracy declines as meters age).	83,840	83,840	2.00
	Water production superintendent - Convert one full-time engineer to water production superintendent for Northwest River Water Treatment Plant	7,920	7,920	-
Public Works	Contractual Services (Paving) - Staff Add one Engineering Tech 4 to plan and manage \$5 million annual paving contract, pavement maintenance system, and new guard rail maintenance contract. Replaces positions sent to bridges.	71,690	71,690	1.00
	Waste management operator - position reclassified as auto tech and transferred to Central Fleet	(46,980)	(46,980)	(1.00)
	Convert part-time customer service clerk to full time in Waste Management Division.	11,170	11,170	0.20
	Customer service clerk for Stormwater Division - add part-time position	17,880	17,880	0.63
	Environmental specialist - transfer from Engineering Division (GF) to Stormwater Environmental Quality	(100,730) 100,730	(100,730) 100,730	(1.00) 1.00
	Management Analyst - for efficiency and process improvements, collection and analysis of data. Also needed to implement performance-based budgeting. Position would serve waste management, operations, and administration. Not supported.	79,500	-	-
	Reclassify construction inspector supervisor (grade 125) to engineering technical supervisor I (grade 127) - not supported.	9,539	-	-
	Reclassify construction inspector supervisor from grade 119 to grade 123 - not supported.	6,691	-	-
	Reclassify three (3) general supervisors to building maintenance coordinators.	22,000	22,000	-

Report of New Positions

Department	Description of Department Request Listed below are department requests and recommended staffing changes for FY 2017-18	Annual Cost of Request	Included in Approved Budget	Change in FTE
Public Works, continued	Reclassify office specialist I to office assistant II (downgrade)	(1,784)	(1,784)	-
	Reclassify facility maintenance superintendent to assistant municipal facilities administrator - not supported.	8,000	-	-
	Skills Incentive Program - annual bonuses for maintaining required skill-based training or certifications. Covered groups include CCTV operator, pesticide applicators, concrete finishers/masons. Not supported.	150,000	-	-
	Streets - Increase Pothole Patching Capabilities - requires three (3) motor equipment operators and three (3) pothole patching trucks (\$525,000). Recurring cost of \$150,000. Not supported.	675,000	-	-
	Waste Management - upgrade six (6) operators to address training, crew supervision, and reassignment to fill absences.	31,200	31,200	-
	Waste Management worker for maintenance of customer collection bins.	42,320	42,320	1.00
Real Estate Assessor	Reclassify office coordinator (grade 115) to office manager (grade 118). Recommend upgrade to administrative assistant 1 (grade 119).	4,535	4,535	-
	Reclassify appraisal clerk supervisor to office coordinator - not supported.	2,204	-	-
Sheriff	Convert sergeant position to fiscal administrator. Request supported.	-	-	-
	Open Jail Annex - requires added supervision: 1 lieutenant, 5 sergeants, and 5 deputies. New funding from Compensation Board to cover costs.	1,102,500	1,102,500	11.00
	Inmate Transportation - add 4 deputies for Temporary Detention Orders (TDO). Estimated costs include 3 vehicles (\$86,000). Not supported.	314,704	-	-
	Court Security - add four deputies and two screeners - not supported, however Reclassify two (2) Security Officer I to Security Officer II	306,104	9,950	-
	Reclassify three (3) security officer I (grade 105) to court/jail security screener II (grade 114) - not supported.	19,085	-	-

Report of New Positions

Department	Description of Department Request	Annual Cost of Request	Included in Approved Budget	Change in FTE
Sheriff continued	Reclassify four (4) security officer I (grade 105) to court/jail security screener II (grade 110) - not supported.	20,262	-	-
	Reclassify three (3) part-time security officer I (grade 105) to part-time court/jail security screener II (grade 110) - not supported.	8,745	-	-
	Reclassify account technician I to account technician III - not supported.	4,660	-	-
	Warrants - add 2 deputies for Criminal Apprehension Unit to augment the three officers currently assigned. Estimated costs for first year include two vehicles (\$68,000). Not supported.	182,352	-	-
	Civil Enforcement - add 2 deputies to address capacity. First year includes \$60,000 for 2 vehicles. Not supported.	174,352	-	-
	Add an information specialist (grade 114) for jail library and to address legal research requests from inmates (restores position was eliminated during recession).	60,379	60,379	1.00
	Grand totals	8,621,662	4,932,780	64.72
<i>Total positions requested - 111.645 FTE</i>				
RECAP BY FUND:				
General Fund	4,906,588	2,630,524	30.34	
Chesapeake Integrated Behavioral Healthcare	1,613,889	994,601	16.00	
E911 Fund	543,930	-	-	
Social Services Fund	10,076	10,076	-	
Juvenile Services Fund	171,450	171,450	(3.00)	
Grant Positions	-	-	2.00	
Public Utilities	852,110	770,350	13.75	
Stormwater Fund	118,610	118,610	1.63	
Information Technology Fund	63,109	63,109	1.00	
Central Fleet	341,900	174,060	3.00	
Totals by Fund	8,621,662	4,932,780	64.72	

PROPOSED CHANGES IN EMPLOYEE COMPENSATION

The FY 2018 operating budget includes a 2.5% general wage increase for all eligible employees hired before January 1, 2017. It also includes a provision for performance recognition and market adjustments for several job classifications whose pay is significantly below neighboring municipalities. Market adjustments ensure the City's pay ranges remain competitive and better enable the City to attract and retain qualified personnel. Pay raises are scheduled as follows:

- Eligible employees paid weekly – 2.5% pay raise is effective July 3, 2017
- Eligible employees paid semi-monthly – 2.5% pay raise is effective July 7, 2017
- Market adjustments for employees in select job classifications whose pay range is significantly below the Hampton Roads market average – will be effective July 3, 2017 for employees paid weekly and July 7, 2017 for employees paid semi-monthly.
- Seasonal and substitute – the seasonal/substitute pay scale is currently 5% below the pay scale used for regular part-time and full-time employees. Seasonal/substitute employees, on average, work comparable hours per week performing comparable work to regular part-time employees in the same job titles. As such, it is recommended they be paid based on the same pay scale as regular part-time employees. Pay adjustments are recommended to bring seasonal/substitute employees to the minimum of their pay grade within the general employee pay scale. Changes for seasonal and substitute employees will be effective August 7, 2017.

OTHER CHANGES PROPOSED:

Position Reclassifications: Position reclassifications approved in the FY 2018 budget will be effective on or after the beginning of the first full applicable pay period in July 2017 after the general wage increase has been implemented.

Pay structure adjustments: the pay ranges for all wage scales will be increased by 2.5% effective August 7, 2017. As part of structural adjustments, the Seasonal/Substitute Hourly Wage Rate Scale will be eliminated and affected employees transferred to the regular pay scales.

Competitive Wage Rate: Currently, the City's competitive wage rate (i.e. living wage) for regular full-time employees is established at \$10.30 per hour. Based on a review of the change in the Consumer Price Index and U.S. Federal Poverty Guidelines, an increase to \$10.56 per hour (2.5%) is proposed effective August 7, 2017.

Merit increases: Funding for merit pay increases is once again included in the operating budget for high performing employees. Increases will be effective October 2, 2017 for employees paid weekly and October 7, 2017 for employees paid semi-monthly.

The total cost of proposed employee pay enhancements is \$6.8 million.

Authorized Positions - Full Time Equivalents (FTE)

Department	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	5-Year Change
GOVERNANCE & MANAGEMENT SERVICES						
Audit Services	6.00	6.00	6.00	6.00	6.00	0.00
Budget	6.26	6.26	6.26	6.26	6.26	0.00
City Attorney	15.55	17.55	19.63	20.00	20.00	4.45
City Clerk	6.50	6.50	6.50	7.00	7.00	0.50
City Council	9.00	9.00	9.00	9.00	9.00	0.00
City Manager	10.00	9.50	9.50	10.50	10.63	0.63
City Treasurer	47.61	48.61	49.03	49.90	49.90	2.29
Commissioner of Revenue	41.22	42.22	42.22	42.22	42.23	1.01
Customer Contact Center	9.80	9.80	9.80	9.80	9.63	(0.17)
Finance	23.38	24.25	24.25	25.25	25.25	1.87
Human Resources	20.63	23.25	23.63	22.63	21.63	1.00
Public Communications	11.40	12.00	12.00	12.00	12.00	0.60
Purchasing	11.00	12.00	11.63	11.63	11.63	0.63
Real Estate Assessor	30.00	30.00	29.00	29.00	29.00	(1.00)
Registrar/Electoral Board	8.79	8.54	8.54	8.54	8.54	(0.25)
Sub-total	257.14	265.48	266.99	269.73	268.70	11.56
QUALITY COMMUNITY OF LIFE:						
Integrated Behavioral Healthcare	241.81	245.28	246.42	263.90	290.90	49.09
Health	8.40	8.40	8.40	9.03	9.03	0.63
Human Services						0.00
Community Programs	9.80	10.80	10.63	10.63	11.00	1.20
Interagency Consortium	4.00	4.00	4.00	4.00	4.00	0.00
Juvenile Services*	83.95	87.05	97.43	99.56	96.38	12.43
Social Services	226.35	245.48	252.35	252.73	255.65	29.30
Library	123.00	124.53	124.73	125.25	126.25	3.25
Mosquito Control	47.51	41.51	41.51	44.63	44.63	(2.88)
Parks & Recreation*	212.96	222.88	229.10	235.35	237.75	24.79
Sub-total	957.78	989.93	1,014.57	1,045.08	1,075.59	117.81

Authorized Positions - Full Time Equivalents (FTE)

Department	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	5-Year Change
ECONOMIC & ENVIRONMENTAL VITALITY:						
Agriculture	6.00	6.00	6.00	6.00	6.00	0.00
Conference Center /Conventions &Tourism	36.00	7.00	7.00	7.00	7.00	(29.00)
Development & Permits	78.00	80.00	80.00	75.00	76.00	(2.00)
Economic Development Planning Department	12.23	10.63	10.63	11.00	11.00	(1.23)
Public Utilities	210.26	212.26	222.01	232.51	246.26	36.00
Public Works	455.35	463.10	467.74	476.14	478.22	22.87
Sub-total	820.34	801.99	816.38	831.28	849.11	28.77
PUBLIC SAFETY & JUSTICE:						
Police	548.86	552.24	552.24	564.47	577.09	28.23
Fire	442.62	445.82	445.82	447.06	449.06	6.44
Sheriff's Office	400.00	399.87	404.08	415.20	428.20	28.20
Circuit Court	6.75	6.00	6.00	6.00	6.00	(0.75)
Clerk of the Circuit Court	32.00	32.00	32.00	32.00	32.00	0.00
Commonwealth's Attorney	45.60	45.60	45.26	45.26	46.00	0.40
Sub-total	1,475.83	1,481.53	1,485.40	1,509.99	1,538.35	62.52
NON-DEPARTMENTAL						
Central Fleet	35.50	36.50	36.50	37.75	40.75	5.25
Information Technology	56.00	57.00	56.50	54.00	55.00	(1.00)
Risk Management	4.00	4.00	4.00	4.00	4.00	0.00
Sub-total	95.50	97.50	97.00	95.75	99.75	4.25
TOTAL	3,606.59	3,636.43	3,680.34	3,751.83	3,831.50	224.91

* Adjusted for seasonal/substitute pooled positions

Grant Summary

The City receives grants and donations from a variety of sources. Grants and donations are held in a fund separate from City Operational Funds; however, grants are a part of the annual appropriation and are included here for that purpose. Unlike the rest of the operating budget, grants typically have a term that extends beyond the fiscal year in which they are awarded. Each year the City is awarded grants that total approximately \$9.0 million. The grants listed below include staff estimates of FY 2019 awards from agencies that currently fund activities of the City. If an actual grant award for FY 2019 is smaller than the amount shown here, the related project budget will be reduced to the actual amount awarded. Conversely, if an award is greater than the amount shown, Council will be notified of the actual award and along with a request to increase the budget accordingly.

The budget also includes a contingency of \$4.0 million to account for new grant awards that may be received during the year. The contingency is completely funded from future grant awards and includes no City money. The contingency amount is only released with authority of City Council upon the receipt of new grant awards

FED	Federal grants	FSL	Federal grants with state and local match requirements
VA	Commonwealth grants		
LOC	Local grants	SL	Commonwealth grant with local match requirements
DON	Donations		

Grant Title	Funding Source	FY15-16 Awarded	FY16-17 Expected	FY17-18 Proposed
City Clerk				
Veterans Memorial Donations	DON	\$ -	\$ -	\$ 25,000
Commonwealth Attorney				
Boy's and Girl's Conferences	DON	\$ -	\$ -	\$ 2,000
Domestic Violence	VA	40,000	45,000	45,000
Subtotal		\$ 40,000	\$ 45,000	\$ 47,000
Circuit Court Clerk				
Technology Trust fund	VA	\$ -	\$ 100,000	\$ 100,000
Library of VA	VA	-	-	30,000
Subtotal		\$ -	\$ 100,000	\$ 130,000

City of Chesapeake, Virginia
 FY 2017-18 Operating Budget

Grant Summary

Grant Title	Funding Source	FY15-16 Awarded	FY16-17 Expected	FY17-18 Proposed
Fire				
Fire Donations	DON	\$ -	\$ -	\$ 25,000
Fire Programs - State	VA	667,360	670,000	670,000
Four For Life	VA	203,840	205,000	205,000
Hazardous Materials Training	FED	-	15,000	15,000
Local Emergency Management				
Performance Grant	FED	40,000	71,284	71,284
Radio Communications Cache Grant	FED	139,000	150,000	150,000
Rescue Squad Assistance Grant	VA	-	-	-
SHSP Community Preparedness	FED	-	40,000	40,000
SHSP Foam Team Sustainment	FED	-	100,000	100,000
SHSP Hampton Roads Incident Management Team Sustainment	FED	200,000	200,000	150,000
Subtotal		\$ 1,250,200	\$ 1,451,284	\$ 1,426,284
Human Services				
Chesapeake Bay Grant	VA	\$ 6,000	\$ 6,000	\$ 6,000
Virginia Department of Forestry	VA	3,800	4,750	4,750
Community Corrections	VA	584,558	584,558	584,558
Court Appointed Special Advocate (CASA) Grant	VA	43,663	96,617	96,617
USDA Summer Food Program Grant	FED		120,000	120,000
Guardianship Grant	VA	54,000	54,000	54,000
Promoting Safe and Stable Families	FSL	115,955	115,955	115,955
Subtotal		\$ 807,976	\$ 981,880	\$ 981,880
Library				
Friends of Chesapeake Library	DON	\$ -	\$ -	\$ 11,000
Library Donations	DON	-	-	15,000
Subtotal		\$ -	\$ -	\$ 26,000
Parks, Recreation & Tourism				
Litter Prevention & Recycling Program Grant	VA	\$ 32,000	\$ 32,000	\$ 32,000
Local Government Challenge Grant	VA	10,000	10,000	10,000
Park Donations	DON	-	-	25,000
Urban Forestry Grant	FED	1,500	1,500	-
Subtotal		\$ 43,500	\$ 43,500	\$ 67,000

Grant Summary

Grant Title	Funding Source	FY15-16 Awarded	FY16-17 Expected	FY17-18 Proposed
Planning				
Community Development Block Grant (CDBG)	FED	\$ 990,238	\$ 1,020,417	\$ 1,013,260
HOME Investment Partnerships Program (HOME)	FED	394,356	361,613	363,429
Subtotal		\$ 1,384,594	\$ 1,382,030	\$ 1,376,689
Police				
Animal Services	DON	\$ -	\$ -	\$ 8,000
COPS Grant	FED	53,613	-	-
Edward Byrne Memorial Justice Assistance Grant	FED	130,000	115,000	116,416
Local Training Academy	LOC	40,000	45,000	45,000
Police Donations	DON	-	-	20,000
Public Safety Drug Enforcement Grant	FSL\SL	180,000	150,000	180,000
Selective Enforcement - Alcohol	VA	35,000	35,000	32,300
Selective Enforcement - Occupant	VA	14,000	14,000	15,300
Virginia Rules Camp	VA	-	3,500	4,775
Wireless Education	VA	-	-	2,000
Subtotal		\$ 452,613	\$ 362,500	\$ 423,791
Sheriff				
Seized Assets	VA	\$ 4,000	\$ 4,000	\$ 4,000
Victim Witness	VA	398,557	398,557	697,961
Subtotal		\$ 402,557	\$ 402,557	\$ 701,961
Provision for future grant awards Released upon acceptance by City Council		\$ 4,500,000	\$ 4,160,216	\$ 4,000,000
Total		\$ 8,881,440	\$ 8,928,967	\$ 9,205,605

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